



# ANGLO-FRENCH DRUGS & INDUSTRIES LIMITED

18<sup>th</sup> July, 2022

To,

Listing Compliance Department  
**Metropolitan Stock Exchange of India Ltd.**  
Vibgyor Towers, 4<sup>th</sup> Floor, Plot No. C-62,  
G-Block, Opposite Trident Hotel,  
Bandra Kurla Complex,  
Bandra (E), Mumbai- 400098

Dear Sir,

**Sub: Submission of Notice of 99<sup>th</sup> Annual General Meeting (AGM) and Annual Report for the Financial Year 2021-2022**

Pursuant to the requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Notice of 99<sup>th</sup> Annual General Meeting (AGM) of the Company together with Annual Report for the financial year 2021-22 which was dispatched through electronic mode to all Members whose email addresses are registered with Company/ Registrar & Transfer Agent/Depositories..

Please be informed that the Register of Members and the Share Transfer Books of the Company will remain closed from 3<sup>rd</sup> August, 2022 to 10<sup>th</sup> August, 2022 both days inclusive, for the purpose of Annual General Meeting.

Further, aforesaid Notice and Annual Report have also been uploaded on website of the Company at [www.afdil.com](http://www.afdil.com).

Kindly take the above information on your records.

Thanking You,

Yours Faithfully,  
For **Anglo-French Drugs & Industries Limited**,

*Harshwardhan Murarka*

**Harshwardhan Murarka**  
Chief Financial Officer



**Place: Bengaluru**

Encl: a/a

**99<sup>th</sup>**

**ANNUAL REPORT**

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**2021-22**



**Anglo-French Drugs & Industries Limited**





## Anglo-French Drugs & Industries Limited

No.41, 3<sup>rd</sup> Cross, V Block, Rajajinagar,

Bengaluru – 560 010.

CIN: L24230KA1923PLC010205

Website: [www.afdil.com](http://www.afdil.com)

### NOTICE CONVENING ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **Ninety-Ninth (99<sup>th</sup>)** Annual General Meeting of the Members of Anglo-French Drugs & Industries Limited ("Company") will be held on Wednesday, 10<sup>th</sup> August 2022 at 4.30 p.m. at Plot No.4, Phase II, Peenya Industrial Area, Peenya, Bengaluru - 560058, Karnataka, to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company, for the financial year ended 31<sup>st</sup> March 2022 together with the Report of the Board of Directors and Auditors thereon.
2. To declare final dividend on equity shares for the financial year ended 31<sup>st</sup> March 2022.
3. To appoint a Director in place of Mr. Rakesh Kanyadi (DIN: 08532438), who retires by rotation and being eligible, offers himself for re-appointment.
4. To reappoint Statutory Auditors and fix their remuneration.

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed thereunder and based on the recommendation of the Audit Committee and the Board of Directors of the Company M/s KAMG & Associates, Chartered Accountants (FRN: 311027E), be and hereby reappointed as statutory auditor of the Company, to hold office for second term of five years from the conclusion of the 99<sup>th</sup> AGM until the conclusion of the 104<sup>th</sup> AGM, on such remuneration and out-of-pocket expenses, as may be decided by Board of Directors of the Company".

**RESOLVED FURTHER THAT** the Board of Directors of the company be and here by authorized to decide and/or alter the terms and conditions of the appointment including the remuneration for subsequent financial years as it may deem fit".

#### SPECIAL BUSINESS

5. Appointment and ratification of remuneration of Cost Auditors of the Company for the Financial Year 2022-23

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

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of M/s. Rao Murthy & Associates, Cost Accountants (Firm Registration No.000065) as Cost Auditors of the Company and as approved by the Board on the recommendation of the Audit Committee, to conduct the audit of Cost records of the Company for the Financial Year

2022-23 and ratification of remuneration payable to them amounting to ₹ 70,000/- (Rupees Seventy Thousand Only) per annum, plus taxes and reimbursement of out of pocket expenses in connection with the aforesaid audit be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

By order of the Board of Directors,

For Anglo-French Drugs & Industries Ltd.

Date: 12<sup>th</sup> May 2022

Place: Bangalore

**Harshwardhan Murarka**

**Chief Financial Officer**

#### Registered Office:

No.41, 3<sup>rd</sup> cross,  
V Block, SSI Area,  
Rajajinagar, Bengaluru- 560010.

#### **Notes:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 20/2020, 14/2020, 17/2020, 02/2021 and Securities and Exchange Board of India ('SEBI') vide its Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 (hereinafter collectively referred to as "the Circulars"), has permitted that Notice of the AGM along with the Annual Report 2021-22 be sent through electronic mode. In view of this, Notice along with Annual report is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or RTA or CDSL / NSDL ("Depositories"). Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.afdil.com](http://www.afdil.com) and website of the Stock Exchange - MSEI Limited at [www.msei.in](http://www.msei.in)
2. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013, and Rules made thereunder in respect of the Special Business set out in the notice, Secretarial Standards on General Meeting (SS-2), whenever applicable, and SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations") whenever applicable, is annexed hereto.
3. With reference to Ministry's General Circular Nos. 20/2020 dated 05.05.2020, General Circular No. 02/2021 dated 13.01.2021, General Circular No. 19/2021 dated 08.12.2021 and 21/2021 dated 14.12.2021, it has been decided to allow the companies whose AGMs are due in the year 2022 to conduct their AGM on or before 31<sup>st</sup> December 2022 through Video Conference (VC) or Other Audio Visual Means(OAVM) in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No.20/2020 dated 05.05.2020.
4. IN TERMS OF SECTION 105 OF THE COMPANIES ACT, 2013 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER AND THE



PROXY FORM, TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

5. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable. Members, Proxies and Authorized Representatives are requested to bring to the meeting the enclosed Attendance Slip duly completed and signed, mentioning therein details of their DP ID and Client ID/ Folio No.
6. Corporate Members intending to attend the AGM through their authorized representatives are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. Notice of the said Meeting along with Annual Report, Attendance Slip, Proxy Form and Route map for venue of the Meeting are being sent by electronic mode to all those members whose e-mail addresses are registered with the Company/RTA or Depositories for communication purposes unless any member has requested for a hard copy of the same. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.afdil.com](http://www.afdil.com).
8. Green Initiative: To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Registrar & Transfer Agents, M/s. Canbank Computer Services Limited ("CCSL"), in case the shares are held by them in physical form.
9. In compliance with the aforesaid MCA Circulars and SEBI Circular, the Notice of the 99<sup>th</sup> AGM and other documents are being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 99<sup>th</sup> AGM and the Annual Report for the year 2022 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
  - a. For Members holding shares in physical form, please send scanned copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self- attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address at: [compliance@afdil.com](mailto:compliance@afdil.com)
  - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

#### Dividend related information:

10. The final dividend of ₹1.50/- per fully paid-up Equity share of ₹10/- each as recommended by Board of Directors, if approved by the Members at the AGM, will be paid subject to deduction of income-tax at source ('TDS') on or after Wednesday, 17<sup>th</sup> August 2022 to those members whose names appear on the Register of Members as on Tuesday, 2<sup>nd</sup> August 2022.
11. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their

demat accounts, will be used by the Company for payment of dividend.

12. Members holding shares in physical/electronic form are required to submit their bank account details, if not already registered, as mandated by SEBI.
13. Shareholders holding shares in dematerialized mode are requested to register complete bank account details with the Depository Participant(s) and shareholders holding shares in physical mode shall send a duly signed request letter to CCSL mentioning the name, folio no., bank details, self-attested PAN card and original cancelled cheque leaf. In case of absence of name of the first shareholder on the original cancelled cheque or initials on the cheque, bank attested copy of first page of the Bank Passbook/Statement of Account along with the original cancelled cheque shall be provided.
14. In case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend by way of demand draft to such shareholder by post.
15. Members may note that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by the Company after 1<sup>st</sup> April 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of shareholders in the ensuing AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company.
  - a. All Shareholders are requested to ensure that the below information & details are completed and/or updated, as applicable, in their respective demat account(s) maintained with the Depository Participant(s); or in case of shares held in physical form, with CCSL, on or before the **Record Date i.e. Tuesday, August 2, 2022**.

Please note that the following information & details, if already registered with CCSL and Depositories, as the case may be, will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

- I. Valid Permanent Account Number (PAN)\*
- II. Residential status as per the Income Tax Act i.e. Resident or Non-Resident for FY 2021-22
- III. Category of the Shareholder viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, AIF Category III, Government (Central/State Government), Foreign Portfolio Investor (FPI)/Foreign Institutional Investor (FI): Foreign Company, FPI/FII: Others (being Individual, Firm, Trust, Artificial Juridical Person, etc.), Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, Foreign Company, Overseas Corporate Bodies, etc.
- IV. Email Address.
- V. Residential Address.

\*If the PAN is not as per the database of the Income-tax Portal, it would be considered as invalid PAN. Further as per the Notification of Central Board of Direct Taxes, individual shareholders are requested to link their Aadhaar number with PAN.

- b. For Resident Shareholders, TDS is required to be deducted at the rate of 10% under Section 194 of the Income Tax Act, 1961 on the amount of dividend declared and paid by the Company in the financial year 2022-23

provided valid PAN is registered by the Shareholder. If the valid PAN is not registered, the TDS is required to be deducted at the rate of 20% under Section 206AA of the Income Tax Act, 1961.

However, in case the dividend is not exceeding ₹ 5,000 in a fiscal year to resident individual shareholder then no tax will be deducted from the dividend. If any resident individual shareholder is in receipt of Dividend exceeding ₹ 5,000 in a fiscal year, entire dividend will be subject to TDS @ 10%.

Even in the cases where the shareholder provides valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income), no TDS shall be deducted.

- c. For Non-resident shareholders [Including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)], the TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 195 or 196D of the Income Tax Act, 1961, as the case may be. Further, as per Section 90 of the Income Tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder, if they are more beneficial to them.

For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:

- I. Self-attested copy of the PAN allotted by the Indian Income Tax authorities;
  - II. Self-attested copy of valid Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident;
  - III. Self-declaration in Form 10F; and
  - IV. Self-declaration in the attached format certifying:
    - Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2022-23;
    - Shareholder is eligible to claim the beneficial Double Taxation Avoidance Agreement (DTAA) rate for the purposes of tax withholding on dividend declared by the Company;
    - Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
    - Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
    - Shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2022-23.
- d. The draft of the aforementioned documents may also be accessed from the Company's website at [www.afdil.com](http://www.afdil.com).
- e. Submission of tax related documents:

### Resident Shareholders

The aforesaid documents such as Form 15G/15H, documents under Sections 196, 197A, etc. can be uploaded on the link <http://59.97.21.164/ANGLO/HolderDtls.aspx> on or before Tuesday, 2<sup>nd</sup> August 2022 to enable the Company to determine the appropriate TDS/withholding tax rate applicable. Any communication on the tax determination/ deduction received post Tuesday, 2<sup>nd</sup> August 2022 shall not be considered.

Shareholders can also send the scanned copies of the documents mentioned above at the email id mentioned below:

Email ID:	canbankrta@ccsl.co.in
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### Non-Resident Shareholders

Shareholders are requested to send the scanned copies of the documents mentioned above at the email id mentioned below:

Email ID:	canbankrta@ccsl.co.in
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These documents should reach us on or before Tuesday, 2<sup>nd</sup> August 2022 in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination/ deduction shall be entertained post Tuesday, 2<sup>nd</sup> August 2022.

- f. It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.
16. **Share Transfer permitted only in Demat:** As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed Companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Canbank Computer Services Limited ("CCSL") for assistance in this regard.
  17. **Nomination:** Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the Members may please contact their respective depository participant. The Form SH-13 is available on the website of the Company at [www.afdil.com](http://www.afdil.com).
  18. **Submission of PAN:** SEBI has mandated the submission of PAN by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases, viz. (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.
  19. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or CCSL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
  20. The Company has established the Electronic Connectivity with NSDL and CDSL to facilitate holding and transfer of shares in de-materialized form. The International Securities Identification Number (ISIN) allotted to the Company's equity is INE570E01016. The shareholders may get their holding into de-materialized form.



21. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
22. Relevant documents referred to in the Notice and the explanatory statement are open for inspection by the members at the Registered Office of the Company during the normal business hours on all working days (i.e., except Saturdays, Sundays and Public Holidays) up to the date of AGM. The aforesaid documents will also be available for inspection by the members at the meeting.
23. **Shareholders' Communication:** Members who wish to claim dividends, which remain unclaimed, are requested to either correspond with the Secretarial Department at the Company's Registered Office or the Company's Registrars and Share Transfer Agents M/s Canbank Computer Services Ltd.
24. The Register of Members and the Share Transfer Books of the Company will remain closed from 3<sup>rd</sup> August 2022 to 10<sup>th</sup> August 2022 (both days inclusive).
25. The route map showing directions to reach the venue of the Ninety Ninth (99<sup>th</sup>) Annual General Meeting is annexed to this notice.
26. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Circulars issued by MCA and SEBI, the Company has provided a facility of casting the votes by the Members using an electronic voting system from a place other than venue of AGM ("remote e-Voting") through the electronic voting service facility

arranged by National Securities Depository Limited (NSDL).

## 1. INSTRUCTIONS FOR CASTING VOTES BY REMOTE E-VOTING

The remote e-voting period commences on Saturday, 6<sup>th</sup> August, 2022 at 9.00 A.M. and ends on Tuesday, 9<sup>th</sup> August, 2022 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, 2<sup>nd</sup> August, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, 2<sup>nd</sup> August, 2022.

### How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

##### A. Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>  <b>App Store</b>      <b>Google Play</b> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B. Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL





account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
    - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

#### **Step 2: Cast your vote electronically on NSDL e-Voting system.**

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [info@swaroopsuri.com](mailto:info@swaroopsuri.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Tejas Chaturvedi at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **Process for those shareholders whose email ids are not registered with the depositories/ company for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [compliance@afdil.com](mailto:compliance@afdil.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [compliance@afdil.com](mailto:compliance@afdil.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### **27. Other information:**

- The remote e-voting period commences on Saturday, 6<sup>th</sup> August, 2022 at (9.00 a.m. IST) and ends on Tuesday, 9<sup>th</sup> August, 2022 (5.00 p.m. IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date i.e. Tuesday, 2<sup>nd</sup> August, 2022 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- The facility for voting, either through electronic voting system or ballot paper shall also be made available at the meeting and Members attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right at the meeting.
- The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

## Anglo-French Drugs & Industries Limited

- The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on cut-off date i.e. Tuesday, 2<sup>nd</sup> August, 2022.
- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting.
- Swaroop Suryanarayana, Practicing Company Secretary of M/s. Swaroop Suri & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as voting at the meeting, in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.afdil.com](http://www.afdil.com) immediately after the results are declared and the

same shall be communicated to Metropolitan Stock Exchange of India Limited, where the shares of the Company are listed.

- Electronic Copy of the Annual report for 2021-22 is being sent, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form to all members whose email ids are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same.
- Members may also note that the Notice of the 99<sup>th</sup> AGM and the Annual Report FY 2021-22 will be available on website of the Company and Stock Exchange.

By order of the Board of Directors

For Anglo-French Drugs & Industries Ltd.

**Date:** 12<sup>th</sup> May, 2022

**Place:** Bangalore

**Registered Office:**

No.41, 3<sup>rd</sup> cross,  
V Block, SSI Area,  
Rajajinagar,  
Bengaluru- 560010.

**Harshwardhan Murarka**  
**Chief Financial Officer**



## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

#### ITEM NO.4

In accordance with the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors Rules, 2014), M/s. KAMG & Associates, (KAMG) were appointed as the statutory auditor of the Company, at the 94<sup>th</sup> Annual General Meeting held on 21<sup>st</sup> September 2017, to hold office for a period of five years from the conclusion of the 94<sup>th</sup> AGM till the conclusion of the 99<sup>th</sup> AGM.

M/s KAMG & Associates, would be completing their first term of five years at the conclusion of this 99<sup>th</sup> AGM. The Board, on the recommendation of the Audit Committee, has recommended the re-appointment of KAMG for the second term of five years to hold office from the conclusion of the 99<sup>th</sup> AGM till the conclusion of the 104<sup>th</sup> AGM at a remuneration plus applicable taxes and reimbursement of out of pocket expenses, as the Board of Directors may fix."

KAMG & Associates, Chartered Accountants, was set up in October, 1977 with head-office in Kolkata as a partnership firm. The firm has been providing various services as are provided by Chartered Accountants, particularly in the field of financial and Statutory Audits, Internal Audit, Taxation and many other management and counselling services.

The Company has received confirmation and consent from KAMG that they are eligible for reappointment under Section 139 and 141 of the Companies Act, 2013. Considering the past performance, experience, and expertise of KAMG, and based on the recommendation of the Audit Committee, the Board recommends reappointment of statutory auditor, as set out in the resolution in Item no.4, for approval of the members as an ordinary resolution.

None of the directors and key managerial personnel and their relatives are concerned or interested, financially or otherwise in the Resolution.

#### ITEM NO.5

On recommendation of the Audit Committee, the Board of Directors of the Company at their meeting held on 12<sup>th</sup> May 2022 approved the appointment of M/s. Rao, Murthy & Associates, Cost Accountants, (Firm Registration No.000065) as Cost Auditor of the Company, to conduct the audit of Cost records relating to Pharmaceutical Formulations for the Financial Year 2022-23 at a remuneration of ₹70,000/- (Rupees Seventy Thousand Only) per annum, plus taxes and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit.

In accordance with the provision of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, Companies (Cost Audit & Records) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the Members of the Company.

The Board recommends the resolution in relation to appointment of Cost Auditors and ratification of remuneration of cost auditor set out in Item No.5 of the Notice for approval of the Members by way of an Ordinary resolution.

By order of the Board of Directors

For **Anglo-French Drugs & Industries Ltd.**

**Date:** 12<sup>th</sup> May, 2022

**Place:** Bangalore

**Registered Office:**

No.41, 3<sup>rd</sup> cross,  
V Block, SSI Area,  
Rajajinagar,  
Bengaluru- 560010.

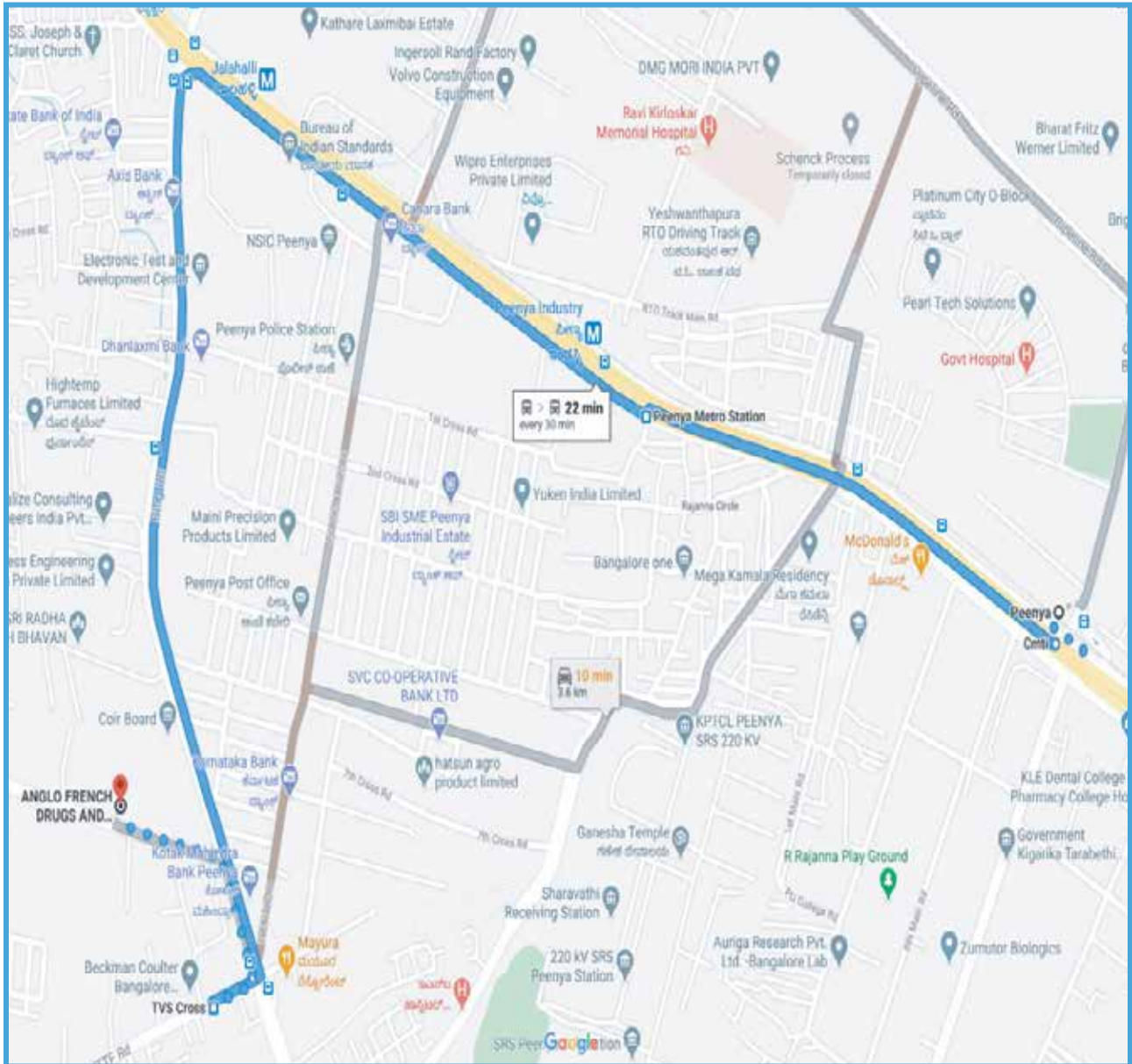
**Harshwardhan Murarka**  
Chief Financial Officer

## Route Map for Annual General Meeting Venue

Venue: Plot No.4, Peenya Industrial Area, Phase II, Peenya, Bengaluru - 560058

Date: Wednesday, 10<sup>th</sup> August 2022 at 4.30 p.m.

Plus Codes: 2GJ8+6W Bengaluru, Karnataka





**ANGLO-FRENCH DRUGS & INDUSTRIES LIMITED**

**CIN:** L24230KA1923PLC010205

**Registered Office:** No.41, 3<sup>rd</sup> Cross, V Block, Rajajinagar, Bengaluru – 560010.

**Email ID:** compliance@afdil.com **Website:** www.afdil.com

**ATTENDANCE SLIP**

I hereby record my presence at the Ninety Ninth (99<sup>th</sup>) Annual General Meeting held on Wednesday, 10<sup>th</sup> August, 2022 at 4.30 p.m. at Plot No.4, Phase II, Peenya Industrial Area, Peenya, Bengaluru – 560058, Karnataka.

Folio No. / DP ID-Client ID	
Full Name of the Shareholder in Block Letters	
No. of Shares held	
Name of Proxy (if any) in Block Letters	

- Note:
1. A proxy attending on behalf of Shareholder(s) should write the name of the Shareholder(s) from whom he holds Proxy.
  2. Members will be provided with a copy of Annual Report at the Meeting.

\_\_\_\_\_  
Signature of the Shareholder/Proxy



**ANGLO-FRENCH DRUGS & INDUSTRIES LIMITED**

**CIN:** L24230KA1923PLC010205

**Registered Office:** No.41, 3<sup>rd</sup> Cross, V Block, Rajajinagar, Bengaluru – 560010

**Email ID:** compliance@afdil.com **Website:** www.afdil.com

**PROXY FORM**

**(Form No.MGT-11)**

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

CIN	<b>L24230KA1923PLC010205</b>
Name of the Company	<b>Anglo-French Drugs &amp; Industries Ltd.</b>
Registered Office	<b>No.41, 3<sup>rd</sup> Cross, V Block, Rajajinagar, Bengaluru -560010.</b>
Name of the Member(s):	
Registered Address:	
E-mail ID :	
Folio No./Client ID or DP ID :	

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

1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him/her

2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him/her

3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him/her

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Wednesday, 10<sup>th</sup> August 2022, at 4.30 p.m. at Plot No.4, Phase II, Peenya Industrial Area, Peenya, Bengaluru – 560058, Karnataka, and at any adjournment thereof in respect of such resolutions as are indicated below:

\* I/We appoint my / our above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Description	I assent to the Resolution	I dissent to the Resolution
1	To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company, for the financial year ended 31 <sup>st</sup> March, 2022 together with the Report of the Board of Directors and Auditors thereon.		
2	To declare final dividend on equity shares for the Financial Year ended 31 <sup>st</sup> March 2022.		
3	To appoint a Director in place of Mr. Rakesh Kanyadi (DIN: 08532438), who retires by rotation and being eligible, offers himself for re-appointment.		
4	Reappointment of M/s KAMG & Associates, Chartered Accountants (FRN: 311027E) as Statutory Auditors of the Company, for the second term of five consecutive years from conclusion of 99 <sup>th</sup> AGM until the conclusion of the 104 <sup>th</sup> AGM and to fix their remuneration.		
5	Appointment and ratification of remuneration of Cost Auditors of the Company for the Financial Year 2022-23		

Signed this \_\_\_\_ Day of August, 2022.

Affix Revenue  
Stamp of not less  
than ₹ 1/-

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy holder (s)

**Notes:**

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please complete all details of Member(s) before submission.

**Board of Directors:**

Mr. Abhay Kanoria, (DIN: 00108894)	Chairman & Managing Director
Mr. Uddhav Kanoria, (DIN: 00108909)	President & Whole-time Director
Mr. Nirbhay Kanoria, (DIN: 02558300)	President & Whole-time Director
Mr. Sanatkumar Manjunath Shirali, (DIN: 05260386)	Independent Director (w.e.f 14.06.2021)
Mr. Nalagath Ahmedali, (DIN: 00704341)	Independent Director
Mrs. Neha Gada, (DIN: 01642373)	Independent Director
Dr. Rajeshwar B Smarta, (DIN: 02835301)	Independent Director (deceased on 25.01.2022)
Mr. Rakesh P Kanyadi, (DIN: 08532438)	Non- Executive Director
Mrs. Girija Subramanian, (DIN: 09196957)	Nominee Director (w.e.f 14.06.2021)
Mr. Shashikant More, (DIN: 08397618)	Nominee Director (upto 14.06.2021)

**Chief Financial Officer**

Mr. Harshwardhan Murarka

**Company Secretary**

Mrs. Deepa Ramachandran (Resigned w.e.f. 03.03.2022)

**Statutory Auditors**

M/s KAMG & Associates  
Chartered Accountants

**Secretarial Auditors**

M/s Swaroop Suri & Associates  
Company Secretaries

**Cost Auditors**

M/s GM & Associates  
Cost Accountants

**Internal Auditors**

M/s B. Choraria & Mates  
Chartered Accountants

**Bankers**

HDFC Bank Limited  
YES Bank Limited

**Foreign Subsidiary**

Anglo-French Drugs & Industries PTE Ltd.  
Singapore

**Registered Office**

**Anglo-French Drugs & Industries Ltd.**  
No. 41, 3<sup>rd</sup> Cross, V Block, SSI Area,  
Rajajinagar, Bengaluru – 560010  
Karnataka, India  
Website: [www.afdil.com](http://www.afdil.com)

**Factory/Plant Address**

Plot No. 4, Phase-II, Peenya Industrial Area,  
Peenya, Bengaluru – 560058,  
Karnataka, India

**Stock Exchange**

Metropolitan Stock Exchange of India Ltd  
(MSEI)

**Registrars & Share Transfer Agents**

Canbank Computer Services Limited  
J P Royale, 1<sup>st</sup> Floor, No.218  
2<sup>nd</sup> Main, Sampige Road  
(Near 14<sup>th</sup> Cross), Malleswaram  
Bengaluru - 560 003  
Tel Nos. 080-23469661/62 , 23469664/65  
Fax Nos. 080-23469667  
Email: [Canbankrta@ccsl.co.in](mailto:Canbankrta@ccsl.co.in)

**Investor Grievance Contact**

Email Id: [compliance@afdl.com](mailto:compliance@afdl.com)  
Tel No.: 080 2315 6757

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**BOARD'S REPORT**

To,

The Members,

Your Directors have pleasure in presenting the 99<sup>th</sup> Annual Report of the Company along with Audited Standalone and Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2022. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

**1. FINANCIAL SUMMARY AND RESULTS**

The summary of consolidated (Company and its Wholly Owned Subsidiary) operating results for the year and Appropriation of divisible profits is given below:

(All figures are in ₹ in Lacs)

Particulars	Financial Year 2021-2022		Financial Year 2020-2021	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations	16480	16532	15340	15378
Other Income	81	82	89	102
Profit before Depreciation, Tax and after exceptional Items	471	514	1167	1209
Depreciation & Amortization	290	290	246	246
<b>Net profit before tax</b>	<b>181</b>	<b>224</b>	<b>921</b>	<b>963</b>
<b>Provisions for tax</b>				
a. Current Tax	54	54	174	174
b. Deferred Tax	(18)	(18)	38	38
<b>Profit after Tax</b>	<b>145</b>	<b>188</b>	<b>709</b>	<b>751</b>
Other comprehensive incomes (expenses)	97	97	(28)	(28)
<b>Total Comprehensive Income</b>	<b>242</b>	<b>285</b>	<b>681</b>	<b>723</b>

Note: The above results are in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with the (Indian Accounting Standards) Rules, 2015 as amended and other Generally Accepted Accounting Principles (GAAP) in India. Accordingly, previous period's figures have been reclassified/regrouped, wherever necessary.

**2. SHARE CAPITAL**

- Authorized Share Capital- The authorised share capital of the Company as on 31<sup>st</sup> March, 2022 is ₹2,00,00,000/- (Rupees Two Crores Only) divided into 20,00,000 equity shares of ₹ 10 /- (Rupees Ten Only) each. During the financial year under review, there is no change in the authorised share capital of the Company.
- Issued, Subscribed and Paid-up Share Capital -  
The issued, subscribed and paid-up share capital of the Company as at 31<sup>st</sup> March, 2022 is ₹1,29,15,000/- (Rupees One Crore Twenty Nine Lacs Fifteen Thousand Only) comprising of 12,91,500 equity shares of ₹ 10/- (Rupees Ten Only) each.

**3. DIVIDEND**

The Board has recommended final dividend of ₹1.50/- per equity share of face value of ₹ 10/- (Rupees Ten only) @ 15% for the Financial Year ended 31<sup>st</sup> March 2022.

**4. FINANCIAL HIGHLIGHTS AND OPERATIONS**

Your company's consolidated sales & operating income rose to ₹ 16614 lacs from ₹ 15480 lacs last year with a growth of 7.32%. Net Profit before tax lower by (76.74%) to ₹ 224 lacs from ₹ 963 lacs last year.

During the year under review the Company sold of a portfolio of brands of the Company to Lupin Limited for a lumpsum consideration of approximately ₹305 crores (Rupees Three Hundred and Five Crores Only).

Highlights of the Company's performance are covered in detail in the Management Discussion and Analysis Report (MDA), included in this Annual Report as required under Schedule V of SEBI (LODR) Regulations, 2015.

**5. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP's)**

The composition of the Board is in accordance with the provisions of Section 149 of the Act and the SEBI Listing Regulations, with an appropriate combination of Executive, Non-Executive Directors and Independent Directors.

As on 31<sup>st</sup> March, 2022, the Company had 8 (Eight) Directors details of which are as under:

Sr. No.	Composition Mix	No of Directors
1.	Chairman & Managing Director	1
2.	Whole-Time Director	2
3.	Non-Executive Director	1
4.	Independent Director	3*
5.	Nominee Director	1

\* Out of the Independent Directors, the Company does have One Woman Director on the Board of the Company.

None of the Directors are related to each other except Mr. Abhay Kanoria, Mr. Uddhav Kanoria and Mr. Nirbhay Kanoria.

Dr. Rajeshwar B. Smarta (DIN:02835301) who was with the Company for a long period of time as Independent Director, passed away on 25<sup>th</sup> January 2022. He was associated with us for half a century. He launched one of our largest brands, Nitrovet. The Board of Directors of the Company places on record its sincere appreciation and gratitude for the services rendered by Dr. Rajeshwar B. Smarta during his tenure.

Independent Directors are non-executive directors as defined under Regulation 16(1) (b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. The Company has issued a formal

letter of appointment to the Independent Directors in the manner as provided in the Act and SEBI Listing Regulations.

## A. Appointment/Re-appointment:

Mr. Uddhav Kanoria (DIN: 00108909) was re-appointed as a President & Whole-time Director of the Company for a further period of 3(three) years from 10<sup>th</sup> August, 2021 to 9<sup>th</sup> August, 2024 based on recommendation of the Nomination and Remuneration Committee. The remuneration payable to Mr.Uddhav Kanoria, shall be on the same terms and conditions as approved by Special Resolution passed by Members through postal ballot on 6<sup>th</sup> November, 2020.

Mr. Rakesh Kanyadi (DIN: 08532438) was appointed as a Director on Board of the Company w.e.f. 13<sup>th</sup> August, 2019. The Board of Directors at their Meeting held on 14<sup>th</sup> June, 2021 based on recommendation of the Nomination and Remuneration Committee approved the appointment of Mr.Rakesh Kanyadi as Non-Executive Director for a period of 3 (three) years w.e.f. 14<sup>th</sup> June, 2021 to 13<sup>th</sup> June, 2024. Mr. Rakesh Kanyadi will be entitled to sitting fees for attending Meetings of the Board or any Committees thereof.

In accordance with the provisions of the Section 152(6) ( e) of the Companies Act, 2013 and the Articles of Association of the Company; Mr. Rakesh Kanyadi (DIN: 08532438), Non-Executive Director will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Sanatkumar Shirali (DIN: 05260386) was appointed as Non-Executive Director on Board of the Company from 1<sup>st</sup> July, 2012. Since, Mr. Sanatkumar Shirali meets all the criteria of Independence, Board of Directors in consultation with and as recommended by the Nomination and Remuneration Committee considered the change in designation of Mr. Sanatkumar Shirali by re-designating him as an Independent Director on Board of the Company w.e.f. 14<sup>th</sup> June, 2021 for a period of 5 (five) years upto 13<sup>th</sup> June, 2026, not liable to retire by rotation.

Mrs. Girija Subramanian (DIN:09196957) was appointed as a Nominee Director in place of Mr. Shashikant More. The General Insurer's (Public Sector) Association of India has nominated Mrs. Girija Subramanian (DIN: 09196957) to act as Nominee Director on Board of the Company in place of Mr. Shashikant More. The Board of Directors at their meeting held on 14<sup>th</sup> June, 2021 on the recommendation of the Nomination & Remuneration Committee considered and approved appointment of Mrs. Girija Subramanian (DIN : 09196957), representative of General Insurer's (Public Sector) Association of India as Nominee Director on Board of the Company w.e.f. 14<sup>th</sup> June, 2021.

Aforementioned appointments along with brief profile of Directors and other details as required under the Act, Secretarial Standard -2 and Listing Regulations, is annexed to the notice convening the Annual General Meeting.

The Company has obtained a Certificate from M/s Swaroop, Suri & Associates, Practicing Company Secretaries, pursuant to Regulation 34(3) read with Schedule V para C clause 10(i) of the SEBI Listing Regulations that none of the Directors on the Board of the Company were debarred or disqualified from being appointed or continuing as a Director on the Board by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on 31<sup>st</sup> March, 2022 are:

- Mr. Abhay Kanoria – Chairman & Managing Director
- Mr. Uddhav Kanoria – President & Whole-time Director
- Mr. Nirbhay Kanoria – President & Whole-time Director
- Mr. Harshwardhan Murarka – Chief Financial Officer

Mrs. Deepa Ramachandran ceased to be Company Secretary & Compliance Officer, with effect from closing hours of 3<sup>rd</sup> March 2022, due to her resignation.

## B. Declaration by Independent Directors

The Independent Directors of the Company have submitted the declaration of Independence as required under Section 149(6) of the Companies Act, confirming that they meet the criteria of independence under Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

The Independent Directors confirmed that they have registered themselves with the Independent Director's database maintained by IICA.

## C. Company's Policy on Director's Appointment and Remuneration, etc.

The Board of Directors has framed a policy for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel (KMP), senior management personnel and their remuneration as part of its role and other matters provided under Section 178(3) of the Companies Act, 2013 and Listing Regulations.

Pursuant to Section 134(3) of the Companies Act, 2013, the nomination and remuneration policy of the Company which lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, KMP and other employees was amended and adopted by the Board of Directors at their meeting held on 14<sup>th</sup> June, 2021. The Policy is available on the website of the Company at <https://www.afdil.com/investor-relations.html#>

## D. Code of Conduct:

The Company has adopted the Code of Conduct for its Board Members and Senior Management of the Company. All the Board members and Senior Management personnel have affirmed compliance with the applicable Code of Conduct.

## 6. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

In line with the Corporate Governance Guidelines of the Company, annual performance evaluation was conducted for all Board Members, for Individual Director including Independent Directors, its Committees and Chairman of the Board. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations.



The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Individual Directors, the Board as a whole and its Committees with the Company.

In a separate meeting of Independent Directors held on 15<sup>th</sup> February, 2022 performance of Non-Independent directors, performance of the Board as a whole and performance of the Chairperson of the Company was evaluated.

## 7. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

A separate section on Management Discussion and Analysis Report (MDAR) which forms a part of the Director's report is included as required under Regulation 34(2) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 8. MEETINGS OF BOARD AND COMMITTEES:

### A. BOARD MEETINGS:

Six (6) Board Meetings were held during the financial year 2021-22. The dates on which the Board Meetings were held are as follows:

14 <sup>th</sup> June, 2021	12 <sup>th</sup> July, 2021 (shorter Notice)
13 <sup>th</sup> Aug, 2021	12 <sup>th</sup> Nov, 2021
17 <sup>th</sup> Jan 2022 (shorter Notice)	14 <sup>th</sup> Feb, 2022

Proper notices were given and the proceedings were properly recorded and signed in the Minutes Book as required by the Articles of Association of the Company and the Companies Act, 2013.

The necessary quorum was present at all the meetings.

### B. COMMITTEE MEETINGS:

The Company has following Statutory Committees of the Board:

- I. Audit Committee;
- II. Stakeholders Relationship Committee; and
- III. Nomination and Remuneration Committee
- IV. Corporate Social Responsibility Committee

The composition of each of the above Committees is as per the provisions of the Companies Act, 2013 and voluntary compliance under Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof.

The policies framed by the Company is made available on the Company's Website at <https://www.afdil.com/investor-relations.html#>

The terms of reference and composition of the Committees as per the applicable provisions of the Companies Act, Rules made thereunder and the SEBI Listing Regulations are as follows:

The composition of the Audit Committee as at 31<sup>st</sup> March, 2022 and the details of meetings attended by the Members during the FY 2021-2022 are given below:

#### I. Audit Committee:

The Audit Committee of the Company is constituted in accordance with Section 177 of the Companies Act, 2013. As on 31<sup>st</sup> March, 2022 the Audit Committee

comprised of 4 Directors, 3 of whom are Independent Directors.

The role and terms of reference of the Committee include the matters specified under Section 177 of the Companies Act, 2013:

- Oversight of the entity's financial reporting process;
- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- evaluation of internal financial controls and risk management systems;
- to review the functioning of the whistle blower mechanism;

The composition of the Audit Committee as at 31<sup>st</sup> March, 2022 and the details of meetings attended by the Members during the FY 2021-2022 are given below:

Composition of Audit Committee and Attendance during the FY 2021-2022			
Name of Members	Designation/Category	No. of Committee Meetings held and attended during the FY 2021-2022	
		Held	Attended
Mr. N. Ahmedali	Chairman (Non-Executive & Independent Director)	5	4
Mrs. Neha Gada	Member (Non-Executive & Independent Director)	5	5
Mr. Abhay Kanoria	Member (Executive Director)	5	5
Mr. Sanat Shirali*	Member (Non-Executive & Independent Director)	5	2

\* Mr. Sanat Shirali is the member of Audit Committee w.e.f 17<sup>th</sup> January, 2022.

During the year 2021-2022, Five (5) Audit Committee meetings were held on following dates:

14 <sup>th</sup> June, 2021	13 <sup>th</sup> August, 2021
12 <sup>th</sup> November, 2021	17 <sup>th</sup> January, 2022 (Shorter Notice)
14 <sup>th</sup> February, 2022	

The Company Secretary acts as the Secretary of the Committee.

#### II. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company is constituted in accordance with Section

178 of the Companies Act, 2013. As on 31<sup>st</sup> March, 2022 the Nomination and Remuneration Committee comprised of 4 Directors, 3 of whom were Non-executive Directors.

The role and terms of reference of the Committee include the matters specified under Section 178 of the Companies Act, 2013:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director;
- Recommend to the Board the appointment/ re-appointment of Directors and Key Managerial Personnel;
- Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.
- Overall familiarisation programmes with Directors;
- Recommend to the Board the Remuneration policy for Directors, executive team or Key Managerial Personnel as well as rest of the employees.

The composition of the Nomination and Remuneration Committee as at 31<sup>st</sup> March, 2022 and the details of meetings attended by the Members during the FY 2021-2022 are given below:

<b>Composition of Nomination &amp; Remuneration Committee and Attendance during the FY 2021-22</b>			
Name of Members	Category	No. of Committee Meetings held and attended during the FY 2021-22	
		Held	Attended
Mr. N. Ahmedali	Chairman (Non-Executive & Independent Director)	1	1
Mr. Abhay Kanoria	Member (Executive Director)	1	1
Mr. Sanat Shirali*	Member (Non-Executive & non Independent Director)	1	1
Dr. R.B. Smarta**	Member (Non-Executive & Independent Director)	1	1

\* Mr. Sanat Shirali was re-designated as Independent Director w.e.f 14<sup>th</sup> June, 2021.

\*\* Dr. R.B. Smarta ceased to be Director of the Company, with effect from 25<sup>th</sup> January 2022, due to death.

During the year 2021-22, One (1) Nomination and Remuneration Committee meeting was held on 14<sup>th</sup> June, 2021. The Company Secretary acts as the Secretary of the Committee.

**III. Stakeholder’s Relationship Committee:**

The Stakeholder’s Relationship Committee of the Company is constituted in accordance with Section 178 of the Companies Act, 2013. As on 31<sup>st</sup> March, 2022 the Stakeholder’s Relationship Committee comprised of 4 Directors, 2 of whom are Non-Executive Directors.

The role and terms of reference of the Committee include the matters specified under Section 178 of the Companies Act, 2013:

- Consider and resolve the grievances of security holders;
- Consider and approve the issue of share certificates, transfer and transmission of securities etc.;

The composition of the Stakeholders Relationship Committee as at 31<sup>st</sup> March, 2022 and the details of meetings attended by the Members during the FY 2021-2022 are given below:

<b>Composition of Stakeholders Relationship Committee and Attendance during the FY 2021-22</b>			
Name of Members	Category	No. of Committee Meetings held and attended during the FY 2021-22	
		Held	Attended
Mr. N. Ahmedali	Chairman (Non-Executive & Independent Director)	1	1
Mr. Uddhav Kanoria	Member (Executive Director)	1	1
Mr. Nirbhay Kanoria	Member (Executive Director)	1	0
Mr. Sanat Shirali*	Member (Non-Executive & Independent Director)	1	1

\* Mr. Sanat Shirali was re-designated as Independent Director w.e.f 14<sup>th</sup> June, 2021.

During the year under review, one meeting of Stakeholders’ Relationship Committee was held on 14<sup>th</sup> February 2022, all members of the Committee attended the meeting except Mr. Nirbhay Kanoria. The Company Secretary acts as the Secretary of the Committee.

**IV. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee of the Company is constituted in accordance with the Section 135 of the Companies Act, 2013, and Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

The role and terms of reference of the Committee include the matters specified under Section 135 of the Companies Act, 2013:

- Formulation and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the projects/activities to be undertaken by the Company in areas or subject, as specified in Schedule VII.
- Recommend the amount of expenditure to be incurred on CSR projects/activities undertaken.
- Shall institute a transparent monitoring mechanism for implementation of CSR projects/activities undertaken by the company.
- Reviewing performance of the Company in the areas of CSR.
- Submit an annual report of CSR projects/activities to the board.
- Monitoring CSR Policy from time to time.



The composition of the Corporate Social Responsibility Committee as at 31<sup>st</sup> March, 2022 and the details of meetings attended by the Members during the FY 2021-2022 are given below:

Composition of Corporate Social Responsibility Committee and Attendance during the FY 2021-22			
Name of Members	Category	No. of Committee Meetings held and attended during the FY 2021-22	
		Held	Attended
Mrs. Neha Gada	Chairman (Non-Executive & Independent Director)	1	1
Mr. Uddhav Kanoria	Member (Executive Director)	1	1
Mr. Nirbhay Kanoria	Member (Executive Director)	1	1

During the year under review, one meeting of CSR Committee was held on 12<sup>th</sup> November, 2021. The Company Secretary acts as the Secretary of the Committee.

**Name, designation and address of Compliance Officer, Nodal Officer for IEPF Compliances:**

**Ms. Deepa Ramachandran\***  
 Company Secretary and Compliance Officer  
 Anglo-French Drugs & Industries Ltd  
 No.41, 3<sup>rd</sup> Cross, V Block, SSI Area,  
 Rajajinagar, Bengaluru- 560010  
 Email id for correspondence: compliance@afdil.com

\*Mrs. Deepa Ramachandran - upto 03-03-2022

Mr. Harshwardhan Murarka, Nodal Officer from 12-05-2022

**V. General Body Meetings:**

- a. Annual General Meeting – The 98<sup>th</sup> Annual General Meeting of the Company was held on 13<sup>th</sup> August 2021.
- b. During the year, the Company conducted two postal ballot exercises in compliance with Sections 108, 110 and other applicable provisions of the Act and Rules made thereunder and Regulation 44 of the SEBI Listing Regulations. The results of the postal ballot exercise were also displayed on the website of the Company <https://www.afdil.com/investor-relations.html#> besides being communicated to the Metropolitan Stock Exchange of India Ltd. (MSEI). The last date i.e 22<sup>nd</sup> February 2022, (Approval for sale of a portfolio of brands of the Company to Lupin Limited for a lumpsum consideration of approximately ₹305 crores (Rupees Three Hundred and Five Crores Only) and 22<sup>nd</sup> March 2022 (Approval to invest funds of the Company or provide loan or guarantee pursuant to provisions of Section 186 of Companies Act, 2013 not exceeding ₹300 Crores) specified by the Company for receipt of duly completed Postal Ballot forms or for e-voting is deemed to be the date of passing of the resolutions.

**9. DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of the provisions of Companies Act, 2013, your Directors state, on the basis of information furnished by the Management and Auditors of the Company, that:

- i. The financial statements have been prepared in conformity with the applicable Accounting Standards and requirements of the Companies Act, 2013, ("the Act") to the extent applicable to the Company; on the historical cost convention; as a going concern and on the accrual basis. There are no material departures in the adoption of the applicable Accounting Standards.
- ii. The Board of Directors have 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.
- iii. The Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Board of Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- v. The Board of Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- vi. The financial statements have been audited by M/s KAMG & Associates, Chartered Accountants (FRN:311027E), the Company's Auditors.

**10. AUDITORS**

**a) Statutory Auditors:**

In compliance with the Companies (Audit and Auditors) Rules 2014, M/s KAMG & Associates, Chartered Accountants (FRN:311027E) were appointed as the Statutory Auditors of the Company, at the 94<sup>th</sup> AGM held on 21<sup>st</sup> September, 2017 for a period of five years till the conclusion of 99<sup>th</sup> Annual General Meeting of Company.

Consequently, M/s. KAMG & Associates, Chartered Accountants, complete their first term of five consecutive years as the statutory auditors of the Company at the conclusion of 99<sup>th</sup> AGM of the Company.

Pursuant to section 139(2) of the Act, the Company can appoint an auditors firm for a second term of five consecutive years. M/s. KAMG & Associates, have consented to the said reappointment, and confirmed that their reappointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be reappointed as statutory auditor in terms of the provisions of the Act, and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

Accordingly, M/s KAMG & Associates, Chartered Accountants, are proposed to be reappointed as Statutory Auditors of the Company for second term of five consecutive years commencing from conclusion of 99<sup>th</sup> AGM till the conclusion of the 104<sup>th</sup> AGM.

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes to Accounts for the year ended 31<sup>st</sup> March, 2022 are self-explanatory and therefore do not call for any further comments under Section 134 of the Companies Act, 2013 as it does not contain any qualification, reservation or adverse remark. The Auditors report is enclosed with

the financial statement in this Annual Report.

**b) Cost Auditors:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and as per the Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Board, on the recommendation of the Audit Committee, at its meeting held on 12<sup>th</sup> May 2022, has approved the appointment of Rao, Murthy & Associates, Cost Accountants, Bengaluru (Firm Registration No. 000065) as the Cost Auditors of the Company to conduct cost audit of the accounts maintained by the Company, in respect of the Formulation products for the Financial Year 2022-2023.

The report of Cost Auditors will be filed with the Central Government within the prescribed time lines.

**c) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors on the recommendation of the Audit Committee, at its meeting held on 12<sup>th</sup> May 2022 have appointed M/s Swaroop Suri & Associates, Practising Company Secretaries, for conducting the Secretarial Audit of the Company for the Financial Year 2022-2023.

The Secretarial Audit report issued by M/s. Swaroop Suri & Associates, Practising Company Secretary for the financial year ended 31<sup>st</sup> March, 2022 is annexed as **Annexure I** to this report. The audit report does not contain any adverse remark or qualifications.

**d) Internal Auditors:**

M/s B Choraria & Mates., Chartered Accountants, were appointed as the Internal Auditors of the Company for the Financial Year 2022-23.

During the year under review, M/s B Choraria & Mates., Chartered Accountants, Bengaluru carried out the internal audit exercise and submitted their report for Financial Year 2021-2022.

**11. SUBSIDIARIES**

There is only one Wholly Owned Subsidiary Viz., Anglo-French Drugs & Industries Pte. Ltd., Singapore. As required under Rule 8(1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on standalone financial statements and a report on performance and financial position of Wholly Owned Subsidiary included in the consolidated financial statements is included in the financial statements.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company at <https://www.afdil.com/investor-relations.html#>

**12. CORPORATE GOVERNANCE**

The Corporate Governance is not applicable to the Company in accordance with SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015. However, the Company is committed to maintaining the highest standards of Corporate Governance and adhering to the corporate governance requirements.

**13. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has established a vigil mechanism/framed a whistle blower policy. The policy enables the employees and

other stakeholders to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No personnel has been denied access to the Audit Committee. The provisions of this policy are in line with the provisions of Section 177 (9) of Companies Act, 2013. The policy is available on the website of the company at <https://www.afdil.com/investor-relations.html#>

**14. INTERNAL FINANCIAL CONTROL (IFC) SYSTEM AND THEIR ADEQUACY:**

As per the provisions of the Companies Act, 2013, the Directors have the responsibility for ensuring that the company has implemented robust system / framework for IFCs to provide them with reasonable assurance regarding the adequacy and operating effectiveness of controls to enable the Directors to meet with their responsibility.

The Company has in place a sound financial control system and framework in place to ensure:

- The orderly and efficient conduct of its business,
- 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.

**15. QUALITY**

The quality function at AFDIL has been at the forefront when it comes to healthcare. The products manufactured are of the highest quality, most safe and effective. Our commitment to quality is managed by current and validated technology, the best resources, effective cGMP, efficient and trained personnel, excellent production design and continuous in-process monitoring.

**16. PARTICULARS OF CONTRACTS & ARRANGEMENTS WITH RELATED PARTIES:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company.

There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

Pursuant to the provisions of Section 188(1) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of contracts and arrangements entered between the Company and the Related Parties, in the prescribed Form AOC-2, are as per **Annexure II**.

The Company has formulated a Related Party Transactions Policy which is available on the website of the Company <https://www.afdil.com/investor-relations.html#>

**17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The loans, Guarantees and investments under Section 186 of the Act form a part of Financial Statements.

Section 186(3) of the Companies Act, 2013 ("Act") provides



that where the aggregate of the loans and investment so far made, the amount for which guarantee or security so far provided to or in all other bodies corporate along with the investment, loan, guarantee or security proposed to be made or given by the Board, exceeds the limits specified under sub-section (2) of Section 186 of the Act (i.e. sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more), no investment or loan shall be made or guarantee shall be given or security shall be provided unless previously authorised by a special resolution passed in a general meeting.

During the year the Company has obtained Boards approval on 14<sup>th</sup> February 2022 and also Member approval by way of Special Resolution through Postal Ballot on 22<sup>nd</sup> March 2022, to give any loan to any person or body corporate, give any guarantee or provide security in connection with a loan to any other body corporate or person, and acquire by way of subscription, purchase or otherwise, the securities of any other body corporate on such terms and conditions upto the limit aggregating to and not exceeding INR 300 crores (Rupees Three Hundred Crores Only).

#### 18. PARTICULARS OF EMPLOYEES AND REMUNERATION

The total number of employees of the company as on 31<sup>st</sup> March, 2022 was 455 as against 653 as on 31<sup>st</sup> March, 2021.

The information required pursuant to the provisions of Section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been appended as **Annexure III** to this Report.

In terms of first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employee's particulars as required pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Board of Directors affirms that the remuneration paid to the employees of the Company is as per the Policy on Directors' appointment and remuneration for Directors, KMPs and other employees and is in accordance with the requirements of the Act and SEBI Listing Regulations.

#### 19. DEPOSITS FROM PUBLIC:

During the year under review, your Company neither accepted any deposits nor there were any amounts outstanding at the beginning of the year which were classified as 'Deposits' in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

#### 20. DISCLOSURES UNDER SECTION 134(3)(L) OF THE COMPANIES ACT, 2013

Except as disclosed elsewhere in the Report, no material changes and commitments which could affect the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

#### 21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

There are no significant and material orders passed by any Regulator/ Court that would impact the 'going concern' status of the Company and its future operations.

#### 22. RISK MANAGEMENT POLICY

The Company has implemented a risk management policy for the Company including identification therein of elements of risk, if any, and the same has been inserted in the website of the Company. The policy is available on the website of the Company at <https://www.afdil.com/investor-relations.html#>

#### 23. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

#### 24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The Information required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure IV** to this Report and forms a part of this Report.

#### 25. EXTRACTS OF ANNUAL RETURN

The extract of the Annual Return required pursuant to Section 92 (3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, will be made available on the website of the Company at <https://www.afdil.com/investor-relations.html#>

#### 26. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to applicable provisions of Companies Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid and unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India after the completion of 7 years. Further according to the Rules, the shares on which the dividend has not been paid or claimed by the shareholders for 7 consecutive years or more shall be transferred to the demat account of the IEPF authority.

Pursuant to the provisions of section 124 (5) of the Companies Act, 2013 read with the IEPF Rules, the Company has transferred 16,600 shares belonging to the shareholders who did not continuously claim dividend for seven years consecutively from the financial year 2012-13 to IEPF Account, the details of which are placed on the website of the Company.

There is no unclaimed and unpaid dividends to be transferred as per the requirements of the IEPF rules, during the year.

#### 27. COMPLIANCE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has a robust mechanism in place to redress complaints reported under it. The Company has in place a policy for prevention, prohibition and redressal of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment. Further, the Company has also constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, where employees can register and redress complaints pertaining to sexual harassment. During the year ended 31<sup>st</sup> March, 2022, no cases of sexual harassment were reported in your Company.

#### 28. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Committee has formulated Corporate Social Responsibility Policy which recommends the social activities to be undertaken by the Company, as specified in Schedule

VII of the Companies Act, 2013. A copy of the said Policy is available on Company's website at <https://www.afdil.com/investor-relations.html#>

The Committee has recommended an amount of ₹27,59,407/- (being 2% of average net profits of ₹13,79,70,369/-, of the Company made during 3 (three) immediately preceding financial years) computed in accordance with requirements of the Section 135(5) and of the Act and Rules made thereunder, as CSR budget for the Financial Year 2021-22.

Annual Report on CSR Activities for the Financial Year ended 31<sup>st</sup> March 2022, is annexed herewith as **Annexure V**.

Further in terms of the amended CSR Rules Chief Financial Officer has certified that the Funds disbursed have been utilized for the purpose and in the manner approved by the Board for Financial Year 2021-22.

#### **29. GREEN INITIATIVES**

Electronic copies of the Annual Report 2021-2022 and the notice of the 99<sup>th</sup> Annual General Meeting are being sent to

all members whose e-mail addresses are registered with the Company/Depository Participants.

#### **30. ACKNOWLEDGEMENTS**

Your Directors acknowledge with gratitude the continued support, patronage and co-operation received from the Medical Profession, Trade, Banks, other Business Associates, the Central and State Governments and the Shareholders.

Your Directors also place on record their appreciation of all the employees of the company for their valuable contribution and dedicated service.

On behalf of the Board,

Place: Bengaluru  
Date: 12<sup>th</sup> May 2022

**Abhay Kanoria**  
Chairman & Managing Director  
(DIN: 00108894)





ANNEXURE I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members of  
Anglo-French Drugs and Industries Limited  
CIN: L24230KA1923PLC010205  
Bengaluru

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. Anglo-French Drugs and Industries Limited, (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2022 according to the provisions of:

- (i) The Companies Act, 2013, (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and By-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations, as amended from time to time and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not Applicable as the Company has not issued any shares during the year under review;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not Applicable as the Company has not issued any shares during the year under review;

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2022; - Not Applicable as the Company has not issued any shares during the year under review;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not Applicable as the Company has not issued any shares during the year under review; and
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
    - (vi) Employees Provident Fund and Miscellaneous Provisions Act, 1952
    - (vii) Employees State Insurance Act, 1948
    - (viii) Environment Protection Act, 1986 and other applicable environmental laws
    - (ix) Indian Contract Act, 1872
    - (x) Income Tax Act, 1961, Goods and Service Tax Act, 2017 and other related laws
    - (xi) Payment of Bonus Act, 1965
    - (xii) Payment of Gratuity Act, 1972 and such other applicable labour laws.
    - (xiii) Trade Marks Act, 1999
- Further, the sectoral laws applicable to the company were as under:
- (i) The Drugs and Cosmetics Act, 1940
  - (ii) The Narcotic Drugs and Psychotropic Substances Act, 1985
  - (iii) The Drugs Price Control Order, 2016
  - (iv) The Factories Act, 1948
  - (v) The Air (Prevention and Control of Pollution) Act- 1981 and relevant rules.
  - (vi) The Water (Prevention and Control of Pollution) Act- 1974 and relevant rules.
  - (vii) The Environment (Protection) Act-1986 and relevant rules.
  - (viii) Bio-Medical Waste (Management and Handling) Rules, 1998.
  - (ix) Chemical Accidents (Emergency Planning Preparedness and Response) Rules, 1996.
  - (x) Hazardous and other waste Management and transboundary Movement Rules, 2016

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, Rules and Regulations to the Company. I have also examined compliance

with the applicable clauses of the following:

- i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- ii) Guidance note on ICSI Auditing Standards;
- iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- iv) Listing Agreement entered into with the Metropolitan Stock Exchange of India Limited.

I further report that:

- (i) The Board of Directors of the Company is duly constituted with proper composition of Executive Directors, Non-Executive Directors and Independent Directors including Women Directors.
- (ii) Adequate notice is given to all directors to schedule the Board, Committee meetings and Postal Ballot. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (iv) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws,

rules, regulations and guidelines.

- (v) During the audit period the company has no major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013, having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
- (vi) We further report that during the review period, significant transactions have been placed before the shareholders through postal ballot and the same is approved by them. These transactions are having a significant impact on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:
  - a) sale of a portfolio of brands of the Company to Lupin Limited;
  - b) to invest funds of the Company or provide loan or guarantee pursuant to provisions of Section 186 of Companies Act, 2013 not exceeding ₹300 crores.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For **Swaroop Suri and Associates**  
Company Secretaries

**Swaroop S.**  
Proprietor

Place: Bengaluru  
Date: 05-07-2022  
UDIN: F008977D000567251

FCS No. 8977 CP No. 9997



**Annexure-A to MR-3**

To,  
The Members of  
Anglo-French Drugs and Industries Limited  
CIN: L24230KA1923PLC010205  
Bengaluru

Our report of even date is to be read along with this letter.

**Management's Responsibility**

1. To maintain the Secretarial records, devise proper systems and to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. We have conducted online verification & examination of records, as facilitated by the Company, due to Covid-19 and subsequent lockdown situation for the purpose of issuing this report.
3. Our responsibility is to express an opinion on these secretarial records standards and procedures followed by the Company with respect to secretarial compliances.
4. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. Due to COVID-19 scenario, the verification of documents, records, information was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
5. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For Swaroop Suri and Associates  
Company Secretaries

Place: Bengaluru  
Date: 05-07-2022

**Swaroop S.**  
Proprietor  
FCS No. 8977 CP No. 9997

**ANNEXURE II**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

The details of material contracts or arrangements or transactions entered into during the year ended 31 March, 2022, which are at arm's length basis are as follows.

Sr. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Mr. Abhay Kanoria/Mrs. Pallavi Kanoria
2.	Nature of contracts/ arrangements/ transaction	Payment of monthly rent for the Flat located at Bengaluru leased to the Company.
3.	Duration of the contracts/ arrangements/ transaction	Agreement renewed from 15-05-2021
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Rent Mr. Abhay Kanoria – ₹.11,90,690 P.A. Rent Mrs. Pallavi Kanoria- ₹ 11,90,690 P.A.
5.	Date of approval by the Board	14-06-2021
6.	Amount paid as advances, if any	Nil

On behalf of the Board of Directors,

Place: Bengaluru  
Date: 12<sup>th</sup> May 2022

**Abhay Kanoria**  
Chairman & Managing Director  
(DIN: 00108894)



## ANNEXURE III

**Information required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2021-22 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial year 2021-22.

Name of the Director and Key Managerial Personnel	Designation	Ratio of remuneration of each Director to median remuneration of employees	Increase/(Decrease) in remuneration in FY 2020-2021
<b>Directors</b>			
Mr. Abhay Kanoria	Chairman & Managing Director	21.83	13.25%
Mr. Uddhav Kanoria	President & Whole-Time Director	14.06	7.17%
Mr. Nirbhay Kanoria	President & Whole-Time Director	11.63	6.70%
Mr. Rakesh Parmeshwar Kanyadi	Non-Executive Director	7.26	11.61
Mr. Sanat Shirali	Independent Director	0.34	Nil
Mr. N. Ahmedali	Independent Director	0.38	Nil
Mrs. Girija Subramanian	Nominee Director	0.09	Nil
Dr. R.B. Smarta	Independent Director	0.19	Nil
Mrs. Neha Gada	Independent Director	0.38	Nil
<b>Key Managerial Personnel</b>			
Mr. Harshwardhan Murarka	Chief Financial Officer	5.37	34.64%
Ms. Deepa Ramachandran	Company Secretary & Compliance Officer	3.07	15.43%

Remuneration does not include commission for the financial year 2021-2022.

There is no change in remuneration paid to Nominee Directors.

**Notes:**

- 1) The Independent Directors are paid only Sitting Fees for attending the Board /Committee Meetings.
- 2) For the purpose of calculation of median remuneration, employees who have worked for part of the year were not considered.
- 3) The percentage increase in the median remuneration of employees in the financial year was 15.18%. For said calculation, employees who have worked for part of the year in FY 2021-22 were not considered to ensure comparability.
- 4) The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2022 was 455.
- 5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- 6) The average annual increase in the salaries of the employees during the year was 7% whereas increase in managerial remuneration for the year was 8%.
- 7) Affirmation that the remuneration is as per the remuneration policy of the Company. The Company affirms remuneration is as per the remuneration policy of the Company.

ANNEXURE IV

The Information required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March 2022.

**A. CONSERVATION OF ENERGY:**

- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"> <li>a) Energy conservation measures taken</li> <li>b) Additional investments and proposals, if Any, being implemented for reduction of Consumption of energy.</li> <li>c) Impact of the measures at (a) and (b) For reduction of energy consumption And consequent impact on the cost of Production of goods.</li> </ul> | } | <p>The Company is constantly Concerned about energy conservation, but having regard to the present level of consumption and the nature Of activities, which are not energy Intensive, the need for taking special energy conservation measures has above not been immediately felt.</p> |
| <ul style="list-style-type: none"> <li>d) Total energy consumption and energy Consumption per unit of production.</li> </ul>  | } | <p>Please refer Form A hereunder.</p>   |

**FORM A**

[See Rule 2]

**Form for disclosure of particulars with respect to conservation of energy.**

**A. Power and Fuel consumption:**

1. Electricity	Current Year	Previous year
a) Purchased:		
Units	1200339	1233976
Total Amount [₹ in Lacs]	107	109
Rate/Unit [₹]	8.95	8.82
b) Own Generation:		
I. Through Diesel Generator		
Units	13077	14274
Units per Ltr. of Diesel Oil	2.80	2.78
Cost/Unit [₹]	29.10	27.22
II. Through Steam Turbine/Generator		
Units		
Units per Ltr. of Fuel Oil/Gas	Nil	Nil
Cost/Unit [₹]		
<b>2. Coal</b>		
Quantity (tonnes)		
Total Cost [₹]	Nil	Nil
<b>3. Furnace Oil</b>		
Quantity (Kilts)	Nil	Nil
Total Amount [₹ in 'Lacs]	Nil	Nil
Average Rate [₹ per Ltrs]	Nil	Nil
<b>4. Others/internal generation</b>		
Quantity		
Total Cost	Nil	Nil
Rate/Unit		

**B. Consumption per unit of Production**

Particulars	Standard [if any]
Products (with details)	
Units	
Electricity	
Furnace Oil	
Coal	
Others	

} Taking into account the number of formulations manufactured by the Company and having regard to the records and other books maintained, it is not possible to apportion the consumption of utilities unit wise at this stage.

**B. TECHNOLOGY ABSORPTION:**

Efforts made in technology absorption. Please refer Form B hereunder.



**FORM B**

[See Rule 2]

**Form for disclosure of particulars with respect to Technology Absorption**

Research and Development [R&D].

1. Specific areas in which R&D carried out by the Company.	:	Formulations:		
			Development of new formulations, new dosage forms, substitution of imports by indigenous materials, improvement in process and stability of products.	
2. Benefits derived as a result of the above R&D	:	Launching of new products, increase in shelf life and reduction in costs.		
3. Future plan of action	:	Continuous development of new formulations.		
4. Expenditure on R & D	:		<b>Current Year</b>	<b>Previous Year</b>
(a) Capital [ ₹ in Lacs]			63	Nil
(b) Recurring [ ₹ in 'Lacs]			25	31
(c) Total [ ₹ in 'Lacs]			88	31
(d) Total R&D expenditure as a percentage of total turnover			0.53%	0.20%

**Technology absorption, adaptation and innovation**

1. Efforts in brief made towards technology absorption, adaptation and innovation	:	Regular absorption of updated technical information.
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.	:	Improved processes and operating efficiencies, cost reduction.
3. In case of imported technology (imports during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.		
a) Technology imported	}	Not Applicable
b) Year of Import		
c) Has technology been fully absorbed		
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.		

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.	:	Continuous efforts are made to increase exports and develop new export markets.
		<b>Current Year</b> <b>Previous Year</b>
b) Total foreign exchange used ( ₹ in lacs) :	:	114                  68
Total foreign exchange earned ( ₹ in lacs) :	:	805                  758

On behalf of the Board of Directors,

**Abhay Kanoria**  
Chairman & Managing Director  
(DIN: 00108894)

Date: 12<sup>th</sup> May 2022

ANNEXURE V

Annual Report on CSR Activities for the financial year ended 31<sup>st</sup> March 2022

1. Brief outline on CSR Policy of the Company- CSR Philosophy

The Company's CSR policy is in adherence to the Provisions of Section 135 of the Act read with rules thereunder and provides for carrying out CSR activities in the area of Health including preventive healthcare either directly or through 'Non-Profit Organisations'.

The CSR activities of the Company are aligned with the activities specified in Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Neha Gada	Chairperson, Independent Director	1	1
2	Mr. Uddhav Kanoria	Member, Director	1	1
3	Mr. Nirbhay Kanoria	Member, Director	1	1

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - <https://www.afdil.com/investor-relations.htm#>

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). - **Not Applicable**

In accordance with the provisions of Rules 8(3) of the Companies (Corporate Social Responsibility Policy) Rule, 2014 notified w.e.f. 22<sup>nd</sup> January 2021, the Company is not required to carry out impact assessment for CSR Projects.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**

6. Average net profit of the company as per section 135(5) - ₹13,79,70,369/-

7. (a) Two percent of average net profit of the company as per section 135(5)- ₹27,59,407/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil

(c) Amount required to be set off for the financial year, if any - Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) – ₹27,59,407/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
27,00,000	Nil	-	-	Nil	-

Note- Due to non-availability of small project the unspent amount of ₹59,407 /- will be spent in next Financial Year.

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project duration.	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Procurement of a Vesti-bulator & Therapies of Underprivileged Children seeking services at SRCC Centre for Child Development	Healthcare including Preventive Healthcare	No			-	27,00,000	27,00,000	Nil	No	SRCC	CSR00003225
	<b>Total</b>						<b>27,00,000</b>	<b>27,00,000</b>				





- (d) Amount spent in Administrative Overheads: **Nil**
- (e) Amount spent on Impact Assessment, if applicable: **Nil**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹27, 00,000/-**
- (g) Excess amount for set off, if any: **Nil**
9. (a) Details of Unspent CSR amount for the preceding three financial years: **Nil**
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year-(asset-wise details).
- (a) Date of creation or acquisition of the capital asset(s): **Not Applicable**
- (b) Amount of CSR spent for creation or acquisition of capital asset: **Not Applicable**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: **Not Applicable**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **Due to non-availability of small project the unspent amount of ₹59,407 /- will be spent in next Financial Year.**

For and on behalf of the Committee and the Board of Directors,

**Harshwardhan Murarka**  
Chief Financial Officer

**Abhay Kanoria**  
Chairman & Managing Director  
(DIN: 00108894)

Date: 12<sup>th</sup> May 2022

Place: Bengaluru

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry structure and developments:

#### 1. Manufacturing: The pharma sector is divided into 2 verticals

- ❖ **Active pharmaceutical ingredients API's:** These are the bulk solids and liquids that go into the formulations.
- ❖ **Formulations:** These are the oral solids (tablets, capsules), oral liquids (syrups, elixirs, drops), parenteral (vials, ampoules, infusions), local applications (ointments, creams, rubs) and novel drug delivery systems (nasal sprays, transdermal applications, flash strips)

Our company is in the business of Manufacturing and Selling Pharmaceutical Formulations.

#### 2. Sales and Marketing

- ❖ API's are sold to formulations manufacturers both domestically and in foreign countries.
- ❖ Formulations are sold domestically and exported.

There are 2 types of sales of formulations.

- i. **Generic:** These are usually with only the name of the API or combinations of APIs. They do not have a brand name. They are usually sold directly to the trade or institutions, without getting recommendations from doctors.
- ii. **Branded:** These carry the brand name of the product almost as prominently as the APIs. For these, the company's sales representatives meet doctors and explain the superiority of their brand over other competing branded products and generics. The doctors then prescribe the medicines to patients who buys from chemists.
- iii. Domestically, the usual trade channel is stock transfer to Company depots in different states and/or carrying and forwarding agents. They sell to stockists, who in turn sell to chemists, who sell to the individual customer. Any of these may be bypassed. There are some medications which are sold directly by Company officials to patients.
- iv. For exports, the same system may be followed or the entire sales may be made to a distributor in the importing country who then uses the above system.

#### 3. Sales of Portfolio of Brands of the Company to Lupin Ltd.

The Board at its Meeting held on 17<sup>th</sup> January, 2022 and the Members of the Company, through postal ballot dated 22<sup>nd</sup> February 2022 by way of a special resolution, approved the sale of a portfolio of brands of the Company to Lupin Limited for a consideration of approximately ₹305 crores (Rupees Three Hundred and Five Crores Only). The final agreement was signed on 1<sup>st</sup> of April 2022 and money was received on 6<sup>th</sup> April 2022. After the sale our remaining brands will continue to be sold in all the divisions including new avenues of business.

The consideration received will be utilized in different ways

- development of new markets
- development of new products
- marketing in new countries
- marketing to more and different institutions
- new avenues of business such as rural sales and digital marketing
- and investment

#### 4. Investing funds of the Company or provide Loan or Guarantee pursuant to Provisions of Section 186 of Companies Act, 2013.

Approval is obtained from the Board during its Meeting held on 14<sup>th</sup> February, 2022 and from the Members of the Company, through postal ballot dated 22<sup>nd</sup> March 2022 by way of a special resolution, for investing the funds of the Company.

#### Opportunities and Threats:

Health awareness is increasing significantly and more and more people want to have generally good health and high immunity. There is likely to be a shift towards these. At the same time, spending power will decline for a long time due to COVID-19, so there will be less use of cosmetological products. Elective treatments such as dental reconstruction or even knee replacement, etc. will be reduced.

To achieve self-reliance and minimize import dependency in the country's essential bulk drugs, the Department of Pharmaceuticals initiated a Production Linked Incentive (PLI) scheme to promote domestic manufacturing by setting up greenfield plants.



INDEPENDENT AUDITOR'S REPORT (STANDALONE)

**TO THE MEMBERS OF ANGLO-FRENCH DRUGS & INDUSTRIES LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **Anglo French Drugs & Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate, read with the paragraph below, to provide a basis for our audit opinion on the standalone financial statements.

**Emphasis of Matter**

We draw attention to Note 11 to the standalone financial statements, on trade receivables from Viva Remedies (an overseas debtor) having outstanding as on 31.03.2022 of ₹ 1,04,39,738 (USD 205,306) after realization of dues during the year aggregating to ₹27 lakhs and which is outstanding for more than three years. The matter relating to realization of the old outstanding balance with Viva Remedies is *sub judice* since 16<sup>th</sup> December, 2014.

Though the company considers the above-mentioned receivable is good and realizable, impairment allowance has been made in books for ₹85 lakhs as at 31.03.2022.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	Principal audit procedures
<b>Physical verification of inventory</b> using alternative audit procedure ensuring veracity of inventory balances as on reporting date (Completeness, Accuracy, Cut off and Valuation) adopting alternative audit procedures.	<p>Understood the process and tested the management's internal controls to establish the existence of inventory in relation to the process of periodic physical verification carried out by the management, the scope and coverage of the periodic verification programme, the results of such verification including analysis of discrepancies, if any;</p> <p>At selected locations at the end of the year during February-March 2022 where the management has carried out the physical verification and we have also participated and test checked the quantity and we corroborated the same with the books of accounts.</p> <p>We also inspected, for samples selected, supporting documentation relating to purchases and consumption, and such other third party evidences wherever applicable.</p>
<b>Trade receivables</b> net of provisions for expected credit loss as in note no. 11 of the standalone financial statement ₹ 3,379 lakhs. Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions and has taken into account estimates of possible effect from the pandemic relating to COVID -19.	<p>Our audit procedures related to the allowance for credit losses for trade receivables, based on the documents and correspondence available with the company and by considering subsequent realization of debts after 31.03.2022.</p> <p>We assessed the ageing of trade receivables and advances, the customer's historical payment patterns and whether any post year-end payments has been received up to the date of completing our audit procedures.</p> <p>Further in addition to the above process, a forward-looking expected loss impairment model as prescribed in IND AS 109 "Financial Instruments" was also applied by the Company. This involves judgment as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions.</p>
<b>Evaluation of uncertain indirect tax positions pertaining to pre-GST regime</b> : The Company has material uncertain service tax and sales tax positions including matters under dispute which involve significant judgment to determine the possible outcome of these disputes.	<p>Refer Annexure B of this report- The disputed Service Tax, Sales Tax and Value Added Tax and TDS amounting ₹ 116 lakhs, ₹ 139 lakhs and ₹18 lakhs respectively have been disclosed.</p> <p>The Service tax dispute (₹116 lakhs comprising ₹81.90 and ₹ 34.17 lakhs) is pending with CESTAT and for which Stay Order has been obtained dated 26-11-2010. The status has remained unchanged since that time with no further hearing date is available.</p>

Key audit matter	Principal audit procedures
	<p>During the FY 2019-20 the Company had availed the Sabka Viswas Scheme for settlement of the demand of ₹ 21.14 lakhs relating to 1.4.2012 till 31.3.2014 and a penalty of equivalent amount aggregating ₹42 lakhs.</p> <p>The Sales Tax/VAT dispute amounting ₹ 132 lakhs is pending with the Joint Commissioner of Commercial Taxes (Appeals) mainly pertaining to non-submission of statutory C Forms, F-forms and is still in appeal stage without any settlement.</p> <p>TDS demand of ₹18 lakhs which is appearing as default in TRACES, this default is from financial year 2007-08 to 2017-18, This default is due to errors in filling the TDS returns and which are rectifiable by filing revised returns.</p>
<p><b>Sale of portfolio products under the Company's brand</b></p> <p>The Company has sold the portfolio of brand (including all rights and interests associated with the products) along with identified intangible assets including without limitation all intellectual property rights in April 2022 based on approval by the shareholders of the Company in the EGM held on 28.02.2022 to Lupin Limited for a consideration of ₹305 crores</p>	<p>We have obtained the valuation report from a registered valuer with report date 12<sup>th</sup> January 2022 vide which the valuation arrived at is ₹ 307.11 crores. The valuation has been carried out as per Market approach and has considered the average Price to Sales Multiple of industry benchmarks to arrive at the value of the brand. In its meeting held on 28.02.2022, the shareholders have approved the consideration of approximately ₹305 crores.</p>

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

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

comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

- a) We have sought and obtained all the information and explanations read with the "Emphasis of matter" second part of 'Basis for Opinion' paragraph, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 41).
  - ii. The Company has made provision, as required, under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- h) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note No 41 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 provide guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - i) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note No 41 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.
  - j) Based on the audit procedures performed that have been 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), as provided under (h) and (i) above, contain any material misstatement.
  - k) The dividend proposed/declared during the previous year and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
  - l) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - m) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in Paragraphs 3 & 4 of the Order.

**For KAMG & Associates**  
Chartered Accountants  
Firm Reg No.: 311027E

**Brij Kishor Pandit**  
Partner  
M.No 537368

Date: 12-05-2022  
Place: Bengaluru

UDIN: 22537368AIVQYM6685

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **ANGLO-FRENCH DRUGS & INDUSTRIES LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, subject to the matter mentioned in para above, 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For KAMG & Associates**  
Chartered Accountants  
Firm Reg No.: 311027E

**Brij Kishor Pandit**  
Partner  
M.No 537368

Date: 12-05-2022  
Place: Bengaluru



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - (b) The Company has maintained proper records showing full particulars of the intangible assets.
  - (c) The Company has a regular programme for physical verification of its fixed assets by which its fixed assets are verified in a phased manner on a rotational basis covering all the fixed assets over a period of time. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets.
  - (d) According to the information and explanation given to us by the Management, the Company has disclosed details of all immovable property in the financial statements for which the title deed is in the name of the Company.
  - (e) According to the information and explanation given to us by the Management, the Company has not revalued any asset during the year except as required for adoption of relevant standards of Ind AS.
  - (f) According to the information and explanation given to us by the Management, there has been no proceedings initiated against or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 and rules thereunder.
  2. (a) The inventories have been physically verified by the Management during the year. In our opinion, the frequency of physical verification is reasonable and procedure adopted by the Management for physical verification is reasonable and adequate in relation to the size of the Company and nature of its business.
  - (b) The Company has not deposited dues on account of dispute, details of which are as below:
- (b) The Company has been sanctioned working capital limit in excess of ₹ 5 crores on the basis of the security of current assets during the year. The statements as required have been submitted to the banks and are in agreement with the books of accounts to the extent verified by us.
  3. During the year, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
  4. The Company has not granted any loans, made investments or given guarantees to directors or any other person in whom the director is interested and hence the provisions of Section 185 of the Companies Act do not apply. In respect of the loans, investments and guarantees given by the Company for the loans taken by others from banks or financial institutions, provisions of Section 186 of the Companies Act 2013 does not apply.
  5. The Company has not accepted deposits or amounts which are deemed to be deposits. Hence, we have nothing to report under this clause.
  6. The maintenance of cost records has been specified by the Central Government under Section 148(1) of Companies Act for the nature of manufacturing activities carried on by the Company. The Company has maintained the prescribed accounts and records. We have not made a detailed examination of those records and have relied on the report produced by the Cost Auditor.
  7. (a) The Company has generally been regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise and all other statutory dues. There has been no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the dues	Amount (₹) (in lacs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Excise Act and Finance Act 1994	Service tax/ Excise	82	April 2006 to August 2008	CESTAT - Bengaluru	--Nil--
Central Excise Act and Finance Act 1994	Service tax/ Excise	34	September 2008 to March 2009	CESTAT - Bengaluru	--Nil--
	<b>TOTAL</b>	<b>116</b>			
Sales tax and VAT laws	Sales Tax/ VAT	6	2004-2005	JCCT-Appeals-Patna	--Nil--
Sales tax and VAT laws	Sales Tax/ VAT	3	2005-2006	DCCT-Appeals-Lucknow	--Nil--
Sales tax and VAT laws	Sales Tax/ VAT	3	2006-2007	JCCT-Appeals-Dhar Pithampur	--Nil--
Sales tax and VAT laws	Sales Tax/ VAT	1	2007-2008	DCCT-Appeals-Lucknow	--Nil--
Sales tax and VAT laws	Sales Tax/ VAT	1	2008-2009	ACCT, spl. circle, Kerala	--Nil--
Sales tax and VAT laws	Sales Tax/ VAT	40	2008-2009	JCCT-Appeals-Dhar Pithampur	--Nil--
Sales tax and VAT laws	Sales Tax/ VAT	12	2009-2010	JCCT-Appeals-Dhar Pithampur	--Nil--
Sales tax and VAT laws	Sales Tax/ VAT	11	2010-2011	ACCT-Dhar Pithampur	--Nil--
Sales tax and VAT laws	Sales Tax/ VAT	53	2011-2012	ACCT- Mumbai	--Nil--
Sales tax and VAT laws	Sales Tax/ VAT	2	2014-2015	ACCT- Pithampur	--Nil--
	<b>TOTAL</b>	<b>132</b>			
Income Tax Act 1961	TDS	18	2007-08 to 2017-18	TDS-CPC	--Nil--

8. According to the information and explanations provided to us, there were no instances of transactions not recorded in the books of accounts which were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961.
9. (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, the company has not been declared as a willful defaulter by any Bank or Financial Institution or any other lender.
- (c) According to the information and explanations given to us, the Company has not obtained any term loans during the year. Hence, we have nothing to report under this clause
- (d) According to the information and explanations given to us, the Company has not raised any short-term funds during the year. Hence, we have nothing to report under this clause.
- (e) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Hence, we have nothing to report under this clause.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, we have nothing to report under this clause.
10. (a) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, we have nothing to report under this clause.
- (b) According to the information and explanations given to us, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible).
11. (a) According to the information and explanation given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (b) The requirement to file Form ADT-4 as prescribed under Rule 13 of the Companies Audit and Auditors Rules 2014 is not applicable.
- (c) In our opinion and according to the information and explanations given to us, the Company has not received any whistle blower complaints during the year.
12. The Company is not a Nidhi Company. Hence, we have nothing to report under sub clause (a) to (c) of this clause
13. In our opinion and according to the information and explanation given to us, the Company is in compliance with Section 188 and 177 of the Companies Act 2013 where applicable, for all transactions with the related parties and the details of the related party transactions have been disclosed in the financial statements etc as required by the applicable accounting standards.
14. (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit were obtained and considered by the Statutory auditor.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
16. (a) The company is not required be registered under Section 45-IA of the Reserve Bank of India, 1934. Hence, we have nothing to report under this clause.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Hence, we have nothing to report under this clause.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Hence, we have nothing to report under this clause.
- (d) Since the Company is not a CIC, we have nothing to report under this clause.
17. According to the information and explanation given to us, the Company has not incurred any cash losses in the financial year and immediately preceeding financial year.
18. There was no instance of resignation of the statutory auditor during the year. Hence, we have nothing to report under this clause.
19. According to the information and explanation given to us and on the basis of the financial ratios ageing and the expected dates of realization of financial assets and payment of financial liabilities, in our opinion, there is no material uncertainty existing as on the date of the Balance sheet and the Company would be capable to meet all its liabilities existing on the date as and when they fall due within a period of one year from the balance sheet date.
20. There were no amounts unspent in compliance with second proviso to sub section (5) of Section 135 of the said act. Hence, we have nothing to report under this clause.

**For KAMG & Associates**  
Chartered Accountants  
Firm Reg No.: 311027E

**Brij Kishor Pandit**  
Partner  
M.No 537368

Date: 12-05-2022  
Place: Bengaluru



**BALANCE SHEET AS AT MARCH 31, 2022 (STANDALONE)**

Rupees in Lakhs

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
PROPERTY, PLANT AND EQUIPMENT	4	1,327	1,285
Right of Use Assets		546	73
INTANGIBLE ASSETS	5	3	3
FINANCIAL ASSETS			
(i) Investments	6	19	8
(ii) Trade Receivables	7	-	-
(iii) Other Non-Current Financial Assets	8	-	-
DEFERRED TAX ASSETS		-	-
OTHER NON CURRENT ASSETS	9	22	48
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,917</b>	<b>1,417</b>
<b>CURRENT ASSETS</b>			
INVENTORIES	10	3,277	3,667
FINANCIAL ASSETS			
(i) Trade Receivables	11	3,379	3,620
(ii) Cash and Cash Equivalents	12	23	44
(iii) Other Bank Balances	13	163	58
(iv) Other Current Financial Assets	14	202	184
<b>CURRENT TAX ASSET (NET)</b>	15	72	-
<b>OTHER CURRENT ASSETS</b>	16	603	467
<b>TOTAL CURRENT ASSETS</b>		<b>7,718</b>	<b>8,040</b>
<b>TOTAL ASSETS</b>		<b>9,636</b>	<b>9,457</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
EQUITY SHARE CAPITAL	17	129	129
OTHER EQUITY	18	1,715	1,473
<b>TOTAL EQUITY</b>		<b>1,844</b>	<b>1,602</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
FINANCIAL LIABILITIES			
(i) Borrowings	19	2,032	1,647
(ii) Other Non-Current Financial Liabilities	20	311	311
(iii) Other Non-current Liabilities	21	604	
EMPLOYEE BENEFIT OBLIGATIONS	22	52	106
DEFERRED TAX LIABILITIES - NET	23	20	38
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,019</b>	<b>2,102</b>
<b>CURRENT LIABILITIES</b>			
FINANCIAL LIABILITIES			
(i) Borrowings	24	1,475	2,324
(ii) Trade Payables	25		
(a) Total outstanding dues of MSME .		54	135
(b) Total outstanding dues other than MSME.		2,177	2,111
(iii) Other Current Financial Liabilities	26	890	1,091
Current Tax Liabilities	15	139	34
OTHER CURRENT LIABILITIES	27	-	-
EMPLOYEE BENEFIT OBLIGATIONS	22	38	58
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,773</b>	<b>5,753</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,636</b>	<b>9,457</b>

The accompanying notes 1 - 50 from an integral part of the Financial Statements

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

**For KAMG & ASSOCIATES**

Chartered Accountants

Firm's Registration Number 311027E

**Brij Kishor Pandit**

Partner

Membership Number 537368

Bengaluru, 12<sup>th</sup> May 2022

For and on behalf of the Board of Directors of  
**Anglo French Drugs & Industries Limited**

**N.Ahmedali**

Director

DIN : 00704341

**Abhay Kanoria**

Chairman &amp; Managing Director

DIN : 00108894

**Harshwardhan Murarka**

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022 (STANDALONE)

Rupees in Lakhs

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
<b>INCOME</b>			
REVENUE FROM OPERATIONS	28	16,480	15,340
OTHER INCOME	29	81	89
<b>TOTAL INCOME</b>		<b>16,561</b>	<b>15,429</b>
<b>EXPENSES</b>			
COST OF MATERIALS CONSUMED	30	3,398	3,446
PURCHASES OF STOCK-IN-TRADE		4,692	3,784
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	31	(180)	140
EMPLOYEE BENEFITS EXPENSE	32	2,897	2,722
FINANCE COSTS	33	427	529
DEPRECIATION AND AMORTISATION EXPENSE	34	290	246
OTHER EXPENSES	35	4,856	3,641
<b>TOTAL EXPENSES</b>		<b>16,380</b>	<b>14,508</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>181</b>	<b>921</b>
EXCEPTIONAL ITEMS - PROFIT / (LOSS)	34(b)	-	-
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>181</b>	<b>921</b>
<b>TAX EXPENSE</b>			
CURRENT TAX	15	139	174
MAT Credit entitlement		(85)	-
DEFERRED TAX	36	(18)	38
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>145</b>	<b>709</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of Post-employment benefit obligations		94	(35)
- Change in equity instruments- Fair value through Other Comprehensive Income		3	2
- Tax relating to these items			
1) Current Tax	36	-	5
2) Deferred Tax			-
<b>Total Other Comprehensive Income/ (Loss) for the year, net of tax</b>		<b>97</b>	<b>(28)</b>
<b>Total Comprehensive Income for the year</b>		<b>242</b>	<b>681</b>
Earnings per equity share (in INR) (Face value INR 10)			
(1) Basic	37	12	58
(2) Diluted	37	12	58

The accompanying notes nos 1 - 50 form an integral part of the Financial Statements

This is the Statement of Profit and Loss referred to in our report of even date.

**For KAMG & ASSOCIATES**

Chartered Accountants

Firm's Registration Number 311027E

**Brij Kishor Pandit**

Partner

Membership Number 537368

Bengaluru, 12<sup>th</sup> May 2022

For and on behalf of the Board of Directors of

**Anglo French Drugs & Industries Limited**

**N.Ahmedali**

Director

DIN : 00704341

**Abhay Kanoria**

Chairman & Managing Director

DIN : 00108894

**Harshwardhan Murarka**

Chief Financial Officer



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022 (STANDALONE)

Rupees in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flow from operating activities</b>		
<b>Profit before income tax</b>	181	921
Adjustments for		
Depreciation and amortisation expense	290	246
(Gain)/loss on disposal of property, plant and equipment	-	0
Provisions Written Back	(33)	(65)
Interest income classified as investing cash flows	(15)	(9)
Finance costs	427	529
<b>Change in operating assets and liabilities</b>		
(Increase)/Decrease in trade receivables	241	(1,026)
(Increase)/Decrease in inventories	390	613
(Increase)/ Decrease in other financial assets	(18)	(20)
(Increase)/Decrease in other non-current assets	26	(2)
(Increase)/Decrease in other current assets	(136)	135
Increase/(Decrease) in trade payables	(15)	(536)
Increase/ (Decrease) in employee benefit obligations	40	(32)
Increase/(Decrease) in other financial liabilities	(20)	(378)
Increase/(Decrease) in other current liabilities	(201)	160
<b>Cash generated from operations</b>	<b>1,157</b>	<b>535</b>
Income taxes paid (net of refund)	14	(99)
<b>Net cash inflow from operating activities</b>	<b>1,172</b>	<b>436</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(805)	(77)
Investment	(11)	-
Proceeds from sale of property, plant and equipment	-	3
Changes in Other bank balances	(106)	(16)
Interest received	15	9
<b>Net cash outflow from investing activities</b>	<b>(906)</b>	<b>(81)</b>
<b>Cash flows from financing activities</b>		
Proceeds from Issuing share capital		232
Proceeds from borrowings:	989	(44)
Repayment of borrowings:	(849)	10
Interest paid	(427)	(529)
Dividends paid		(1)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(287)</b>	<b>(333)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(21)</b>	<b>22</b>
Cash and cash equivalents at the beginning of the year	44	22
<b>Cash and cash equivalents at the end of the year</b>	<b>23</b>	<b>44</b>

The accompanying notes nos 1 - 50 form an integral part of the Financial Statements

This is the Statement of Cash Flows referred to in our report of even date.

**For KAMG & ASSOCIATES**

Chartered Accountants

Firm's Registration Number 311027E

**Brij Kishor Pandit**

Partner

Membership Number 537368

Bengaluru, 12<sup>th</sup> May 2022

For and on behalf of the Board of Directors of  
**Anglo French Drugs & Industries Limited**

**N.Ahmedali**

Director

DIN : 00704341

**Abhay Kanoria**

Chairman & Managing Director

DIN : 00108894

**Harshwardhan Murarka**

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022 (STANDALONE)

A. Equity share capital

(Rupees in lakhs)

Particulars	
As at March 31, 2020	116
Changes in equity share capital during the year	13
As at March 31, 2021	129
Changes in equity share capital during the year	-
As at March 31, 2022	129

B. Other equity

(Rupees in lakhs)

Particulars	Reserves and surplus				Other Comprehensive income	Total
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings (Surplus)		
Restated Balance at April 1, 2020	43	70	549	(86)	(4)	572
Profit for the year	-	219	-	709	-	928
Other comprehensive income/(losses) for the year, net of tax	-	-	-	(29)	2	(27)
<b>Total comprehensive income for the year</b>	-	<b>219</b>	-	<b>680</b>	<b>2</b>	<b>901</b>
<b>Balance as at March 31, 2021</b>	<b>43</b>	<b>289</b>	<b>549</b>	<b>594</b>	<b>(2)</b>	<b>1,473</b>
Restated Balance at April 1, 2021	43	289	549	594	(2)	1,473
Profit for the year				145		145
Other comprehensive income/(losses) for the year, net of tax				94	3	97
<b>Total comprehensive income for the year</b>	-	-	-	<b>239</b>	<b>3</b>	<b>242</b>
<b>Balance as at March 31, 2022</b>	<b>43</b>	<b>289</b>	<b>549</b>	<b>833</b>	<b>1</b>	<b>1,715</b>

The accompanying notes nos 1 - 50 form an integral part of the Financial Statements

This is the Statement of changes in equity referred to in our report of even date.

**For KAMG & ASSOCIATES**

Chartered Accountants

Firm's Registration Number 311027E

**Brij Kishor Pandit**

Partner

Membership Number 537368

Bengaluru, 12<sup>th</sup> May 2022

For and on behalf of the Board of Directors of  
**Anglo French Drugs & Industries Limited**

**N.Ahmedali**

Director

DIN : 00704341

**Abhay Kanoria**

Chairman & Managing Director

DIN : 00108894

**Harshwardhan Murarka**

Chief Financial Officer



## NOTES TO ACCOUNTS

### GENERAL INFORMATION

Anglo French Drugs & Industries Limited ("the company") is a company limited by shares, incorporated and domiciled in India having its Registered Office at Bengaluru. The company is primarily engaged in manufacturing of pharmaceutical formulations. As per letter no MSE/LIST/2018/18 dated January 1, 2018 issued by the Metropolitan Stock Exchange, Equity shares of the Company are listed and admitted to dealings on the Exchange w.e.f. January 4, 2018 vide notice number MSE/LIST/5903/2018 dated January 1, 2018.

### COVID-19

In continuation of the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers.

The Board of Directors approved the financial statements for the year ended March 31, 2022 and authorised for issue on 12<sup>th</sup> May 2022

The consolidated financial statements relate to Anglo French Drugs & Industries Limited and its subsidiary company as referred in Note 48 (collectively referred as "the Group") of Consolidated Financial Statements.

### 1 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these separate financial statements of the company. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### (a) BASIS OF PREPARATION

##### (i) Compliance with Ind AS

The Standalone Financial Statements of the Company which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements") have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, the provisions of the Companies Act, 2013 ("the Act") to the extent notified, guidelines issued by the Securities and Exchange Board of India (SEBI) and other accounting principles generally accepted in India. These financials have been prepared on the assumption of going concern on accrual basis.

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- equity investments in entities other than subsidiary, joint ventures and associate which are measured at fair value;
- Certain financial assets and liabilities that are measured at fair value;
- defined benefit plans – plan assets measured at fair value.

##### (iii) Use of estimates

In preparing the financial statements in conformity with generally accepted accounting principles, management is required to make judgements, estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent assets & liabilities as at the date of consolidated financial statements and the amounts of revenue and expenses during the reported period. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of facts and circumstances as at the date of the consolidated financial statement. Actual results could differ from those estimates. Estimates and underlying assumption are reviewed on an ongoing basis. Any revision to such estimates is recognised in the period the same is determined.

#### (b) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. Historical Cost represents direct expenses incurred on acquisition of the assets and the share of indirect expenses relating to acquisition allocated in proportion to the direct cost involved. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

##### Transition to IND AS

On transition to IND AS, the company had elected to continue with the carrying value of all property plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property plant and equipment.

##### Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on 'Straight Line Method' based on useful life as prescribed under Schedule II of the Companies Act 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

##### Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

#### (c) INTANGIBLE ASSETS

##### Measurement at recognition:

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their actual useful lives or upto 6 years whichever is lower. The amortisation period and the amortisation method are reviewed at least at each financial

year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

The cost of an intangible asset comprises of its purchase price including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use. Expenditure on development eligible for capitalisation are carried as 'intangible assets under development' when such assets are not yet ready for the intended use.

**Subsequent Expenditure:**

Subsequent Expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group.

**Derecognition:**

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

**(d) FINANCIAL INSTRUMENTS**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(i) FINANCIAL ASSETS:**

**(A) Classification:**

The group shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**(B) Initial recognition and measurement:**

A financial asset is classified as measured at

- Amortised Cost;
- FVOCI — debt instruments;
- FVOCI - equity investment; or — FVTPL

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the group commits to purchase or sell the asset.

**Debt instruments:**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

**(C) Derecognition:**

A financial asset (or, where applicable, a part of a financial asset or part of similar financial assets) is primarily derecognised (i.e. removed from the group's balance sheet) when the rights to receive cash flows from the asset have expired, or the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates' if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

**(D) Impairment:**

In accordance with Ind-AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt investments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance, Lease receivables

**(b) Trade receivables**

The group follows 'simplified approach' for recognition of impairment loss allowance on:



Trade receivables which do not contain a significant financing component.

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(ii) FINANCIAL LIABILITIES:**

**(A) Classification:**

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

**(B) Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**(C) Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**(iii) OFFSETTING FINANCIAL INSTRUMENT:**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

**(iv) INCOME RECOGNITION:**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial

instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**(e) CASH AND CASH EQUIVALENTS**

Cash and Cash equivalents for the purpose of consolidated Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments. To be classified as cash and cash equivalents, the financial asset must:

- be readily convertible into cash;
- have an insignificant risk of changes in value; and
- have a maturity period of three months or less at acquisition.

Bank overdrafts are repayable on demand and form an integral part of an entity's cash management, and are included as a component of cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**(f) REVENUE RECOGNITION**

**(A) Sale of goods**

The Group has applied Ind AS 115 using the modified retrospective approach (cumulative catch up method) and therefore the comparative information has not been restated and continues to be reported under erstwhile Ind AS 18 and Ind AS 11. The new Standard is applied to those contracts which remained in force as at 1<sup>st</sup> April, 2018. The application of the standard does not have any significant impact on the retained earnings as at 1<sup>st</sup> April, 2018 or on these financial statements. The details of accounting policies under erstwhile Ind AS 18 and Ind AS 11 are disclosed separately, if they are different from those under Ind AS 115.

Revenue is measured at the transaction price of the consideration received or receivable duly adjusted for variable consideration & customer's right to return the goods and the same represents amounts receivable for goods and services provided in the normal course of business. Revenue also excludes taxes collected from customers. Any retrospective revision in prices is accounted for in the year of such revision.

Revenue is recognised at a point in time on accrual basis as per the terms of the contract, when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

When sales discount and rebate arrangements result in variable consideration, appropriate estimates are made and estimated variable consideration is recognised as a deduction from revenue at the point of sale (to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not be required). The group typically uses the expected value method for estimating variable consideration, reflecting that such contracts have similar characteristics and a range of possible outcomes.

The contract asset or a contract liability is recognised when either party to a contract has performed, depending on the relationship between the entity's performance and the customer's payment. When the group has a present unconditional rights to

consideration, it is recognised separately as a receivable.

**(B) Export Incentive**

Duty drawback is recognized at the time of exports and the benefits in respect of advance license received by the group against export made by it are recognized as and when goods are imported against them.

**(C) Interest Income**

Revenue from interest is recognised on accrual basis and determined by contractual rate of interest.

**(D) Dividend Income**

Dividend income is stated at gross and is recognized when right to receive payment is established.

**(g) EMPLOYEE BENEFITS**

The group has various schemes of retirement benefits such as Provident Fund, Superannuation Fund and Gratuity Fund duly recognized.

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

The employees of the group are entitled to leave benefits as per the policy of the group. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(ii) Post-employment obligations**

The group operates the following post-employment schemes:

**Gratuity obligations –**

Maintained as a defined benefit retirement plan and contribution is made to Gratuity Fund established as Trust maintained by the group. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the

reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Provident Fund –**

The group pays provident fund contributions to a fund administered by Government Provident Fund Authority. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**Superannuation Fund -**

With respect to Superannuation Fund, which is maintained for few employees is contributed Life Insurance Corporation of India under LIC Superannuation Policy

**(h) LEASES**

**Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

**(i) FOREIGN CURRENCY TRANSLATION**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The group has adopted amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1<sup>st</sup> April, 2018).





**(i) Presentation Currency**

These consolidated financial statements are presented in INR which is the Functional Currency of the group.

**(ii) Transactions and balances**

The foreign currency balances receivable/payable as at the year end are converted at the closing rate and exchange difference has been recognized in the statement of Profit and Loss. The group classifies all its foreign operations as integral in nature.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of other financial instruments are recognised in other comprehensive income.

**(j) TAXES ON INCOME**

Current income tax is recognized based on the amount expected to be paid to the tax authorities, using tax rates and tax laws that have been enacted or substantially enacted on the date of balance sheet.

Deferred income tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

If the Group has carry forward unabsorbed depreciation and tax losses, all deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(k) EARNINGS PER SHARE**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of shares and dilutive equity equivalent shares outstanding during the period, except when results will be anti-dilutive.

**(l) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognised if, as a result of a past event, the group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the

amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed, unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**(m) SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**(n) RESEARCH & DEVELOPMENT**

Development of expenditure of certain nature is capitalised when the criteria for recognising an intangible asset are met. The revenue expenditure on Research & Development is written off in the year in which it is accrued.

**(o) INVENTORIES**

Inventories are valued at the lower of cost (Weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

**(p) GOVERNMENT INCENTIVES**

Government incentives that the group is entitled to on fulfillment of certain conditions, but are available to the group only on completion of some other conditions, are recognized as income at fair value on completion of such other conditions

Incentives that the group is entitled to unconditionally on fulfillment of certain conditions, such incentives are recognized at fair value as income when there is reasonable assurance that the incentives will be received.

**2 Recent Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1<sup>st</sup>, 2022, as below:

**Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

**Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is

preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

**Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

**Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

**Ind AS 106 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

The Company is in the process of evaluating the impact of these amendments.

**3 Significant estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

The following are the judgements and estimates that the management have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

**i) Impairment of trade receivable:**

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward

looking estimates at the end of each reporting period.

**ii) Post-employment benefits:**

The costs of providing pensions and other post-employment benefits are charged to the income statement in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include future earnings and pension increases, discount rates, expected long-term rates of return on assets and mortality rates.

**iii) Sales returns and rebates:**

Revenue is recognised when title and risk of loss is passed to the customer, reliable estimates can be made of relevant and all relevant obligations have been fulfilled, such that the earnings process is regarded as being completed.

Gross turnover is reduced by rebates, discounts, allowances and product returns given or expected to be given, which vary by product arrangements and buying groups. These arrangements with purchasing organisations are dependent upon the submission of claims some time after the initial recognition of the sale.

Because the amounts are estimated they may not fully reflect the final outcome, and the amounts are subject to change dependent upon, amongst other things, the types of buying group and product sales mix.

Future events could cause the assumptions on which the accruals are based to change, which could affect the future results of the group.

**iv) Assumptions are also made by the management with respect to valuation of inventories, evaluation of recoverability of deferred tax and contingencies.**

**v) Impact of Covid 19**

On the basis of its assessment of the impact of the outbreak of COVID-19 on business operations of the entity, the entity's management may conclude that no adjustments are required in the financial statements as it does not impact the current financial year. However, the situation with COVID-19 is still evolving. Hence, the management's assessment of the impact on the subsequent period is dependent upon the circumstances as they evolve.

**vi) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure**



#### 4. Property, Plant and Equipment

(Rupees in lakhs)

	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2022
	As at April 01, 2021	Additions	Sales/ Adjustments	Balance as at March 31, 2022	As at April 1, 2021	For the Year	Sales/ Adjustments	As at March 31, 2022	
Freehold land	8	-	-	8	-	-	-	-	8
Buildings	805	-	-	805	165	33	-	198	607
Plant & equipment	683	65	-	747	231	48	8	271	476
Furniture & fittings	140	10	-	150	96	9	-	105	45
Vehicles	170	80	6	244	89	23	2	111	133
Office equipment	38	16	-	55	38	4	-	42	13
Computers	259	17	-	276	198	33	-	231	45
<b>Total March 2022</b>	<b>2,102</b>	<b>188</b>	<b>6</b>	<b>2,285</b>	<b>817</b>	<b>150</b>	<b>10</b>	<b>958</b>	<b>1,327</b>
<b>Total March 2021</b>	<b>2,027</b>	<b>77</b>	<b>2</b>	<b>2,102</b>	<b>670</b>	<b>148</b>	<b>1</b>	<b>817</b>	<b>1,285</b>

Note:-

- 1) There are no qualifying assets and accordingly no borrowing costs are capitalised during the year
- 2) There were no Capital work-in-progress at the end of the year
- 3) No revaluation of property, plant and equipment was done during the year as the carrying value is on par with the fair market value as per Management's estimation
- 4) The Management is of the opinion that there is no impairment of Property, Plant and Equipment, during or as at the end of the year.

<b>IND AS 116</b>	
Right of Use Assets as on 31-3-2021	73
(representing right of use of underlying assets )	
Add: asset created	612
Amortisation Charge	139
<b>Note :</b>	
net carrying amount as on 31-3-2022	546

#### 5. Intangible Assets

(Rupees in lakhs)

	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2022
	As at April 1, 2021	Additions	Sales/ Adjustments	As at March 31, 2022	As at April 1, 2021	For the Year	Sales/ Adjustments	As at March 31, 2022	
Trademarks	-	-	-	-	-	-	-	-	-
Computer software	8	2	-	10	5	1	(1)	7	3
<b>Total March 2022</b>	<b>8</b>	<b>2</b>	<b>-</b>	<b>10</b>	<b>5</b>	<b>1</b>	<b>(1)</b>	<b>7</b>	<b>3</b>
<b>Total March 2021</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>4</b>	<b>1</b>	<b>-</b>	<b>5</b>	<b>3</b>

Note:-

- 1) There were no intangible assets under development during the year
- 2) The Management is of the opinion that there is no impairment of Intangible assets, during or as at the end of the year.

Particulars	As at March 31, 2022	As at March 31, 2021
<b>6 Non-Current investments</b>		
<b>A. Investments in equity instruments (fully paid)</b>		
(i) Quoted -		
In Other entities (Equity investments at Fair value through other comprehensive income)		
5,760 (2020- 5,760) Equity shares of INR 10 each in Industrial Development Bank of India Limited	5	2
19,400 (2020- 19,400) Equity shares of INR 10 each in Vijaya Bank Note-Vijaya Bank has been merged with Bank of Baroda wef 1 <sup>st</sup> Apr 2019	2	6
(ii) <b>Unquoted -</b>		
In Subsidiary Companies (Equity investments at cost)		
50,000 (2020-50,000) Equity shares in Anglo French Drugs & Industries Pte. Ltd. Singapore, wholly owned Subsidiary	24	24
Less: Provision for diminution in the value of investment	(24)	(24)
<b>Total Investment in equity instruments</b>	<b>7</b>	<b>8</b>
Investments in Shares- Ind As	5	-
Investment in Fixed Deposits	8	-
<b>Total non-current investments</b>	<b>19</b>	<b>8</b>
Aggregate amount of quoted investments	7	8
Market value of quoted investments	7	8
Aggregate amount of unquoted investments	24	24
Aggregate amount of impairment in the value of investment	(24)	(24)
<b>7 TRADE RECEIVABLES</b>		
<b>Doubtful</b>		
(a) Considered good - Secured	-	-
(b) Considered good - Unsecured	-	-
(c) Trade Receivables which have significant increase in credit risk	-	-
(d) Trade Receivables - credit impaired	-	-
Less: Loss allowance	-	-
(a) Fair value loss	-	-
(b) Credit impaired	-	-
<b>Total trade receivables (non-current)</b>	<b>-</b>	<b>-</b>
<b>8 OTHER NON-CURRENT FINANCIAL ASSETS</b>		
Security deposits	-	-
Fixed deposits with bank (with maturity period of more than 12 months)	-	-
<b>Total other non-current financial assets</b>	<b>-</b>	<b>-</b>
<b>9 OTHER NON-CURRENT ASSETS</b>		
Security deposits	22	31
Deferred rent expense for security deposit assets	-	7
Other deposits	-	2
Fixed deposits with bank (with maturity period of more than 12 months)	-	8
<b>Total other non-current assets</b>	<b>22</b>	<b>48</b>



Particulars	As at March 31, 2022	As at March 31, 2021
<b>10 INVENTORIES</b>		
Raw materials	1,163	1,470
Packing materials	494	389
Work-in-progress	104	113
Finished goods**	1,334	1,145
Stores and spare parts *	181	550
Less:Provision for inventories	-	-
<b>Total inventories</b>	<b>3,277</b>	<b>3,667</b>
* includes Stock of samples and promotional items in the hands of sales representatives -Nil		
**Closing stock of Finished goods includes samples amounting to ₹2.37 lakhs, which are not meant for sale.		
Raw materials & Packing materials are valued at weighted Average method , WIP & Finished Goods at Standard Price and stores and spares at cost.		
<b>11 TRADE RECEIVABLES</b>		
<b>Trade receivables</b>		
(a) Considered good - Secured	-	-
(b) Considered good - Unsecured	3,709	3,062
(c) Trade Receivables which have significant increase in credit risk	-	-
(d) Trade Receivables - credit impaired	-	803
Less: Loss allowance		
(a) Fair value loss	87	47
(b) Credit impaired	243	198
<b>Total trade receivables (current)</b>	<b>3,379</b>	<b>3,620</b>
Movement in allowance for doubtful debts		
Balance at the beginning of the year	245	198
Add: Provision made during the year	110	70
Less: Reversal for the year	(25)	(24)
Balance at the end of the year	330	245
Note-Trade Receivables includes Receivable from Viva Remedies (FZC) amounting to ₹ 104.39 lakhs which is under sub judice since 16.12.2014. The recovery made in the current year is ₹ 27 lakhs Refer Note No 45 for aging analysis		
<b>12 CASH &amp; CASH EQUIVALENTS</b>		
Cash in hand	1	1
Balances with Banks		
- Current Accounts	22	43
Stamps in hand	-	-
<b>Total cash and cash equivalents</b>	<b>23</b>	<b>44</b>
<b>13 OTHER BANK BALANCES</b>		
Fixed deposits maturing within 3 - 12 months	163	58
Margin money	-	-
<b>Total other bank balances</b>	<b>163</b>	<b>58</b>

Particulars	As at March 31, 2022	As at March 31, 2021
<b>14 OTHER CURRENT FINANCIAL ASSETS</b>		
Security Deposits		
Related Party	65	12
Security deposits	137	172
<b>Total other current financial assets</b>	<b>202</b>	<b>184</b>
<b>15 CURRENT TAX ASSETS (NET)</b>		
Income Tax (net of provision)		
Opening balance	(59)	22
Less: Tax payable for the year	139	174
Add: Taxes paid	185	93
Add/(Less): Refund/adjustment for earlier years	0	-
<b>Closing balance</b>	<b>(13)</b>	<b>(59)</b>
<b>MAT credit entitlement</b>	<b>85</b>	<b>25</b>
<b>Total current tax assets (net)</b>	<b>72</b>	<b>(34)</b>
<b>16 OTHER CURRENT ASSETS</b>		
<b>Prepaid expenses</b>	<b>129</b>	<b>94</b>
Deferred rent expense on security deposit given	-	5
Advances to related parties	-	-
Recoverable from Statutory Authorities	101	156
Advances to suppliers and others	244	211
Mat Credit Adjustment	85	-
Others-Recovery Right Assets	43	-
<b>Total other current assets</b>	<b>603</b>	<b>467</b>

**17 EQUITY SHARE CAPITAL**

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
<b>AUTHORISED</b>				
2,000,000 Equity Shares of INR 10 each (2021- 2,000,000)	200	200	200	200
	200	200	200	200
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID</b>				
12,91,500 Equity Shares of INR 10 each (2021- 12,91,500)	129	116	116	116
129000 Equity Shares of INR 10 each* Further 129,000 Equity shares are issued by way of Preferential Equity shares are capitalisation of General Reserve	-	13	-	-
	129	129	116	116

(i) **Reconciliation of equity share capital**

	Number of shares	Equity share capital (par value)
<b>As at March 31, 2020</b>	1,162,500	116
Change during the year	129,000	13
<b>As at March 31, 2021</b>	1,291,500	129
Change during the year	-	-
<b>As at March 31, 2022</b>	1,291,500	129



(ii) **Rights and preferences attached to equity shares :**

The company is having only one class of equity shares carrying a nominal value of INR 10 per share. These shares rank pari passu in all respects including voting rights and entitlement to dividend. Every holder of the equity shares of the Company is entitled to one vote per share held in the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution / repayment of all creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder.

(iii) **Details of Shareholders holding more than 5 percent shares in the Company :**

	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Number of Shares	% holding	Number of Shares	% holding
(1) Mr Abhay Kanoria Family Trust represented by Mr. Abhay Kanoria	702,205	54.37	702,205	54.37
(2) Ninaad Finance And Properties Pvt Ltd	129,000	9.99	129,000	9.99
(3) Life Insurance Corporation of India	90,000	6.97	90,000	6.97

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021		% change during the year
	No of shares	% of total shares	No of shares	% of total shares	
Promoters/Promoters Group					
Abhay Kanoria Family Trust, Represented by Mr. Abhay Kanoria, Trustee	702,205	54	702,205	54	-
Ninaad Finance and Properties Pvt. Ltd.	129,000	10	129,000	10	-
Binod Kumar Kanoria (HUF)	200	0	200	0	-
Prabhadevi Kanoria	3,450	0	3,450	0	-
<b>Total</b>	<b>834,855</b>	<b>64</b>	<b>834,855</b>	<b>64</b>	-

(v) The Board of Directors in its meeting held on 14<sup>th</sup> June, 2021, has recommended dividend of 15% (₹1.50/- per equity share of ₹10/- each) for the year ended 31<sup>st</sup> March, 2021 and the same was approved by the shareholders at the Annual General Meeting held on 13<sup>th</sup> August 2021, which resulted in a cash outflow of ₹19,37,250/-.

(vi) The Board of Directors in its meeting held on 13<sup>th</sup> June 2022 (at a Shorter Notice) has recommended dividend of 15% (₹1.50/- per equity share of ₹10/- each) for the year ended 31<sup>st</sup> March 2022, subject to the approval of shareholders at the ensuing Annual General Meeting to be held on 10<sup>th</sup> August 2022.

18 **OTHER EQUITY**

(Rupees in lakhs)

	As at March 31, 2022	As at March 31, 2021
<b>(a) RESERVES AND SURPLUS</b>		
CAPITAL RESERVE	43	43
SECURITIES PREMIUM RESERVE	289	289
GENERAL RESERVE	549	549
SURPLUS/(DEFICIT) IN STATEMENT OF PROFIT AND LOSS	833	594
	<b>1,714</b>	<b>1,475</b>
<b>(b) OTHER RESERVES</b>		
Fair Value through Other Comprehensive Income- Equity Instrument	1	(2)
<b>Total other equity</b>	<b>1,715</b>	<b>1,473</b>
<b>(a) RESERVE AND SURPLUS</b>		
<b>(i) CAPITAL RESERVE</b>		
Opening Balance	43	43
Adjustment during the year		
<b>Closing Balance</b>	<b>43</b>	<b>43</b>
<b>(ii) SECURITIES PREMIUM RESERVE</b>		
Opening Balance	289	70
Addition during the year		219
Adjustment during the year		
<b>Closing Balance</b>	<b>289</b>	<b>289</b>
<b>(iii) GENERAL RESERVE</b>		
Opening Balance	549	549
Adjustment during the year		
<b>Closing Balance</b>	<b>549</b>	<b>549</b>
<b>(iv) SURPLUS/ (DEFICIT) IN STATEMENT OF PROFIT AND LOSS</b>		
Opening Balance	594	(86)
EFFECT OF IND AS 116		
Add: Profit /(Loss) during the year as per Statement of Profit & Loss	145	709
Other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	94	(29)
<b>Closing Balance</b>	<b>833</b>	<b>594</b>
<b>(b) OTHER RESERVE</b>		
OTHER COMPREHENSIVE INCOME		
Opening Balance	(2)	(4)
Adjustments during the year		
- Remeasurements of quoted equity shares	3	2
<b>Closing Balance</b>	<b>1</b>	<b>(2)</b>

(i) Capital Reserve

Capital Reserve represents the statutory reserve created by the group as per requirement of the Act. This on account of the various transactions like debenture forfeiture, capital receipts and capital subsidiary received from the Government during various years.

(ii) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

(iii) General Reserve

General Reserve represents the statutory reserve, this is in accordance with Indian Corporate law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the group.

(iv) Retained earnings :

Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end and balances of remeasurement of net defined benefit plans, less any transfers to general reserve.

(Rupees in lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
<b>19</b>	<b>NON-CURRENT BORROWINGS</b>		
	<b>Term Loans from Banks</b>		
	<b>Secured</b>		
	YES Bank	120	-
	HDFC Bank	1,115	-
	Car finance loans from banks *	90	23
	<b>Term Loans from Others (NBFC)</b>		
	JM Financial Products Limited *	-	875
	<b>Inter Corporate Deposit</b>		
	Related Party	707	749
	Others *		
	<b>Total Non-current borrowings</b>	<b>2,032</b>	<b>1,647</b>
	Current maturities of long-term debt (included in note 24)	1,475	2,324

**PARTICULARS OF BORROWINGS :**

**a) Security**

- (i) The security charge for the loan from Yes Bank is as follows:-
- 2<sup>nd</sup> charge Pari Passu by way of hypothecation on current assets (CA)
  - 2<sup>nd</sup> charge Pari Passu by way of hypothecation on all movable fixed assets (MFA)
  - 2<sup>nd</sup> charge Pari Passu by way of equitable mortgage on specific building (Factory Land and Building) located at Peenya Industrial Area Building valuing INR 551.40 million
  - 100% credit guarantee by National Credit Guarantee Trust Company Limited (NCGTC)
  - 2<sup>nd</sup> charge on current assets financed through the Additional WCTL to be created
- (ii) Vehicle loans are secured by hypothecation of vehicles.

**b) Terms of repayment and Interest rate :**

- In respect of Vehicle loans repayments are done by equated monthly installments over 36 to 60 months.
- The company has taken vehicle loan from Kotak Mahindra Prime Limited during the year which carry interest at the rate of 7.05% & 7.50%, repayable in 60 equal installments. Repayment of the term loan will be completed in Oct 2026 & Dec 2026 .
- Loan Against Property (LAP) from HDFC Bank is secured at first ranking and exclusively charged by way of equitable mortgage on residential property of Sudarshan Services limited & carries interest at the rate of 7.50%, repayable in 84 equal monthly installments. Repayment will be completed in Aug 2028.
- Inter Corporate Deposits generally carry interest at the rate between 8.5% to 12.25%. These deposits are repayable on mutually agreed dates





(Rupees in lakhs)

	As at March 31, 2022	As at March 31, 2021
<b>20 OTHER NON-CURRENT FINANCIAL LIABILITIES</b>		
Security deposits	311	311
Other liabilities	-	-
<b>Total other non-current financial liabilities</b>	<b>311</b>	<b>311</b>
<b>21 OTHER NON-CURRENT LIABILITIES</b>		
Deferred Lease Liabilities	604	-
<b>Total other non-current financial liabilities</b>	<b>604</b>	<b>-</b>

**22 Employee benefit obligations**

(Rupees in lakhs)

	As at March 31, 2022			As at March 31, 2021			As at March 31, 2020		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Leave Encashment - Unfunded									
Present value of obligation	13	52	65	14	59	73	11	55	66
Gratuity - Funded	-	-	-	-	-	-	-	-	-
Present value of obligation	264	-	264	355	-	355	311	-	311
Fair value of plan assets	239	-	239	264	-	264	216	-	216
Net Liability	24	-	24	91	-	91	95	-	95
Gratuity Liability	24	-	24	44	47	91	35	60	95
<b>Total employee benefit obligations</b>	<b>38</b>	<b>52</b>	<b>90</b>	<b>58</b>	<b>106</b>	<b>164</b>	<b>46</b>	<b>115</b>	<b>161</b>

**(i) Defined benefit plans****a) Gratuity**

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity plan is a funded plan and the Company makes contributions to Kotak Gratuity Group Plan (UNI-107L010V05).

**b) Leave Encashment****(ii) Defined contribution plans**

The Company makes contributions towards provident fund which are in the nature of defined contribution post employment benefits plans. Under the plan, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

The Company has recognised the following amounts in the Statement of Profit & Loss for defined contribution plan.

Particulars	March 31, 2022	March 31, 2021
a) Superannuation Fund	12	11
b) Provident Fund	126	131

**(iii) Movement of defined benefit obligation and fair value of plan assets :**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Gratuity			Leave Encashment
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
April 1, 2020	369	231	138	74
Current service cost	28	-	28	8
Prior Service cost	-	-	-	-
Interest expense/(income)	21	16	5	4
<b>Total amount recognised in profit or loss</b>	<b>49</b>	<b>16</b>	<b>33</b>	<b>12</b>
Remeasurements				
Loss due to experience	23	-	23	12
Loss due to change in financial assumptions	-	-	-	(1)
Return on plan assets (greater)/less than discount rate	-	-	-	-
<b>Total amount recognised in other comprehensive income</b>	<b>23</b>	<b>-</b>	<b>23</b>	<b>11</b>
Employer contributions	-	-	-	-
Benefit payments	-	-	-	11
<b>March 31, 2021</b>	<b>441</b>	<b>247</b>	<b>194</b>	<b>86</b>
April 1, 2021	441	247	194	86
Current service cost	21	-	21	7
Prior Service cost	-	-	-	-
Interest expense/(income)	24	18	6	5
<b>Total amount recognised in profit or loss</b>	<b>45</b>	<b>18</b>	<b>28</b>	<b>12</b>
Remeasurements				
Loss/(Gain) due to experience	(94)	-	(94)	1
Loss due to change in financial assumptions	-	-	-	-
Return on plan assets (greater)/less than discount rate	-	-	-	-
<b>Total amount recognised in other comprehensive income</b>	<b>(94)</b>	<b>-</b>	<b>(94)</b>	<b>1</b>
Employer contributions	-	-	-	-
Benefit payments	-	-	-	20
<b>March 31, 2022</b>	<b>392</b>	<b>265</b>	<b>127</b>	<b>79</b>

The net liability disclosed above relates to funded and unfunded plan are as follows:

Particulars	March 31, 2022	March 31, 2021
Present value of funded obligations	264	441
Fair value of plan assets	239	246
Deficit of funded plan	24	195
Unfunded plans	-	66
Deficit of Employee Benefit Plans	24	261

**(iv) Post-Employment benefits**

The significant actuarial assumptions were as follows:

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Discount rate	7.43%	7.09%	7.75%
Salary growth rate	5.00%	5.00%	5.00%
Expected return on assets	7.43%	7.09%	7.75%
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal / attrition rate	5.00%	5.00%	5.00%



(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption		Impact on defined benefit obligation			
	March 31, 2022	March 31, 2021	Increase by 1%(100bps)		Decrease by 1%(100bps)	
			March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Gratuity</b>						
Discount rate	1%	1%	(17)	(21)	19	23
Salary growth rate	1%	1%	17	21	(16)	(19)
Withdrawal rate	1%	1%	3	3	(3)	(3)
<b>Leave Encashment</b>						
Discount rate	1%	1%	(5)	(6)	5	7
Salary growth rate	1%	1%	5	7	(4)	(6)
Withdrawal rate	1%	1%	1	1	(1)	(1)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method i.e. projected unit credit method has been applied as that used for calculating the defined benefit liability recognised in the balance sheet.

(vi) The major categories of plan assets are as follows:

Particulars	March 31, 2022		March 31, 2021	
	Amount in lakhs	in %	Amount in lakhs	in %
Investment funds with Kotak Gratuity Group Plan (UNI-107L010V05)	239	100%	246	100%
<b>Total</b>	<b>239</b>	<b>100%</b>	<b>246</b>	<b>100%</b>

The Company pays contribution to Kotak Gratuity Group Plan (UNI-107L010V05) which in turn invests the amount in various instruments. As it is done by Kotak Gratuity Group Plan (UNI-107L010V05) in totality basis along with contributions from other participants, the Company wise investment in planned assets - category / class wise is not available.

(vii) Risk exposure

The defined benefit obligations have the undermentioned risk exposures :

**Interest rate risk :** The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**Salary Inflation risk :** Higher than expected increases in salary will increase the defined benefit obligation.

**Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

(viii) Defined benefit liability and employer contributions

Expected contribution to post employment benefit plan for the year ending March 31, 2022 is 24 lakhs (Year ended 31.03.21 ₹44 lakhs)

The weighted average duration of the defined benefit obligation is 11.23 years (March 31, 2021 - 12.25 years ) in case of Gratuity and 11.23years (March 31, 2021 - 12.25 years ) in case of Leave encashment in all the three years. The expected maturity analysis of undiscounted gratuity and leave encashment is as follows :

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	Beyond 5 years	Total
<b>March 31, 2022</b>							
Gratuity	23	25	28	26	39	95	238
Leave encashment	5	4	5	5	5	24	48
<b>Total</b>	<b>28</b>	<b>29</b>	<b>33</b>	<b>31</b>	<b>44</b>	<b>119</b>	<b>286</b>
<b>March 31, 2021</b>							
Gratuity	18	24	26	32	23	500	623
Leave encashment	4	3	5	4	6	140	162
<b>Total</b>	<b>22</b>	<b>27</b>	<b>31</b>	<b>36</b>	<b>29</b>	<b>640</b>	<b>785</b>

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>23 DEFERRED TAX LIABILITIES - NET</b>		
Deferred Tax Liabilities on account of :		
Depreciation	151	36
Provision for Bonus		19
Provision for Gratuity		5
Provision for leave encashment		7
Provision for doubtful debts		20
<b>Total deferred tax liabilities (A)</b>	<b>151</b>	<b>87</b>
Deferred Tax Assets on account of :		
Provision for Bonus	(20)	-
Provision for Leave encashment and gratuity	(17)	-
Provision for debts, advances and investments	(24)	-
Fair valuation of security deposit-Assets		-
MAT Credit entitlement	(69)	(49)
Unabsorbed depreciation and carried forward business loss		-
Less: Deferred Tax Assets not recognised		-
<b>Total deferred tax assets (B)</b>	<b>(131)</b>	<b>(49)</b>
<b>Deferred Tax (Assets)/Liabilities (Net - A-B)</b>	<b>20</b>	<b>38</b>
<b>24 CURRENT BORROWINGS</b>		
<b>SECURED</b>		
<b>Cash Credit from Banks</b>		
HDFC Bank	484	769
YES Bank	659	972
<b>Packing Credit facility from Banks</b>		
YES Bank	-	-
<b>Short term loan from others</b>		
Working Capital Loan from National Small Industries Corporation Ltd [NSICL]	332	143
<b>UNSECURED</b>		
<b>Inter Corporate Deposit</b>		
Related Party	0	440
Others *	-	-
<b>Total Current borrowing</b>	<b>1,475</b>	<b>2,324</b>

**Reconciliation of the borrowings outstanding at the beginning and end of the year:**

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>I. Non-current borrowings (including current maturities)</b>		
Balance as at the beginning of the year	1,647	927
Cash flows (repayment) (net)	384	720
Non-cash changes:		
Amortised borrowing cost	0	
Balance as at the end of the year	2,031	1,647
<b>II. Current borrowings</b>		
Balance as at the beginning of the year	2,324	3,073
Cash flows proceeds (net)	849	749
Balance as at the end of the year	1,475	2,324

**PARTICULARS OF BORROWINGS :**
**a) Security**

- (i) Cash credit facilities are secured by way of hypothecation of all stock of inventories, book debts and other current assets of the company, both present and future, ranking pari passu. The Company has charge on land, building and Plant & Machinery for the cash credit facility availed from HDFC Bank and Yes Bank.
- (ii) Working capital loan from National Small Industries Corporation Ltd is secured by bank guarantee.

**b) Terms of repayment and Interest rate :**

- (i) Cash Credit from HDFC Bank and YES Bank carry interest at the rate of 8.5% and 8.75% respectively.
- (ii) Working Capital Loan from National Small Industries Corporation Ltd carries interest at the rate of 9%.
- (iii) Inter Corporate Deposits generally carry interest at the rate between 8.5% to 12.25%. These deposits are repayable on mutually agreed dates.



(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>25 TRADE PAYABLES</b>		
Trade payables *	2,231	2,246
Trade payables to related parties		-
<b>Total trade payables</b>	<b>2,231</b>	<b>2,246</b>
Classification as required by MSME Act		
Total outstanding dues of Micro Enterprises and Small Enterprises*	54	135
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,177	2,111
<b>Total trade payables</b>	<b>2,231</b>	<b>2,246</b>
Refer Note No 45 for aging analysis		
* Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 (MSME Act) are based on information made available to the Company. Total interest on MSME dues paid after the appointed day as per MSME Act, 2006 is ₹179,610 for the year 2020-21. The company has not provided interest for the dues outstanding for the specified period of few parties since such cases are under dispute.		
<b>26 OTHER CURRENT FINANCIAL LIABILITIES</b>		
Current maturities of long term debt		80
Current maturities of car loan	-	6
Unclaimed dividend	1	-
Security deposits	13	13
Others:		
- Other payables	104	149
Advance from customers	-	102
Statutory and other dues	54	113
Liabilities related to employees	341	164
Other liabilities	292	322
Deferred Lease Liability IND AS 116	-	99
Others-Refund Liability	86	43
<b>Total current financial liabilities</b>	<b>890</b>	<b>1,091</b>
<b>27 OTHER CURRENT LIABILITIES</b>		
<b>Total other current liabilities</b>	<b>-</b>	<b>-</b>

The Indian Parliament has approved the Code on Social Security, 2020 ('Code') which may likely impact the contributions made by the Company towards Provident Fund and Gratuity. The Company will assess the impact and its evaluation once the corresponding rules are notified and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are notified.

(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>28 REVENUE FROM OPERATIONS</b>		
<b>a) Sale of products</b>		
Pharmaceutical	16,462	15,294
<b>b) Other operating income</b>		
Sale of scrap	9	6
Excise duty recovered on operating income	(7)	14
Conversion charges/income from job work	10	14
Miscellaneous - operating income	-	-
Commission received	7	12
<b>Total revenue from operations</b>	<b>16,480</b>	<b>15,340</b>

(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>29 OTHER INCOME</b>		
Interest income	-	7
Interest on others	15	9
Provisions/ Liabilities written back	33	65
Insurance claim local	6	4
Miscellaneous income -non operating	5	2
DEPB Transfer/Duty Drawback	9	2
Exchange Rate (Loss)/ Gain	15	-
<b>Total other income</b>	<b>81</b>	<b>89</b>
<b>30 COST OF MATERIALS CONSUMED</b>		
<b>a) Raw Material Consumed</b>		
Opening Stock	1,470	1,875
Purchases	2,361	2,500
Freight & Carriage Inward	-	-
	3,831	4,375
Less : Sales	111	90
Less : Closing Stock	1,163	1,470
<b>Raw Material Consumed</b>	<b>2,557</b>	<b>2,815</b>
<b>b) Packing Material Consumed</b>		
Opening Stock	389	461
Purchases	947	559
	1,335	1,020
Less: Sales	-	-
Less : Closing Stock	494	389
<b>Packing Material Consumed</b>	<b>841</b>	<b>631</b>
<b>Total Cost of material consumed</b>	<b>3,398</b>	<b>3,446</b>
<b>31 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE</b>		
Opening Inventories of :		
Finished Goods	1,145	1,262
Work in Progress	113	136
	<b>1,258</b>	<b>1,398</b>
Closing Inventories of :		
Finished Goods	1,334	1,145
Work in Progress	104	113
	<b>1,438</b>	<b>1,258</b>
<b>Total changes in inventories of finished goods, work in progress and stock-in-trade</b>	<b>(180)</b>	<b>140</b>
<b>32 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries & wages	2,663	2,389
Contribution to provident and other Funds	86	180
Staff welfare expenses	148	153
<b>Total employee benefits expense</b>	<b>2,897</b>	<b>2,722</b>



(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>33 FINANCE COSTS</b>		
Interest Expense on borrowing from banks and others	364	505
IND AS 116 - Finance Cost	63	24
<b>Total finance costs</b>	<b>427</b>	<b>529</b>
<b>34 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of property, plant and equipment	150	148
Amortisation of intangible assets	1	1
Amortisation (Ind AS 116)	139	97
<b>Total depreciation and amortisation expense</b>	<b>290</b>	<b>246</b>
<b>35 OTHER EXPENSES</b>		
<b>(a) Operating, administrative &amp; other expenses</b>		
Consumption of stores and spares	34	49
Rent	39	39
Rates & taxes	25	17
Sales tax	43	34
Repairs & maintenance:		
Building	8	12
Plant & machinery	84	80
Others	53	46
Insurance charges	14	13
Electricity & water	30	16
Factory power & fuel	112	143
Job-work charges- manufacturing service charges	84	44
Tour & travelling expenses	1,181	830
Vehicle running & maintenance	68	56
Conveyance expenses	6	7
Legal & professional fee	156	106
Membership fee & subscription	48	51
Office & general expenses	173	96
Postage and telegram	6	10
Bank charges	38	22
Printing & stationary	345	35
Charity & donations	-	1
Foreign exchange rate fluctuation on expenses	-	4
Security expenses	43	42
Telephone & telex charges	39	26
Laboratory expenses	37	42
Directors fee	5	4
Trade marks	16	13
Auditors remuneration [refer note 35(a)]	7	8
<b>(b) Selling &amp; distribution expenses</b>		
Selling expenses	36	42
Advertisement & publicity	0	2
Business promotion expenses	1,131	800
Bad debt written off	45	30
Provision for doubtful debts	40	40
Clearing, forwarding & freight	190	181
Rebates & discount allowed	345	323
Insurance expenses- goods-in-transit	6	3
Handling expenses	2	3
Clearing & forwarding agents commission	367	370
<b>Total other expenses</b>	<b>4,856</b>	<b>3,641</b>
<b>35 (a) Details of Auditors' remuneration</b>		
Audit fee	3	3
Tax audit fee	1	1
For other services such as certification	3	4
<b>Total auditors remuneration</b>	<b>7</b>	<b>8</b>

(Rupees in lakhs)

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
<b>36</b>	<b>TAX EXPENSE</b>		
	<b>(a) Current tax</b>		
	Tax on profits for the year	54	174
	Adjustments for prior periods	-	-
	Total current tax expense	<b>54</b>	<b>174</b>
	<b>(b) Deferred tax</b>		
	Decrease (increase) in deferred tax assets	(18)	(49)
	(Decrease) increase in deferred tax liabilities		87
		(18)	38
	Less : Recognised in OCI	-	-
	Total deferred tax expense/(benefit)	<b>(18)</b>	<b>38</b>
	Total tax expense	36	212
	Effective tax rate	27.82%	27.82%
	<b>(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:</b>		
	Profit before income tax expense	181	921
	Tax at the rate of 27.82% (2020 - 27.82%)	50	256
	Adjustments related to property, plant and equipments:		
	Adjustment on account of depreciable assets	(158)	(29)
	Unabsorbed business loss	(1)	(15)
	Tax effect of amounts which are not deductible in calculating taxable income:		
	Donations	-	-
	Provision for debts, advances and investments	-	5
	Adjustment in 43B (on payment basis)	-	1
	Income tax adjustments (since income tax payable under MAT - u/s 115JB)	-	(174)
	Tax payable under MAT - u/s 115JB	-	174
	Income tax expense as per Income Tax	<b>36</b>	<b>212</b>
Particulars		March 31, 2022	March 31, 2021
<b>37</b>	<b>Earnings per Share</b>		
a	Basic earnings per share	11.96	58.47
b	Diluted earnings per share	11.96	58.47
Particulars		March 31, 2022	March 31, 2021
c	Reconciliations of earnings used in calculating earnings per share		
	Profit attributable to the equity holders of the company used in calculating basic earnings per share	144.99	709.10
	Profit attributable to the equity holders of the company used in calculating diluted earnings per share	144.99	709.10
Particulars		March 31, 2022	March 31, 2021
d	Weighted average number of shares used as the denominator		
	Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,212,687	1,212,687
	Adjustments for calculation of diluted earnings per share:		
	Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share.	1,212,687	1,212,687





38 FAIR VALUE MEASUREMENTS

Financial instruments by category

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Financial assets</b>				
Investments				
-Equity Investments	7		8	
-Subsidiaries				
Fixed Deposits		-		8
Trade Receivables		3,379		3,620
Cash and cash equivalents		23		44
Other Bank Balances		163		58
Security deposits		137		215
<b>TOTAL FINANCIAL ASSETS</b>	<b>7</b>	<b>3,702</b>	<b>8</b>	<b>3,945</b>
<b>Financial Liabilities</b>				
Borrowings		3,507		4,057
Security Deposits		311		311
Trade payables		2,231		2,246
Capital creditors		-		-
Unclaimed Dividend		-		-
Others				162
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>-</b>	<b>6,049</b>	<b>-</b>	<b>6,776</b>

(i) Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at	As at
	31 <sup>st</sup> March 2022 Level 1	31 <sup>st</sup> March 2021 Level 1
Financial Assets at FVOCI		
Investment in equity shares		
Industrial Development Bank of India Limited	2	2
Vijaya Bank	9	6
<b>Total Financial Assets at FVOCI</b>	<b>11</b>	<b>8</b>

(ii) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, security deposits included in level 3.

(iii) Assets and liabilities which are measured at amortised cost for which fair values are disclosed

All the financial asset and financial liabilities measured at amortised cost, carrying value is an approximation of their respective fair value.

(iv) Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

39 Financial risk management

The Company's activities expose it to market risk (i.e., currency risk, interest rate risk and market price risk), liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk :

The company's risk management is carried out by a treasury department under policies approved by the Board of Directors, Company Treasury identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments and investment of excess liquidity.

(A) Market risk

(i) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the respective companies' functional currency.

The exposure of the Company to foreign currency risk is not significant. The position of foreign currency exposure to the Company as at the end of the year expressed in INR are as follows :

(₹ in lakhs)		
Currency	Receivables	Payables
March 31, 2022		
US Dollar (USD)	4	-
<b>Net exposure to foreign currency risk</b>	<b>4</b>	
March 31, 2021		
US Dollar (USD)	2	-
<b>Net exposure to foreign currency risk</b>	<b>2</b>	-

Sensitivity

If INR is depreciated or appreciated by 5% vis-a-vis foreign currency, the impact thereof on the profit and loss of the company are given below:

Particulars	(₹ in lakhs)	
	Impact on profit after tax	
	March 31, 2022	March 31, 2021
USD sensitivity		
INR/USD Increases by 5% (March 31, 2021 - 5%)	18	20
INR/USD Decreases by 5% (March 31, 2021 - 5%)	-18	-20
* Holding all other variables constant		

(ii) Interest rate risk

The exposure of the company's borrowing to interest rate changes at the end of the reporting period depends on the mix of fixed rate and floating rate of the borrowings and the expected movement of market interest rate. The status of borrowings in terms of fixed rate and floating rate are as follows:

Particulars	March 31, 2022	March 31, 2021
Variable Rate borrowings	1,143	1,741
Fixed Rate borrowings	2,364	2,316
<b>Total borrowings</b>	<b>3,507</b>	<b>4,057</b>

As at the end of the reporting period, the company had the following variable rate borrowings outstanding:

Particulars	Weighted average interest rate	Balance	% of total loans
<b>March 31, 2022</b>			
Bank overdrafts, bank loans, Cash credit	8.64	1,143	33%
<b>March 31, 2021</b>			
Bank overdrafts, bank loans, Cash credit	12.17	1741	42%



### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

₹ in Lakhs

Particulars	Impact on profit after tax	
	March 31, 2022	March 31, 2021
Interest rates – increase by 50 basis points (50 bps)	8	9
Interest rates – decrease by 50 basis points (50 bps)	-8	-9

### (iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the company in equity securities and classified in the balance sheet as at fair value through profit or loss. However, company does not have a practice of investing in market equity securities with a view to earn fair value changes gain. As per the company policies, whenever any investment is made by the company in equity securities, the same is made either with some strategic objective or as a part of contractual arrangement. Further, at the reporting date company does not hold material value of quoted securities. Accordingly, company is not exposed to significant market price risk.

#### (A) Credit risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the company.

Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. In order to mitigate the risk of financial loss from defaulters, the Company has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the company does not allow any credit period and therefore, is not exposed to any credit risk.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30-120 days past due on case to case basis.

#### (B) Liquidity risk

The Company has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

- (i) Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows:

₹ in Lakhs

Particulars	March 31, 2022	March 31, 2021
Floating rate		
Cash credit/WCTL facility	659	892

The bank overdraft and cash credit facilities may be drawn at any time and may be terminated by the bank without notice.

### Capital management

#### (a) Risk management

The company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

The gearing ratios of the Company are as follows:

Particulars	March 31, 2022	March 31, 2021
Net debt (net of cash and cash equivalents)	3,506	3,971
<b>Total Equity</b>	<b>1,844</b>	<b>1,602</b>
<b>Net debt to equity ratio</b>	<b>190%</b>	<b>566%</b>

40 RELATED PARTY TRANSACTIONS

(a) LIST OF RELATED PARTIES

A. Key Management Personnel of the company and close member of Key Management Personnel of the company

- i) Mr. Abhay Kanoria
- ii) Mr. Uddhav Kanoria
- iii) Mr. N Ahmedali
- iv) Ms.Neha Rajen Gada
- v) Mr. Nirbhay Kanoria
- vi) Mr. Sanatkumar Shirali
- vii) Mr. Shashikant N More (upto 14-06-2021)
- viii) Dr.Rajeshwar B Smarta (upto 25-01-2022)
- ix) Mr. Rakesh P Kanyadi
- x) Mrs.Pallavi Kanoria (Wife of Mr Abhay Kanoria)
- xi) Mr.Harshwardhan Murarka
- xii) Mrs. Deepa Ramachandran (upto 04-03-2022)
- xiii) Mrs Girija Subramanian (from 14-06-2021)

B. Subsidiaries

- 1. Anglo French Drugs & Industries PTE Ltd

C. Enterprises which are post employment benefit plan for the benefit of employees

- i) The Anglo French Drug Co. ESTN Ltd Employee's Gratuity Fund
- ii) Group Supperannuation Scheme under LIC of India

D. Enterprises in which Key Management Personnel and close member of Key Management personnel have joint control.

- i) Aakruti Investments Ltd.
- ii) Abhay Kanoria Family Trust
- iii) Broach Textile Mills Ltd.
- iv) Ekta Tie-up Pvt. Ltd.
- v) GBK Charitable Trust
- vi) Radha Kesari Spinning Mills Ltd.
- vii) Sudarshan Exports Ltd.
- viii) Sudarshan Services Ltd.
- ix) Ninaad Finance & Properties Pvt Ltd

(b) Transactions with Related Parties for the year ended March 31, 2022

(Rupees in Lacs)

NATURE OF TRANSACTIONS	Subsidiaries		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel/ Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>EXPENSES:</b>								
i) Rent paid								
Sudarshan Services Ltd.								
Mr. Abhay Kanoria					12	11		
Mrs.Pallavi Kanoria					12	11		
ii) Receiving of Services – Administrative, Commercial & Accounting service								
Sudarshan Services Ltd.			-	-				



(Rupees in Lacs)

NATURE OF TRANSACTIONS	Subsidiaries		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel/ Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>iii) Interest Paid</b>								
Sudarshan Services Ltd			71	76			-	
Ninaad Finance & Properties Pvt Ltd			25	106			-	
<b>iv) Remuneration Paid</b>								
Mr. Abhay Kanoria					95	70		
Mr. Uddhav Kanoria					54	52		
Mr. Nirbhay Kanoria					43	40		
Mrs. Pallavi Kanoria					36	29		
Mr. Harshwardhan Murarka					19	14		
Ms. Deepa Ramachadran					11	9		
Mr. Rakesh P Kanyadi					25	22		
<b>v) Director's sitting fees</b>								
Mr. Sanatkumar Shirali					1.10	0.80		
Ms. Neha Rajen Gada					1.30	1.10		
Mr. N Ahmedali					1.20	1.40		
Mr. Shahikanth More					0.10	0.40		
Mr. Rajendra Bhaskar Smarta					0.60	0.60		
Mrs. Girija Subramanya					0.20	-		
Mr. Rakesh P Kanyadi					0.60	-		
<b>INCOME:</b>								
<b>i) Sale of Pharmaceutical products</b>								
Anglo-French Drugs & Industries Pte Ltd	164	130						
<b>OTHER RECEIPTS:</b>								
<b>i) Inter Corporate Deposit Received</b>								
Sudarshan Services Ltd			-	-	-	-		
<b>Contribution of Gratuity Fund</b>								
The Anglo French Drug Co. ESTN Ltd Employee's Gratuity Fund							-	60
Group Superannuation Scheme under LIC of India								
<b>Refund of Gratuity</b>								
The Anglo French Drug Co. ESTN Ltd Employee's Gratuity Fund							31	27
Group Superannuation Scheme under LIC of India								

Outstanding Balances as on March 31, 2022

NATURE OF TRANSACTIONS	Subsidiaries		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel/ Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>PAYABLES :</b>								
i) For Goods & Services Sudarshan Services Ltd	-	-	-	-				
ii) Inter Corporate Deposit Sudarshan Services Ltd			638	749				
Ninaad Finance & Properties Pvt Ltd			69	440				
<b>LOANS &amp; ADVANCES AND RECEIVABLES :</b>								
iii) For Goods & Services Anglo-French Drugs & Industries Pte Ltd	123	100						
iv) Security Deposit Mr. Abhay Kanoria			12	12				

41 The company had contingent liabilities at March 31, 2022 in respect of:

A (a) Claims against the Company pending appellate/judicial decisions not acknowledged as debts :

Particulars	March 31, 2022	March 31, 2021
a) Value Added Tax/Sales Tax	132	148
b) Service Tax/ Excise Duty	116	116
c) TDS defaults as per TDS-CPC	18	18

- a. The Management believes that the outcome of the above will not have any material adverse effect on the financial position of the company.
- b. The Company does not expect any reimbursements in respect of the above contingent liabilities.
- c. The assessed tax liability is ₹ 132 lakhs towards Value added tax / sales tax and ₹116 lakhs towards service tax are under dispute as at March 31, 2022 based on the favourable decision of the Appellate Authorities and the interpretation of the other relevant provisions, the Company has been advised that the demand raised by the Department may not crystallise into a potential obligation. Accordingly, no provision is considered necessary.
- d. TDS demand is due to errors in filling the TDS returns, which are being revised. On revision, the liability is likely to get adjusted and hence no provision has been made
- e. It is not practicable to estimate the timing of cash outflows, if any, in respect of matters above pending resolution of the arbitration / appellate proceedings. Further, the liability above excludes interest and penalty in cases where the company has determined that the possibility of such levy is remote.

(b) Guarantees :

- i. Counter guarantees issued to banks and remaining outstanding INR 420.59 lakhs (2021 - INR 469.61 lakhs).
- ii. Letter of credit opened and remaining outstanding INR 66.08 lakhs (2021 - INR 27.84 lakhs)

(c) Capital Commitments - Nil

B Other Statutory information

The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

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

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries



The 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:

- (a) 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
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

The Company does not have any transactions with companies which are struck off

The Indian Parliament has approved the Code on Social Security, 2020 ('Code') which may likely impact the contributions made by the Company towards Provident Fund and Gratuity. The Company will assess the impact and its evaluation once the corresponding rules are notified and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are notified.

The Company has sold the portfolio of brand (including all rights and interests associated with the products) along with identified intangible assets including without limitation all intellectual property rights in April 2022 based on approval by the shareholders of the Company in the EGM held on 28.02.2022 to Lupin Limited for a consideration of approximately ₹305 crores.

## 42 Leases

### Applicability of Ind AS 116 – As a lessee

Ind AS 116 on "Leases" is mandatory for reporting periods beginning on or after 1<sup>st</sup> April, 2019 as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standards) Rules, 2015 as amended, replacing the existing lease rental recognition criteria. The application of Ind AS 116 has impacted the company's accounting for recognition of leases payments

Under this standard, amortisation cost and Finance cost has increased by ₹ 42 lakhs and ₹ 39 lakhs respectively and corresponding rent has decreased by ₹ 325.61 lakhs. Application of this standard resulted in decreased of profit amounting to ₹ 31 lacs. The single accounting model introduced by Ind AS 116 recognises a right-of-use asset amounting to ₹ 473.30 lakhs representing its right to use the underlying assets and a lease liability of the equivalent amount representing its obligation to make lease payments

The following are the leasing arrangements entered into by the Company which has been considered for IND AS 116

Sr. No	Location	Name of Land Lord	Period		Deposit	Rent P.M.	Rent for One Year
			From	To			
1	Corporate Office	Rathna Shivarudrappa	01.04.2014	31.03.2016	1,650,000	140,000	1,680,000
			01.04.2016	31.03.2018		165,000	1,980,000
			01.04.2018	31.03.2022		190,000	2,280,000
2	Guest House-Pebble Bay	Amod Vig	01.09.2017	31.08.2018	1,500,000	160,000	1,920,000
			01.09.2018	31.08.2019		168,000	2,016,000
			01.09.2019	31.08.2020		176,400	2,116,800
			01.09.2020	31.08.2021		185,220	2,222,640
			01.09.2021	31.08.2022		194,480	2,333,760
3	Mumbai Office	The Phoenix Mills Limited	18.12.2016	17.12.2021	4,580,180	7,78,363	9,340,356
			18.12.2021	17.12.2022		7,74,510	
4	Mumbai Guest house	MINOO	01.08.2021	31.07.2022	1,200,000	400,000	4,800,000

43 (a) Details of Raw Materials Consumed

Description	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
PHARMACEUTICALS	Kgs	4,700	59	3,748	165
Calcium D Pantothenate IP					
Ascoric Acid	Kgs	63,849	297	66,133	419
Miscellaneous (None individually account for more than 10% of total consumption)			2,212		2,231
			<b>2,568</b>		<b>2,815</b>

(b) Value of Raw Materials Stores and Spare Parts consumed:

(₹ in Lakhs)

Description	Current Year		Previous Year	
	Amount	%	Amount	%
a) Raw Materials:		-	-	-
Imported				
Indigenous	2,568	100	2,815	100
	<b>2,568</b>	<b>100</b>	<b>2,815</b>	<b>100</b>
b) Stores and Spare Parts				
Imported				-
Indigenous	16	100	15	100
	<b>16</b>	<b>100</b>	<b>15</b>	<b>100</b>

(c) Purchase of Stock -in-Trade

(₹ in Lakhs)

Description	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
<b>Formulations:</b>					
a) Tablets	Million	292	2,409	256	1,988
b) Liquids	Bottles	10,375,900	1267	8,067,729	947
c) Injections	Litres	12,439	125	13,466	289
d) Capsules	Million	49	503	55	560
e) Granules	Kgs	1,017	8	4,582	8
f) Powder	Kgs	371,443	354	241,323	247
g) Ointment	Kgs	46,550	280	55,664	356
h) Injections	Kgs	243,783	344	-	-
i) Others	Nos.	528,073	39	1,075,440	66
			<b>5,329</b>		<b>4,461</b>

(b) Value of Imports on CIF basis

Description	Current Year		Previous Year	
	USD	₹ In lakhs	USD	₹ In lakhs
i) Raw Materials	-	-	-	-
ii) Components and Spare Parts	-	-	-	-
Expenditure in Foreign Currency	152,706	114	90,774	68
F.O.B Value of Exports			-	-
In Foreign Currency	875,133	645	1,196,272	883





#### 44 Operating Segment

The Holding Company has only one reportable segment i.e. pharmaceuticals

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Information about Geographical Areas:		
Revenue from customers		
In India	15,730	14,671
Outside India	732	688
Non-current assets		
In India		1,417
Outside India		-
Information about major customers		
Consolidated Revenue-exceeding 10% from each single customer	NIL	NIL

#### 45 Ageing of trade receivables

##### i) Undisputed trade receivables

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of receipts				
Less than 6 months	1,407		846	
6 months - 1 year -	92		102	
1-2 years	211		43	
2-3 years	25		19	
> 3 years	30		293	
Within credit period	1,510		2,190	

##### ii) Disputed trade receivables

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of receipts				
Less than 6 months				
6 months - 1 year -				
1-2 years				
2-3 years				
> 3 years	104		126	
Within credit period				

b) The average credit period allowed to customers is in the range of 30 days and interest on overdue receivables is generally levied at 18% per annum as per the terms of the agreement.

c) The Company does not have history of defaults in trade receivables. Loss allowance is estimated for disputed receivables based on assessment of each case by obtaining legal advice, where considered necessary.

Trade Payable ageing schedule as at March 31, 2022

##### i) Undisputed trade payables

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	-	629.72	-	850.78
1-2 years	-	3.67	-	3.58
2-3 years	-	-	-	-
> 3 years	-	-	-	-
Not Due	53.54	1,544.56	23.67	1,367.82
Unbilled	-	-	-	-
<b>Total</b>	<b>53.54</b>	<b>2,177.95</b>	<b>23.67</b>	<b>2,222.18</b>

ii) Disputed trade payables

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment	/		/	
Less than 1 year	/		/	
1-2 years	/		/	
2-3 years	/		/	
> 3 years	/		/	
Not Due	/		/	
Unbilled	/		/	
<b>Total</b>				

Disclosure relating to micro and small enterprises

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Current	Non Current	Current	Non Current
(1) Principal amount outstanding	53.54	-	23.67	-
(2) Principal amount due and remaining unpaid	-	-	-	-
(3) Interest due on (2) above and the unpaid interest	-	-	-	-
(4) Interest paid on all delayed payments under the MSMED Act.	-	-	-	-
(5) Payment made beyond the appointed day during the year	-	-	-	-
(6) Interest due and payable for the period of delay other than (4) above	-	-	-	-
(7) Interest accrued and remaining unpaid	-	-	-	-
(8) Amount of further interest remaining due and payable in succeeding years	-	-	-	-

46 Research and Development Expenses

For the period ended	March 31, 2022	March 31, 2021
Material Consumption	2	6
Laboratory consumption	5	7
Employee Benefits Expense	16	17
Others	65	1
	<b>88</b>	<b>31</b>

47 Revenue Recognition as per Ind AS 115

i The Company derives revenues primarily from sale of pharmaceutical products and scrap from its contracts with customers. The revenues have been disclosed in Note No.28 "Revenue from Operations"

ii The disaggregation of revenues is as under: (₹ in lakhs)

Nature	March 31, 2022	March 31, 2021
Revenue from contracts with customers		
Revenues from sale of goods	16,462	15,294
Revenues from sale of scrap (Other operating income)	9	6
	<b>16,471</b>	<b>15,300</b>



iii. The revenues are further disaggregated into revenues from domestic as well as export market as follows :

Nature	March 31, 2022		March 31, 2021	
	Domestic	Exports (including Deemed Exports)	Domestic	Exports (including Deemed Exports)
Revenue from contracts with customers				
Revenues from sale of goods	15,730	732	13,916	1,378
Revenues from sale of scrap (Other operating income)	9		6	
	<b>15,739</b>	<b>732</b>	<b>13,922</b>	<b>1,378</b>

iv. The movement in Company's receivables, contract assets and contract liabilities are as under:

Nature	Contract Asset	Contract Liabilities
Balance as at the beginning of the year	43	85
Additions		
Adjustments		
Balance as at the end of the year	43	85

v. The revenue from contracts with customers for the year includes variable consideration (discounts & rebates) of ₹ 36 lakhs, which has been deducted from the transaction price. The group uses expected value method in measuring the variable consideration. There were no constraints in estimating variable consideration.

#### 48 Critical judgements in applying accounting policies

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainties about these assumptions and estimates could result outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### Key Assumptions:

The key assumptions concerning the future and other key estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

##### a) Estimated useful life of tangible and intangible assets:

The Company has estimated the useful life based on useful life as specified in Schedule-II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The estimated useful life and residual values are reviewed at the end of each financial year and if necessary, changes in estimates are accounted. Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

##### b) Inventory :

Reviews are made periodically by the management on damaged, obsolete and slowmoving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

Inventories are stated at the lower of cost and net realisable value. Demand levels, exchange rates, technological advances and pricing competition could change from time to time. The company estimates the net realisable value of inventories based on an assessment of sales prices.

The Company's management conducts physical verification of inventories during the year at reasonable intervals. Management was able to perform year end physical verification of inventories, only at certain locations during Feb & Mar21. Management has carried out procedures to validate the existence of its inventory to determine the quantities and value of the inventory at the balance sheet date.

##### c) Trade Receivable :

The collectibility of receivables is assessed on an on going basis. An allowance for doubtful debts is made for any account considered to be doubtful of collection and also .

Allowance for doubtful debts is made based on a review of all outstanding accounts as at the balance sheet date. A considerable amount of judgement and estimate is required in assessing the ultimate realisation of these receivables, including the creditworthiness, the past collection history of each customer and subsequent collection up to date of report. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

**d) Impairment of Trade Receivable:**

The impairment provision for financial assets is based on the assumption about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the input impairment calculation based on the Company past history as well as forward looking assumptions at the end of each reporting period.

**e) Defined Benefit Obligation:**

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 21, 'Employee benefits'

**f) Fair value measurement :**

Fair value measurement of financial instruments When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

**g) Current Tax :**

The computation of advance taxes, provision for current/deferred tax are made based on significant judgments and which may get revised pursuant to position taken by the tax authorities.

**h) Provision and Contingent Liabilities :**

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities (see note 41 to the standalone financial statements). Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.



**Note No 49**  
**Financial Ratios**

Particulars	Numerator	Denominator	Ratios		Variance %	Change in ratio in excess of 25% compared to preceeding year
			For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021		
Current Ratio (in times)	Current Assets	Current Liabilities	1.53	1.34	14.58	
Debt Equity Ratio (in times)	Total Borrowings (Non current+Current)	Total Equity	1.90	2.48	(23.29)	
Debt Service Coverage Ratio (in times)	Profit before tax+Depreciation and amortisation expenses+Interest on term loans and debentures	Interest on debentures + Interest on term loans + Scheduled principal repayments of term loans and debentures (i.e. excluding prepayments and refinancing of debts) during the year	0.97	1.13	(14.23)	
Return on Equity Ratio	Net Profit after tax	Average Networth	0.08	0.62	(86.40)	Our profitability is low on account of increase in Marketing expenses
Inventory Turnover (no of days)	Average inventory	Fuel Cost + Stores & Spares Consumed+ Purchase of stock-in-trade	1.05	1.30	(19.20)	
Debtors Turnover Ratio	(Average Trade Receivables + Average unbilled revenue) * No of days in the reporting year	Revenue from operations	77.51	73.93	4.84	
Payables Turnover Ratio	Average Trade payables * No of days in the reporting year	Cost of goods sold	240.47	269.90	(10.90)	
Net Capital Turnover (in times)	Revenue from operations	Working Capital	6.73	8.03	(16.13)	
Net Profit Margin (%)	Net profit for the year	Total Income	0.01	0.05	(80.94)	Our profitability is low on account of increase in Marketing expenses
Return on Capital Employed (%)	Profit before tax plus Interest on long term loans and debentures	Net worth + Total borrowings + Deferred Tax	0.11	0.26	(56.18)	Our profitability is low on account of increase in Marketing expenses
Return on Investment (%)	Profit generated on sale of investment	Cost of investment	-	-	-	

**Note No 50**

These financial statements have been adopted by the Board in its meeting dated 12<sup>th</sup> May 2022

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF ANGLO-FRENCH DRUGS & INDUSTRIES LIMITED**

**Report on the Audit of the Consolidated Financial Statements Opinion**

We have audited the accompanying consolidated financial statements of **Anglo French Drugs & Industries Limited** ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate read with the paragraph below and the paragraph (ii) to the paragraph on 'Other Matters', to provide a basis for our audit opinion on the consolidated financial statements.

**Emphasis of matter**

We draw attention to Note 11 to the consolidated financial statements, on trade receivables from Viva Remedies (an overseas debtor) having outstanding as on 31.03.2022 of ₹ 1,04,39,738 (USD 205,306) after realization of dues during the year aggregating to ₹27 lakhs and which is outstanding for more than three years.

The matter relating to realization of the old outstanding balance with Viva Remedies is sub justice since 16th December, 2014.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	Principal audit procedures
Physical verification of inventory using alternative audit procedure ensuring veracity of inventory balances as on reporting date (Completeness, Accuracy, Cut off and Valuation) adopting alternative audit procedures.	Understood the process and tested the management's internal controls to establish the existence of inventory in relation to the process of periodic physical verification carried out by the management, the scope and coverage of the periodic verification programme, the results of such verification including analysis of discrepancies, if any;  At selected locations at the end of the year during February-March 2022 where the management has carried out the physical verification and we have also participated and test checked the quantity and we corroborated the same with the books of accounts.  We also inspected, for samples selected, supporting documentation relating to purchases and consumption, and such other third party evidences wherever applicable.
Trade receivables net of provisions for expected credit loss as in note no. 11 of the consolidated financial statement ₹ 3,426 lakhs. Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions and has taken into account estimates of possible effect from the pandemic relating to COVID -19.	Our audit procedures related to the allowance for credit losses for trade receivables, based on the documents and correspondence available with the company and by considering subsequent realization of debts after 31.03.2022.  We assessed the ageing of trade receivables and advances, the customer's historical payment patterns and whether any post year-end payments has been received up to the date of completing our audit procedures.  Further in addition to the above process, a forward-looking expected loss impairment model as prescribed in IND AS 109 "Financial Instruments" was also applied by the Company. This involves judgment as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions.



Key audit matter	Principal audit procedures
<p>Evaluation of uncertain indirect tax positions pertaining to pre-GST regime: The Company has material uncertain service tax and sales tax positions including matters under dispute which involve significant judgment to determine the possible outcome of these disputes.</p>	<p>The disputed Service Tax, Sales Tax and Value Added Tax and TDS amounting ₹ 116 lakhs, ₹ 139 lakhs and ₹18 lakhs respectively have been disclosed.</p> <p>The Service tax dispute (₹116 lakhs comprising ₹81.90 and ₹ 34.17 lakhs) is pending with CESTAT and for which Stay Order has been obtained dated 26-11-2010. The status has remained unchanged since that time with no further hearing date is available.</p> <p>During the FY 2019-20 the Company had availed the Subka Viswas Scheme for settlement of the demand of ₹ 21.14 lakhs relating to 1.4.2012 till 31.3.2014 and a penalty of equivalent amount aggregating ₹42 lakhs.</p> <p>The Sales Tax/VAT dispute amounting ₹ 132 lakhs is pending with the Joint Commissioner of Commercial Taxes (Appeals) mainly pertaining to non-submission of statutory C Forms, F-forms and is still in appeal stage without any settlement.</p> <p>TDS demand of ₹18 lakhs which is appearing as default in TRACES, this default is from financial year 2007-08 to 2017-18, This default is due to errors in filling the TDS returns and which are rectifiable by filing revised returns.</p>
<p>Sale of portfolio products under the Company's brand</p> <p>The Company has sold the portfolio of brand (including all rights and interests associated with the products) along with identified intangible assets including without limitation all intellectual property rights in April 2022 based on approval by the shareholders of the Company in the EGM held on 28.02.2022 to Lupin Limited for a consideration of ₹305 crores</p>	<p>We have obtained the valuation report from a registered valuer with report date 12th January 2022 vide which the valuation arrived at is ₹ 307.11 crores. The valuation has been carried out as per Market approach and has considered the average Price to Sales Multiple of industry benchmarks to arrive at the value of the brand. In its meeting held on 28.02.2022, the shareholders have approved the consideration of approximately ₹305 crores</p>

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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. We have nothing to report in this regard.

**Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

- i) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of ₹ 195.48 Lakhs as at 31st March, 2022, total revenues of ₹ 188.94 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. Our opinion, in so far as it relates to the amounts and disclosures included in

respect of this subsidiary, is based solely on the financial statements prepared by the subsidiary and audited by the other auditor. We have reviewed the conversion adjustments made by the Company's management.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below are formed and prepared in conjunction with the matters as mentioned above.

- ii) Trade receivable includes ₹ 104.39 Lakhs as on 31st March 2022 outstanding for a period of more than three years from Viva Remedies, which is sub judice since 16-12-2014, which in the opinion of the Holding Company is good and recoverable from Viva Remedies. However, Separate financial statements of subsidiary which is incorporated outside India have been prepared in accordance with accounting principles generally accepted in that country and which is to be audited by other auditor under generally accepted auditing standards applicable in that country.

Our opinion is not modified in respect of these matters.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations read with our statements made in the second part of the paragraph on 'Basis for opinion' and paragraph ii) of the 'Other matters' paragraph, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company for the Holding Company, none of the directors of the Holding Company incorporated in India is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act. We are unable to comment on the disqualification of the directors of the subsidiary company as the audit report of the subsidiary has not been furnished to us.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.





- g) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, as required in Clause 3(xxi), there were no qualifications or adverse comments in the audit report of the subsidiary.
- h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies
- i) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group. (Please refer Note 40).
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary company which is incorporated in India.
  - iv. The respective Managements of the Parent and its subsidiary which is incorporated outside India have represented that to us and other auditors that, to the best of their knowledge and belief, as disclosed in Note No 41 to the Consolidated financial statements, no funds have been advanced, loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its Subsidiary company incorporated

in Singapore to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- v. The respective Managements of the Parent and its subsidiary which is incorporated outside India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary that, to the best of their knowledge and belief, no funds have been received by the Parent or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or the subsidiary, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditor of the Subsidiary Company incorporated outside India, nothing has come to our or the other auditor's notice that has caused us or the other auditors to believe that the representations under Clause iv & v above contain any material misstatement.

- vi. The dividend proposed in the previous year, declared and paid in the current year by the Holding Company is in accordance with Section 123 of the Act, as applicable.

For **KAMG & Associates**  
Chartered Accountants  
Firm Reg No.: 311027E

**Brij Kishor Pandit**  
Partner

Date: 12-05-2022  
Place: Bengaluru

M.No 537368  
UDIN: 22537368AIVRCW6193

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(h) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of ANGLO-FRENCH DRUGS & INDUSTRIES LIMITED of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2022, we have audited the internal financial controls over financial reporting of ANGLO-FRENCH DRUGS & INDUSTRIES LIMITED (hereinafter referred to as “the Parent”) and its subsidiary companies, which are companies incorporated in India, as of that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

**Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matter.

For **KAMG & Associates**  
Chartered Accountants  
Firm Reg No.: 311027E

**Brij Kishor Pandit**  
Partner

Date: 12-05-2022  
Place: Bengaluru

M.No 537368

**BALANCE SHEET AS AT MARCH 31, 2022 (CONSOLIDATED)**

(₹ in lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
PROPERTY, PLANT AND EQUIPMENT	4	1,327	1,285
Right of Use Assets		546	73
INTANGIBLE ASSETS	5	3	3
FINANCIAL ASSETS			
(i) Investments	6	19	8
(ii) Trade Receivables	7	-	-
(iii) Other Non-Current Financial Assets	8	-	-
DEFERRED TAX ASSETS		-	-
OTHER NON CURRENT ASSETS	9	22	48
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,917</b>	<b>1,417</b>
<b>CURRENT ASSETS</b>			
INVENTORIES	10	3,277	3,667
FINANCIAL ASSETS			
(i) Trade Receivables	11	3,426	3,626
(ii) Cash and Cash Equivalents	12	50	64
(iii) Other Bank Balances	13	163	58
(iv) Other Current Financial Assets	14	202	184
CURRENT TAX ASSET (NET)	15	72	-
OTHER CURRENT ASSETS	16	603	461
<b>TOTAL CURRENT ASSETS</b>		<b>7,793</b>	<b>8,060</b>
<b>TOTAL ASSETS</b>		<b>9,710</b>	<b>9,477</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
EQUITY SHARE CAPITAL	17	129	129
OTHER EQUITY	18	1,763	1,478
<b>TOTAL EQUITY</b>		<b>1,892</b>	<b>1,607</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
FINANCIAL LIABILITIES			
(i) Borrowings	19	2,032	1,647
(ii) Other Non-Current Financial Liabilities	20	311	311
(iii) Other Non-current Liabilities	21	607	-
EMPLOYEE BENEFIT OBLIGATIONS	22	52	106
DEFERRED TAX LIABILITIES - NET	23	20	38
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,021</b>	<b>2,102</b>
<b>CURRENT LIABILITIES</b>			
FINANCIAL LIABILITIES			
(i) Borrowings	24	1,481	2,324
(ii) Trade Payables	25		
(a) Total outstanding dues of MSME .		54	135
(b) Total outstanding dues other than MSME.		2,190	2,121
(iii) Other Current Financial Liabilities	26	894	1,096
Current Tax Liabilities	15	139	34
OTHER CURRENT LIABILITIES	27	-	-
EMPLOYEE BENEFIT OBLIGATIONS	22	38	58
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,797</b>	<b>5,768</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,710</b>	<b>9,477</b>

The accompanying notes 1 - 55 from an integral part of the Financial Statements

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

**For KAMG & ASSOCIATES**

Chartered Accountants

Firm's Registration Number 311027E

**Brij Kishor Pandit**

Partner

Membership Number 537368

Bengaluru, 12th May 2022

For and on behalf of the Board of Directors of  
Anglo French Drugs & Industries Limited**N. Ahmedali**

Director

DIN : 00704341

**Abhay Kanoria**

Chairman &amp; Managing Director

DIN : 00108894

**Harshwardhan Murarka**

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022 (CONSOLIDATED)

Rupees in Lakhs

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
<b>INCOME</b>			
REVENUE FROM OPERATIONS	28	16,532	15,378
OTHER INCOME	29	82	102
<b>TOTAL INCOME</b>		<b>16,614</b>	<b>15,480</b>
<b>EXPENSES</b>			
COST OF MATERIALS CONSUMED	30	3,398	3,446
PURCHASES OF STOCK-IN-TRADE		4,692	3,784
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	31	(180)	140
EMPLOYEE BENEFITS EXPENSE	32	2,897	2,722
FINANCE COSTS	33	427	529
DEPRECIATION AND AMORTISATION EXPENSE	34	290	246
OTHER EXPENSES	35	4,866	3,650
<b>TOTAL EXPENSES</b>		<b>16,390</b>	<b>14,517</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>224</b>	<b>963</b>
EXCEPTIONAL ITEMS - PROFIT / (LOSS)	34(b)		-
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>224</b>	<b>963</b>
<b>TAX EXPENSE</b>			
CURRENT TAX	15	139	174
MAT Credit entitlement		(85)	
DEFERRED TAX	36	(18)	38
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>188</b>	<b>751</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to profit or loss</b>			
- Remeasurement of Post-employment benefit obligations		94	(35)
- Change in equity instruments- Fair value through Other Comprehensive Income		3	2
- Tax relating to these items			
1) Current Tax	36	-	5
2) Deferred Tax		-	-
<b>Total Other Comprehensive Income/ (Loss) for the year, net of tax</b>		<b>97</b>	<b>(28)</b>
<b>Total Comprehensive Income for the year</b>		<b>285</b>	<b>723</b>
<b>Earnings per equity share (in INR) (Face value INR 10)</b>			
(1) Basic	46	16	62
(2) Diluted	46	16	62

The accompanying notes 1 - 55 from an integral part of the Financial Statements

This is the Statement of Profit and Loss referred to in our report of even date.

**For KAMG & ASSOCIATES**

Chartered Accountants

Firm's Registration Number 311027E

**Brij Kishor Pandit**

Partner

Membership Number 537368

Bengaluru, 12th May 2022

For and on behalf of the Board of Directors of  
Anglo French Drugs & Industries Limited

**N.Ahmedali**

Director

DIN : 00704341

**Abhay Kanoria**

Chairman & Managing Director

DIN : 00108894

**Harshwardhan Murarka**

Chief Financial Officer



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2022**

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flow from operating activities</b>		
<b>Profit / (Loss) before income tax</b>	224	963
Adjustments for		
Depreciation and amortisation expense	290	246
(Gain)/loss on disposal of property, plant and equipment	-	-
Provisions Written Back	(33)	(77)
Interest income classified as investing cash flows	(15)	(9)
Finance costs	427	529
<b>Change in operating assets and liabilities</b>		
(Increase)/Decrease in trade receivables	200	(1,045)
(Increase)/Decrease in inventories	390	613
(Increase)/ Decrease in other financial assets	(18)	(20)
(Increase)/Decrease in other non-current assets	26	(2)
(Increase)/Decrease in other current assets	(142)	135
Increase/(Decrease) in trade payables	(12)	(531)
Increase/ (Decrease) in employee benefit obligations	20	(32)
Increase/(Decrease) in other financial liabilities	-	(219)
<b>Cash generated from operations</b>	1,358	550
Income taxes paid (net of refund)	15	(99)
<b>Net cash inflow from operating activities</b>	1,373	451
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(805)	(75)
Investments	(11)	-
Proceeds from sale of property, plant and equipment	-	3
Changes in Other bank balances	(105)	(17)
Interest received	15	9
<b>Net cash outflow from investing activities</b>	(906)	(79)
<b>Cash flows from financing activities</b>		
Proceeds from Issuing share capital	-	232
Proceeds from borrowings:	615	(43)
Repayment of borrowings:	(669)	9
Interest paid	(427)	(529)
Unclaimed Dividends paid	-	(1)
<b>Net cash inflow (outflow) from financing activities</b>	(481)	(331)
<b>Net increase (decrease) in cash and cash equivalents</b>	(14)	41
Cash and cash equivalents at the beginning of the year	64	23
<b>Cash and cash equivalents at the end of the year</b>	50	64

The accompanying notes nos 1 - 55 from an integral part of the Financial Statements

This is the Statement of Cash Flows referred to in our report of even date.

**For KAMG & ASSOCIATES**

Chartered Accountants

Firm's Registration Number 311027E

**Brij Kishor Pandit**

Partner

Membership Number 537368

Bengaluru, 12th May 2022

For and on behalf of the Board of Directors of  
Anglo French Drugs & Industries Limited

**N.Ahmedali**

Director

DIN : 00704341

**Abhay Kanoria**

Chairman & Managing Director

DIN : 00108894

**Harshwardhan Murarka**

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022 (CONSOLIDATED)

A. Equity share capital

Particulars	(₹ in lakhs)
As at March 31, 2020	116
Changes in equity share capital during the year	13
As at March 31, 2021	129
Changes in equity share capital during the year	-
As at March 31, 2022	129

B. Other equity

(Rupees in lakhs)

Particulars	Reserves and surplus				Other Comprehensive income	Total
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings (Surplus)		
Balance at April 1, 2020	43	70	549	(123)	(4)	535
Effect of IND AS 116				-		-
Restated Balance as at April 1, 2020	43	70	549	(123)	(4)	535
Earlier Year Effects Considered				-		
Profit for the year	0	219	0	751	0	970
Other comprehensive income for the year, net of tax	0	0	0	(29)	2	(27)
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>219</b>	<b>0</b>	<b>722</b>	<b>2</b>	<b>943</b>
<b>Balance as at March 31, 2021</b>	<b>43</b>	<b>289</b>	<b>549</b>	<b>599</b>	<b>(2)</b>	<b>1,478</b>
Balance at April 1, 2021	43	289	549	599	(2)	1,478
Effect of IND AS 116				-		-
Restated Balance as at April 1, 2021	43	289	549	599	(2)	1,478
Earlier Year Effects Considered				-		
Profit for the year	0	0	0	188	0	188
Other comprehensive income for the year, net of tax	0	0	0	94	3	97
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>282</b>	<b>3</b>	<b>285</b>
<b>Balance as at March 31, 2022</b>	<b>43</b>	<b>289</b>	<b>549</b>	<b>881</b>	<b>1</b>	<b>1,763</b>

The accompanying notes form an integral part of the Financial Statements

This is the Statement of changes in equity referred to in our report of even date.

**For KAMG & ASSOCIATES**

Chartered Accountants

Firm's Registration Number 311027E

**Brij Kishor Pandit**

Partner

Membership Number 537368

Bengaluru, 12th May 2022

For and on behalf of the Board of Directors of  
Anglo French Drugs & Industries Limited

**N.Ahmedali**

Director

DIN : 00704341

**Abhay Kanoria**

Chairman & Managing Director

DIN : 00108894

**Harshwardhan Murarka**

Chief Financial Officer



## NOTES TO ACCOUNTS (CONSOLIDATED)

### GENERAL INFORMATION

Anglo French Drugs & Industries Limited ("the company") is a company limited by shares, incorporated and domiciled in India having its Registered Office at Bengaluru. The company is primarily engaged in manufacturing of pharmaceutical formulations. As per letter no MSE/LIST/2018/18 dated January 1, 2018 issued by the Metropolitan Stock Exchange, Equity shares of the Company are listed and admitted to dealings on the Exchange w.e.f. January 4, 2018 vide notice number MSE/LIST/5903/2018 dated January 1, 2018.

### COVID-19

In continuation of the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers.

The Board of Directors approved the financial statements for the year ended March 31, 2022 and authorised for issue on May 12, 2022.

The consolidated financial statements relate to Anglo French Drugs & Industries Limited and its subsidiary company as referred in Note 49 (collectively referred as "the Group").

### 1 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these separate financial statements of the company. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### (a) BASIS OF PREPARATION

##### (i) Compliance with Ind AS

The consolidated financial statements have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (referred to as Ind AS) as prescribed under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time, as a going concern on accrual basis.

##### (ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- equity investments in entities other than subsidiary, joint ventures and associate which are measured at fair value;
- Certain financial assets and liabilities that are measured at fair value;
- defined benefit plans – plan assets measured at fair value.

##### (iii) Use of estimates

In preparing the consolidated financial statements in conformity with generally accepted accounting principles, management is required to make judgements, estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent assets & liabilities as at the date of consolidated financial statements and the amounts of revenue

and expenses during the reported period. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of facts and circumstances as at the date of the consolidated financial statement. Actual results could differ from those estimates. Estimates and underlying assumption are reviewed on an ongoing basis. Any revision to such estimates is recognised in the period the same is determined.

#### (b) PRINCIPLES OF CONSOLIDATION

##### Subsidiary

Subsidiary is an entity over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the group. It is deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

#### (c) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. Historical Cost represents direct expenses incurred on acquisition of the assets and the share of indirect expenses relating to acquisition allocated in proportion to the direct cost involved. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

##### Transition to IND AS

On transition to IND AS, the company had elected to continue with the carrying value of all property plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property plant and equipment.

##### Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on 'Straight Line Method' based on useful life as prescribed under Schedule II of the Companies

Act 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

**Derecognition**

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**(d) INTANGIBLE ASSETS**

**Measurement at recognition:**

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their actual useful lives or upto 6 years whichever is lower. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

The cost of an intangible asset comprises of its purchase price including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use. Expenditure on development eligible for capitalisation are carried as 'intangible assets under development' when such assets are not yet ready for the intended use.

**Subsequent Expenditure:**

Subsequent Expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group.

**Derecognition:**

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

**(e) FINANCIAL INSTRUMENTS**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(i) FINANCIAL ASSETS:**

**(A) Classification:**

The group shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**(B) Initial recognition and measurement:**

A financial asset is classified as measured at

- Amortised Cost;
- FVOCI — debt instruments;
- FVOCI - equity investment; or — FVTPL

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the group commits to purchase or sell the asset.

**Debt instruments:**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

**Equity investment:**

The group subsequently measures all equity investments in companies other than equity investments in subsidiary at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income or FVTPL. The group makes such election on an instrument by instrument basis. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

**(C) Derecognition:**

A financial asset (or, where applicable, a part of a financial asset or part of similar financial assets) is primarily derecognised





(i.e. removed from the group's balance sheet) when the rights to receive cash flows from the asset have expired, or the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

**(D) Impairment:**

In accordance with Ind-AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt investments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance, Lease receivables

- (b) Trade receivables

The group follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables which do not contain a significant financing component.

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the group determines whether there has been a significant increase in credit risk.

For trade receivables only, the group applies the simplified approach

permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(ii) FINANCIAL LIABILITIES:**

**(A) Classification:**

The group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

**(B) Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**(C) Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**(iii) OFFSETTING FINANCIAL INSTRUMENT:**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

**(iv) INCOME RECOGNITION:**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**(f) CASH AND CASH EQUIVALENTS**

Cash and Cash equivalents for the purpose of consolidated Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments. To be classified as cash and cash equivalents, the financial asset must:

- be readily convertible into cash;
- have an insignificant risk of changes in value; and
- have a maturity period of three months or less at acquisition.

Bank overdrafts are repayable on demand and form an integral part of an entity's cash management, and are included as a component of cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**(g) REVENUE RECOGNITION**

**(A) Sale of goods**

The Group has applied Ind AS 115 using the modified retrospective approach (cumulative catch up method) and therefore the comparative information has not been restated and continues to be reported under erstwhile Ind AS 18 and Ind AS 11. The new Standard is applied to those contracts which remained in force as at 1st April, 2018. The application of the standard does not have any significant impact on the retained earnings as at 1st April, 2018 or on these financial statements. The details of accounting policies under erstwhile Ind AS 18 and Ind AS 11 are disclosed separately, if they are different from those under Ind AS 115.

Revenue is measured at the transaction price of the consideration received or receivable duly adjusted for variable consideration & customer's right to return the goods and the same represents amounts receivable for goods and services provided in the normal course of business. Revenue also excludes taxes collected from customers. Any retrospective revision in prices is accounted for in the year of such revision.

Revenue is recognised at a point in time on accrual basis as per the terms of the contract, when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

When sales discount and rebate arrangements result in variable consideration, appropriate estimates are made and estimated variable consideration is recognised as a deduction from revenue at the point of sale (to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not be required). The group typically uses the expected value method for estimating variable consideration, reflecting that such contracts have similar characteristics and a range of possible outcomes.

The contract asset or a contract liability is recognised when either party to a contract has performed, depending on the relationship between the entity's performance and the customer's payment. When the group has a present unconditional rights to consideration, it is recognised separately as a receivable.

**(B) Export Incentive**

Duty drawback is recognized at the time of exports and the benefits in respect of advance license received by the group against export made by it are recognized as and when goods are imported against them.

**(C) Interest Income**

Revenue from interest is recognised on accrual basis and determined by contractual rate of interest.

**(D) Dividend Income**

Dividend income is stated at gross and is recognized when right to receive payment is established.

**(h) EMPLOYEE BENEFITS**

The group has various schemes of retirement benefits such as Provident Fund, Superannuation Fund and Gratuity Fund duly recognized.

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

The employees of the group are entitled to leave benefits as per the policy of the group. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(ii) Post-employment obligations**

The group operates the following post-employment schemes:

**Gratuity obligations –**

Maintained as a defined benefit retirement plan and contribution is made to Gratuity Fund established as Trust maintained by the group. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the



end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### **Provident Fund –**

The group pays provident fund contributions to a fund administered by Government Provident Fund Authority. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **Superannuation Fund -**

With respect to Superannuation Fund, which is maintained for few employees is contributed Life Insurance Corporation of India under LIC Superannuation Policy

### **(i) LEASES**

#### **Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

### **(j) FOREIGN CURRENCY TRANSLATION**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The group has adopted amendments prospectively to items in scope of the appendix that are initially recognised

on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1st April, 2018).

### **(i) Presentation Currency**

These consolidated financial statements are presented in INR which is the Functional Currency of the group.

### **(ii) Transactions and balances**

The foreign currency balances receivable/payable as at the year end are converted at the closing rate and exchange difference has been recognized in the statement of Profit and Loss. The group classifies all its foreign operations as integral in nature.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of other financial instruments are recognised in other comprehensive income.

### **(k) TAXES ON INCOME**

Current income tax is recognized based on the amount expected to be paid to the tax authorities, using tax rates and tax laws that have been enacted or substantially enacted on the date of balance sheet.

Deferred income tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

If the Group has carry forward unabsorbed depreciation and tax losses, all deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **(l) EARNINGS PER SHARE**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of shares and dilutive equity equivalent shares outstanding during the period, except when results will be anti-dilutive.

### **(m) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognised if, as a result of a past event, the group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed, unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**(n) SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**(o) RESEARCH & DEVELOPMENT**

Development of expenditure of certain nature is capitalised when the criteria for recognising an intangible asset are met. The revenue expenditure on Research & Development is written off in the year in which it is accrued.

**(p) INVENTORIES**

Inventories are valued at the lower of cost (Weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

**(q) GOVERNMENT INCENTIVES**

Government incentives that the group is entitled to on fulfillment of certain conditions, but are available to the group only on completion of some other conditions, are recognized as income at fair value on completion of such other conditions

Incentives that the group is entitled to unconditionally on fulfillment of certain conditions, such incentives are recognized at fair value as income when there is reasonable assurance that the incentives will be received.

**2 New standards/amendments that are not yet effective and have not been early adopted:**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

**3 Significant estimates and judgements**

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group’s accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

The following are the judgements and estimates that the management have made in the process of applying the group’s accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

**i) Impairment of trade receivable:**

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**ii) Post-employment benefits:**

The costs of providing pensions and other post-employment benefits are charged to the income statement in accordance with Ind AS 19 ‘Employee benefits’ over the period during which benefit is derived from the employees’ services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include future earnings and pension increases, discount rates, expected long-term rates of return on assets and mortality rates.

**iii) Sales returns and rebates:**

Revenue is recognised when title and risk of loss is passed to the customer, reliable estimates can be made of relevant and all relevant obligations have been fulfilled, such that the earnings process is regarded as being completed.

Gross turnover is reduced by rebates, discounts, allowances and product returns given or expected to be given, which vary by product arrangements and buying groups. These arrangements with purchasing organisations are dependent upon the submission of claims some time after the initial recognition of the sale.

Because the amounts are estimated they may not fully reflect the final outcome, and the amounts are subject to change dependent upon, amongst other things, the types of buying group and product sales mix.

Future events could cause the assumptions on which the accruals are based to change, which could affect the future results of the group.

**iv) Assumptions are also made by the management with respect to valuation of inventories, evaluation of recoverability of deferred tax and contingencies.**

**v) Impact of Covid 19**

On the basis of its assessment of the impact of the outbreak of COVID-19 on business operations of the entity, the entity’s management may conclude that no adjustments are required in the financial statements as it does not impact the current financial year. However, the situation with COVID-19 is still evolving. Also, the various preventive measures taken (such as lockdown restrictions by the Government of India, travel restrictions etc.) are still in force, leading to a highly uncertain economic environment. Due to these circumstances, the management’s assessment of the impact on the subsequent period is dependent upon the circumstances as they evolve.



**4 Property, Plant and Equipment**

(Rupees in lakhs)

Particulars	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2022
	As at April 01, 2021	Additions	Sales/ Adjustments	Balance as at March 31, 2022	As at April 1, 2021	For the Year	Sales/ Adjustments	As at March 31, 2022	
Freehold land	8	-	-	8	-	-	-	-	8
Buildings	805	-	-	805	165	33	-	198	607
Plant & equipment	683	65	-	747	231	48	8	271	476
Furniture & fittings	140	10	-	150	96	9	-	105	45
Vehicles	170	80	6	244	89	23	2	111	133
Office equipment	38	16	-	55	38	4	-	42	13
Computers	259	17	-	276	198	33	-	231	45
<b>TOTAL</b>	<b>2,102</b>	<b>188</b>	<b>6</b>	<b>2,285</b>	<b>817</b>	<b>150</b>	<b>10</b>	<b>958</b>	<b>1,327</b>
<b>TOTAL March 2021</b>	<b>2,027</b>	<b>77</b>	<b>2</b>	<b>2,102</b>	<b>670</b>	<b>148</b>	<b>1</b>	<b>817</b>	<b>1,285</b>

**Note:-**

- 1) There are no qualifying assets and accordingly no borrowing costs are capitalised during the year
- 2) There were no Capital work-in-progress at the end of the year
- 3) No revaluation of property, plant and equipment was done during the year as the carrying value is on par with the fair market value as per Management's estimation
- 4) The Management is of the opinion that there is no impairment of Property, Plant and Equipment, during or as at the end of the year.

<b>IND AS 116</b>	
<b>Right of Use Assets as on 31-3-2020</b>	170
<b>(representing right of use of underlying assets) Refer Note below</b>	
<b>Amortisation Charge</b>	97
<b>Note :</b>	
<b>net carrying amount as on 31-3-2021</b>	73
<b>Add: asset created</b>	612
<b>Amortisation Charge</b>	139
<b>net carrying amount as on 31-3-2022</b>	546

**5 Intangible Assets**

(Rupees in lakhs)

Particulars	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2022
	As at April 01, 2021	Additions	Sales/ Adjustments	Balance as at March 31, 2022	As at April 1, 2021	For the Year	Sales/ Adjustments	As at March 31, 2022	
Trademarks	-	-	-	-	-	-	-	-	-
Computer software	8	2	-	10	5	1	(1)	7	3
<b>TOTAL</b>	<b>8</b>	<b>2</b>	<b>-</b>	<b>10</b>	<b>5</b>	<b>1</b>	<b>(1)</b>	<b>7</b>	<b>3</b>
<b>TOTAL March 2021</b>	<b>8</b>		<b>-</b>	<b>8</b>	<b>4</b>	<b>1</b>	<b>-</b>	<b>5</b>	<b>3</b>

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>6 Non-Current investments</b>		
<b>A. Investments in equity instruments (fully paid)</b>		
<b>(i) Quoted -</b>		
<b>In Other entities (Equity investments at Fair value through other comprehensive income)</b>		
5,760 (2020- 5,760) Equity shares of INR 10 each in Industrial Development Bank of India Limited	5	2
19,400 (2020- 19,400) Equity shares of INR 10 each in Vijaya Bank	2	6
Note-The merger of Vijaya Bank and Dena Bank with Bank of Baroda has taken place which will be effective from 1st Apr 2019.		
<b>Total Investment in equity instruments</b>	<b>7</b>	<b>8</b>
Investments in Shares- Ind As	5	
Investment in Fixed Deposits	8	
<b>Total non-current investments</b>	<b>19</b>	<b>8</b>
Aggregate amount of quoted investments	7	8
Market value of quoted investments	7	8
<b>7 TRADE RECEIVABLES</b>		
Doubtful		
Receivables from related parties		-
Receivables other than from related parties		-
Less: Provision for doubtful debts		-
<b>Total trade receivables (non-current)</b>	<b>-</b>	<b>-</b>
<b>8 OTHER NON-CURRENT FINANCIAL ASSETS</b>		
Security deposits	-	-
Fixed deposits with bank (with maturity period of more than 12 months)	-	-
<b>Total other non-current financial assets</b>	<b>-</b>	<b>-</b>
<b>9 OTHER NON-CURRENT ASSETS</b>		
Security deposits	22	31
Deferred rent expense for security deposit assets	-	7
Other deposits	-	2
Fixed deposits with bank (with maturity period of more than 12 months)	-	8
<b>Total other non-current assets</b>	<b>22</b>	<b>48</b>



(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>10 INVENTORIES</b>		
Raw materials	1,163	1,470
Packing materials	494	389
Work-in-progress	104	113
Finished goods**	1,334	1,145
Stores and spare parts *	181	550
<b>Total inventories</b>	<b>3,277</b>	<b>3,667</b>
<p>* includes Stock of samples and promotional items in the hands of sales representatives ₹ NIL lakhs</p> <p>**Closing stock of Finished goods includes samples amounting to ₹2.37 lakhs, which are not meant for sale.</p> <p>Raw materials &amp; Packing materials are valued at weighted Average method , WIP &amp; Finished Goods at Standard Price and stores and spares at cost.</p>		
<b>11 TRADE RECEIVABLES</b>		
Trade receivables		
(a) Considered good - Secured	-	-
(b) Considered good - Unsecured	3,756	3,068
(c) Trade Receivables which have significant increase in credit risk	-	-
(d) Trade Receivables - credit impaired	-	803
Less: Loss allowance		
(a) Fair value loss	87	47
(b) Credit impaired	243	198
<p>Note-Trade Receivables includes Receivable from Viva Remedies (FZC) amounting to ₹ 125.64 lakhs which is under sub judice since 16.12.2014</p> <p>Includes one customer having outstanding of ₹3.62 crores over three years for which no provision has been made. Management is of the opinion that, the dues are recoverables and hence no provision is made necessary.</p>		
<b>Total trade receivables (current)</b>	<b>3,426</b>	<b>3,626</b>
<b>12 CASH &amp; CASH EQUIVALENTS</b>		
Cash in hand	1	1
Balances with Banks		
- Current Accounts	49	63
Stamps in hand	-	0
<b>Total cash and cash equivalents</b>	<b>50</b>	<b>64</b>
<b>13 OTHER BANK BALANCES</b>		
Fixed deposits maturing within 3 - 12 months	163	58
<b>Total other bank balances</b>	<b>163</b>	<b>58</b>
<b>14 OTHER CURRENT FINANCIAL ASSETS</b>		
Security Deposits		
Related Party	65	12
Security deposits	137	172
<b>Total other current financial assets</b>	<b>202</b>	<b>184</b>

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>15 CURRENT TAX ASSETS (NET)</b>		
Opening balance	(59)	22
Less: Tax payable for the year	139	174
Add: Taxes paid	185	93
Add/(Less): Refund/adjustment for earlier years	0	-
Closing balance	(13)	(59)
MAT credit entitlement	85	25
<b>Total current tax assets (net)</b>	<b>72</b>	<b>(34)</b>
<b>16 OTHER CURRENT ASSETS</b>		
Prepaid expenses	129	95
Deferred rent expense on security deposit given	-	5
Recoverable from Statutory Authorities	101	156
Advances to suppliers and others	244	205
Mat Credit Adjustment	85	-
Others-Recovery Right Assets	43	-
<b>Total other current assets</b>	<b>603</b>	<b>461</b>

**17 EQUITY SHARE CAPITAL**

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>AUTHORISED</b>		
2,000,000 Equity Shares of INR 10 each (2020- 2,000,000)	200	200
	200	200
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID</b>		
1,162,500 Equity Shares of INR 10 each (2020- 1,162,500)	116	116
Of the above 704,000 Equity Shares are issued by way of Bonus Shares by capitalisation of General Reserve,		
1,29,000 Equity Shares of INR 10 each* Further 129,000 Equity shares are issued by way of Preferencial Equity shares are capitalisation of General Reserve	13	13
	129	129

**(i) Reconciliation of equity share capital**

Particulars	Number of shares
<b>As at April 1, 2018</b>	1,162,500
Change during the year	-
<b>As at March 31, 2019</b>	1,162,500
Change during the year	-
As at March 31, 2020	1,162,500
Change during the year	129,000
As at March 31, 2021	1,291,500
Change during the year	-
<b>As at March 31, 2022</b>	1,291,500

**(ii) Rights and preferences attached to equity shares :**

The group is having only one class of equity shares carrying a nominal value of INR 10 per share. These shares rank pari passu in all respects including voting rights and entitlement to dividend. Every holder of the equity shares of the group is entitled to one vote per share held in the event of liquidation of the group, the equity shareholders will be entitled to receive remaining assets of the group after the distribution / repayment of all creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder.





(iii) Details of Shareholders holding more than 5 percent shares in the group :

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number of Shares	% holding	Number of Shares	% holding
(1) Mr Abhay Kanoria Family Trust represented by Mr. Abhay Kanoria	702,205	54.37	702,205	54.37
(2) Ninaad Finance And Properties Pvt Ltd	129,000	9.99	129,000	9.99
(3) Life Insurance Corporation of India	90,000	6.97	90,000	6.97

(iv) Promoters Share holding

Particulars	As at 31st March 2022		As at 31st March 2021		% change during the year
	No of shares	% of total shares	No of shares	% of total shares	
Promoters/Promoters Group					
Abhay Kanoria Family Trust, Represented by Mr. Abhay Kanoria, Trustee	702,205	54	702,205	54	-
Ninaad Finance and Properties Pvt. Ltd.	129,000	10	129,000	10	-
Binod Kumar Kanoria (HUF)	200	0	200	0	-
Prabhadevi Kanoria	3,450	0	3,450	0	-
<b>Total</b>	<b>834,855</b>	<b>64</b>	<b>834,855</b>	<b>64</b>	<b>-</b>

(v) The Board of Directors in its meeting held on 14th June, 2021, has recommended dividend of 15% (₹1.50/- per equity share of ₹10/- each) for the year ended 31st March, 2021 and the same was approved by the shareholders at the Annual General Meeting held on 13th August 2021, which resulted in a cash outflow of ₹19,37,250/-.

(vi) The Board of Directors in its meeting held on 13th June 2022 (at a Shorter Notice) has recommended dividend of 15% (₹1.50/- per equity share of ₹10/- each) for the year ended 31st March 2022, subject to the approval of shareholders at the ensuing Annual General Meeting to be held on 10th August 2022.

18 OTHER EQUITY

(Rupees in lakhs)

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>(a) RESERVES AND SURPLUS</b>			
CAPITAL RESERVE	43	43	43
SECURITIES PREMIUM RESERVE	289	289	70
GENERAL RESERVE	549	549	549
SURPLUS/(DEFICIT) IN STATEMENT OF PROFIT AND LOSS	881	599	(123)
	<b>1,762</b>	<b>1,480</b>	<b>539</b>
<b>(b) OTHER RESERVES</b>			
Fair Value through Other Comprehensive Income- Equity Instrument	1	(2)	(4)
<b>Total other equity</b>	<b>1,763</b>	<b>1,478</b>	<b>535</b>
<b>(a) RESERVE AND SURPLUS</b>			
<b>(i) CAPITAL RESERVE</b>			
Opening Balance	43	43	43
Adjustment during the year			
<b>Closing Balance</b>	<b>43</b>	<b>43</b>	<b>43</b>
<b>(ii) SECURITIES PREMIUM RESERVE</b>			
Opening Balance	289	70	70
Adjustment during the year	0	219	
Closing Balance	289	289	70
<b>(iii) GENERAL RESERVE</b>			
Opening Balance	549	549	549
Adjustment during the year			
Closing Balance	549	549	549
<b>(iv) SURPLUS/ (DEFICIT) IN STATEMENT OF PROFIT AND LOSS</b>			
Opening Balance	599	(123)	(385)
EFFECT OF IND AS 116	-	-	(49)
Earlier Year Effects Considered	-	-	18
Add: Profit/(Loss) during the year as per Statement of Profit & Loss	188	751	311
Other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligation, net of tax	94	(29)	(18)
<b>Closing Balance</b>	<b>881</b>	<b>599</b>	<b>(123)</b>
<b>(b) OTHER RESERVE</b>			
<b>OTHER COMPREHENSIVE INCOME</b>			
Opening Balance	(2)	(4)	2
Adjustments during the year			
- Remeasurements of quoted equity shares	3	2	(6)
<b>Closing Balance</b>	<b>1</b>	<b>(2)</b>	<b>(4)</b>

**Nature and purpose of Reserves**
**(i) Capital Reserve**

Capital Reserve represents the statutory reserve created by the group as per requirement of the Act. The same can be utilised by the group for issuing fully paid bonus shares.

**(ii) Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

**(iii) General Reserve**

General Reserve represents the statutory reserve, this is in accordance with Indian Corporate law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the group.

**(iv) Retained earnings :**

Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end and balances of remeasurement of net defined benefit plans, less any transfers to general reserve.

**19 NON-CURRENT BORROWINGS**

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
YES Bank	120	
HDFC Bank	1,115	
Car finance loans from banks	90	23
<b>Term Loans from Others (NBFC)</b>		
JM Financial Products Limited	-	875
<b>Inter Corporate Deposit</b>		
Related Party	707	749
Others		
<b>Total Non-current borrowings</b>	<b>2,032</b>	<b>1,647</b>
Current maturities of long-term debt (included in note 24)	1,481	2,324

**PARTICULARS OF TERM BORROWINGS :**
**a) Security**

(i) The security charge for the loan from Yes Bank is as follows:-

- a) 2nd charge Pari Passu by way of hypothecation on current assets (CA)
- b) 2nd charge Pari Passu by way of hypothecation on all movable fixed assets (MFA)
- c) 2nd charge Pari Passu by way of equitable mortgage on specific building (Factory Land and Building) located at Peenya Industrial Area Building valuing INR 551.40 million

(ii) Vehicle loans are secured by hypothecation of vehicles.

**b) Terms of repayment and Interest rate :**

- (i) In respect of Vehicle loans repayments are done by equated monthly installments over 36 to 60 months.
- (ii) The company has taken vehicle loan from Kotak Mahindra Prime Ltd during the year which carry interest at the rate of 7.05 % & 7.50%, repayable in 60 equal installments. Repayment of the term loan will be completed in Oct 2026 & Dec. 2026 .
- (iii) Loan Against Property (LAP) from HDFC Bank is secured at first ranking and exclusively charged by way of equitable mortgage on residential property of Sudarshan Services limited & carries interest at the rate of 7.50%, repayable in 84 equal monthly installments. Repayment will be completed in Aug 2028.
- (iv) Inter Corporate Deposits generally carry interest at the rate between 8.5% to 12.25%. These deposits are repayable on mutually agreed dates



(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>20 OTHER NON-CURRENT FINANCIAL LIABILITIES</b>		
Security deposits	311	311
<b>Total other non-current financial liabilities</b>	<b>311</b>	<b>311</b>
<b>21 OTHER NON-CURRENT LIABILITIES</b>		
Deferred Lease Liabilities	607	-
<b>Total other non-current financial liabilities</b>	<b>607</b>	<b>-</b>

**22 Employee benefit obligations**

(Rupees in lakhs)

	As at March 31, 2022			As at March 31, 2021			As at March 31, 2020		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
<b>Leave Encashment - Unfunded</b>									
Present value of obligation	13	52	65	14	59	73	11	55	66
<b>Gratuity - Funded</b>			-						
Present value of obligation	264		264	355		355	311		311
Fair value of plan assets	239		239	264		264	216		216
Net Liability	24		24	91		91	95		95
<b>Gratuity Liability</b>	24		24	44	47	91	35	60	95
<b>Total employee benefit obligations</b>	<b>38</b>	<b>52</b>	<b>90</b>	<b>58</b>	<b>106</b>	<b>164</b>	<b>46</b>	<b>115</b>	<b>161</b>

(i) **Defined benefit plans**

a) **Gratuity**

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Gratuity plan is a funded plan and the Company makes contributions to Kotak Gratuity Group Plan (UNI-107L010V05).

b) **Leave Encashment**

(ii) **Defined contribution plans**

The Company makes contributions towards provident fund which are in the nature of defined contribution post employment benefits plans. Under the plan, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

The group has recognised the following amounts in the Statement of Profit & Loss for defined contribution plan.

(Rupees in lakhs)

Particulars	March 31, 2022	March 31, 2021
a) Superannuation Fund	12	11
b) Provident Fund	126	131

**(iii) Movement of defined benefit obligation and fair value of plan assets :**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(Rupees in lakhs)

Particulars	Gratuity			Leave Encashment
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
April 1, 2020	369	231	138	74
Current service cost	28	-	28	8
Prior Service cost	-	-	-	-
Interest expense/(income)	21	16	5	4
<b>Total amount recognised in profit or loss</b>	<b>49</b>	<b>16</b>	<b>33</b>	<b>12</b>
Remeasurements				
Loss due to experience	23	-	23	12
Loss due to change in financial assumptions	-	-	-	(1)
Return on plan assets (greater)/less than discount rate	-	-	-	-
<b>Total amount recognised in other comprehensive income</b>	<b>23</b>	<b>-</b>	<b>23</b>	<b>11</b>
Employer contributions	-	-	-	-
Benefit payments	-	-	-	11
<b>March 31, 2021</b>	<b>441</b>	<b>247</b>	<b>194</b>	<b>86</b>
April 1, 2021	441	247	194	86
Current service cost	21	-	21	7
Prior Service cost	-	-	-	-
Interest expense/(income)	24	18	6	5
<b>Total amount recognised in profit or loss</b>	<b>45</b>	<b>18</b>	<b>27</b>	<b>12</b>
Remeasurements				
Loss due to experience	(94)	-	(94)	1
Loss due to change in financial assumptions	-	-	-	-
Return on plan assets (greater)/less than discount rate	-	-	-	-
<b>Total amount recognised in other comprehensive income</b>	<b>(94)</b>	<b>-</b>	<b>(94)</b>	<b>1</b>
Employer contributions	-	-	-	-
Benefit payments	-	-	-	20
<b>March 31, 2022</b>	<b>392</b>	<b>265</b>	<b>127</b>	<b>79</b>

The net liability disclosed above relates to funded and unfunded plan are as follows:

(Rupees in lakhs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Present value of funded obligations	264	441	369
Fair value of plan assets	239	246	231
<b>Deficit of funded plan</b>	<b>24</b>	<b>195</b>	<b>138</b>
Unfunded plans	-	66	74
<b>Deficit of Employee Benefit Plans</b>	<b>24</b>	<b>261</b>	<b>212</b>

**(iv) Post-Employment benefits**

The significant actuarial assumptions were as follows:

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Discount rate	7.43%	7.09%	7.75%
Salary growth rate	5.00%	5.00%	5.00%
Expected return on assets	7.43%	7.09%	7.75%
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal rate	5.00%	5.00%	5.00%



(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption		Impact on defined benefit obligation			
			Increase by 1%		Decrease by 1%	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Gratuity</b>						
Discount rate	1%	1%	(17)	(21)	19	23
Salary growth rate	1%	1%	17	21	(16)	(19)
Withdrawal rate	1%	1%	3	3	(3)	(3)
<b>Leave Encashment</b>						
Discount rate	1%	1%	(5)	(6)	5	7
Salary growth rate	1%	1%	5	7	(4)	(6)
Withdrawal rate	1%	1%	1	1	(1)	(1)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method i.e. projected unit credit method has been applied as that used for calculating the defined benefit liability recognised in the balance sheet.

(vi) The major categories of plan assets are as follows:

Particulars	March 31, 2022		March 31, 2021		March 31, 2020	
	Amount in lakhs	in %	Amount in lakhs	in %	Amount in lakhs	in %
Investment funds with Kotak Gratuity Group Plan (UNI-107L010V05)	239	100%	246	100%	216	100%
Total	239	100%	246	100%	216	100%

The Company pays contribution to Kotak Gratuity Group Plan (UNI-107L010V05) which in turn invests the amount in various instruments. As it is done by Kotak Gratuity Group Plan (UNI-107L010V05) in totality basis along with contributions from other participants, the Company wise investment in planned assets - category / class wise is not available.

(vii) Risk exposure

The defined benefit obligations have the undermentioned risk exposures :

Interest rate risk : The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

(viii) Defined benefit liability and employer contributions

Expected contribution to post employment benefit plan for the year ending March 31, 2022 is 24 lakhs ( Year ended 31.03.21 ₹44 lakhs)

The weighted average duration of the defined benefit obligation is 11.23 years (March 31, 2021 - 12.25 years ) in case of Gratuity and 11.23years (March 31, 2021 - 12.25 years ) in case of Leave encashment in all the three years. The expected maturity analysis of undiscounted gratuity and leave encashment is as follows :

(Rupees in lakhs)

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	Beyond 5 years	Total
<b>March 31, 2022</b>							
Gratuity	23	25	28	26	39	95	238
Leave encashment	5	4	5	5	5	24	48
<b>Total</b>	<b>28</b>	<b>29</b>	<b>33</b>	<b>31</b>	<b>44</b>	<b>119</b>	<b>286</b>
<b>March 31, 2021</b>							
Gratuity	18	24	26	32	23	500	623
Leave encashment	4	3	5	4	6	140	162
<b>Total</b>	<b>22</b>	<b>27</b>	<b>31</b>	<b>36</b>	<b>29</b>	<b>640</b>	<b>785</b>

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>23 DEFERRED TAX LIABILITIES - NET</b>			
Deferred Tax Liabilities on account of :			
Depreciation	151	36	163
Provision for Bonus		19	
Provision for Gratuity		5	
Provision for leave encashment		7	
Provision for doubtful debts		20	
<b>Total deferred tax liabilities (A)</b>	<b>151</b>	<b>87</b>	<b>163</b>
Deferred Tax Assets on account of :			
Accrued expenses deductible on payment		-	1
Provision for Bonus	(20)		
Leave encashment and gratuity	(17)		4
Provision for debts, advances and investments	(24)		5
MAT Credit entitlement	(69)	(49)	
Unabsorbed depreciation and carried forward business loss	-	-	320
Less: Deferred Tax Assets not recognised	-	-	167
<b>Total deferred tax assets (B)</b>	<b>(131)</b>	<b>(49)</b>	<b>163</b>
<b>Deferred Tax (Assets)/Liabilities (Net - A-B)</b>	<b>20</b>	<b>38</b>	<b>-</b>

**Movement in deferred tax liabilities**

Particulars	Depreciation	Provision for Debts, Advances and Investments	Fair Valuation of Security Deposit -Assets	Liability for gratuity and leave encashment	Unabsorbed depreciation and carried forward business loss	Bonus	Total
<b>As at April 1, 2019</b>	192	-	-	-			192
Charged/(Credited):							
- to profit and loss	(29)						(29)
- to other comprehensive income							
<b>As at March 31, 2020</b>	<b>163</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>163</b>
As at April 1, 2020	-	-	-	-			-
Charged/(Credited):							
- to profit and loss	(36)	(20)		(12)		(19)	(87)
- to other comprehensive income							
<b>As at March 31, 2021</b>	<b>(36)</b>	<b>(20)</b>	<b>-</b>	<b>(12)</b>		<b>(19)</b>	<b>(87)</b>
As at April 1, 2021	(36)	(20)	-	(12)		(19)	(87)
Charged/(Credited):							
- to profit and loss	(115)	20		12		19	(64)
- to other comprehensive income							
<b>As at March 31, 2022</b>	<b>(151)</b>	<b>0</b>	<b>-</b>	<b>0</b>		<b>0</b>	<b>(151)</b>

**Movement in deferred tax assets**

Particulars	Statutory Expenses claimable on payment	Provision for Debts, Advances and Investments	MAT Credit entitlement	Liability for gratuity and leave encashment	Unabsorbed depreciation and carried forward business loss	Deferred Tax assets not recognised	Total
As at April 1, 2018	2	39	-	3	360	194	210
(Charged)/Credited:							
- to profit and loss	3	(23)	-	10	23	31	(18)
- to other comprehensive income	-	-	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>5</b>	<b>16</b>	<b>-</b>	<b>13</b>	<b>383</b>	<b>225</b>	<b>192</b>
(Charged)/Credited:							
- to profit and loss	(4)	(11)	-	(9)	(63)	(58)	(29)
- to other comprehensive income							
<b>As at March 31, 2020</b>	<b>1</b>	<b>5</b>	<b>-</b>	<b>4</b>	<b>320</b>	<b>167</b>	<b>163</b>
(Charged)/Credited:							
- to profit and loss	-	-	49	-	-	-	49
- to other comprehensive income							
<b>As at March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49</b>
(Charged)/Credited:							
- to profit and loss	20	24	20	17	-	-	81
- to other comprehensive income							
<b>As at March 31, 2022</b>	<b>20</b>	<b>24</b>	<b>69</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>131</b>



(Rupees in lakhs)

	As at March 31, 2022	As at March 31, 2021
<b>24 CURRENT BORROWINGS</b>		
<b>SECURED</b>		
<b>Cash Credit from Banks</b>		
HDFC Bank	484	769
YES Bank	659	972
<b>Short term loan from others</b>		
Working Capital Loan from National Small Industries Corporation Ltd	332	143
<b>UNSECURED</b>		
<b>Inter Corporate Deposit</b>		
Related Party	-	440
Others	7	-
<b>Total Current borrowing</b>	<b>1,481</b>	<b>2,324</b>

**Reconciliation of the borrowings outstanding at the beginning and end of the year:**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>I. Non-current borrowings (including current maturities)</b>		
Balance as at the beginning of the year	1,647	927
Cash flows (repayment) (net)	384	720
<b>Non-cash changes:</b>		
Amortised borrowing cost	0	
<b>Balance as at the end of the year</b>	<b>2,031</b>	<b>1,647</b>
<b>II. Current borrowings</b>		
<b>Balance as at the beginning of the year</b>	<b>2,324</b>	<b>3,073</b>
Cash flows proceeds (net)	843	749
<b>Balance as at the end of the year</b>	<b>1,481</b>	<b>2,324</b>

**PARTICULARS OF BORROWINGS :**

**a) Security**

- (i) Cash credit facilities are secured by way of hypothecation of all stock of inventories, book debts and other current assets of the company, both present and future, ranking pari passu. The Company has charge on land, building and Plant & Machinery for the cash credit facility availed from HDFC Bank and Yes Bank.
- (ii) Working capital loan from National Small Industries Corporation Ltd is secured by bank guarantee.

**b) Terms of repayment and Interest rate :**

- (i) Cash Credit from HDFC Bank and YES Bank carry interest at the rate of 8.50% and 8.75% respectively.
- (ii) Working Capital Loan from National Small Industries Corporation Ltd carries interest at the rate of 9%.
- (iii) Inter Corporate Deposits generally carry interest at the rate between 8.5% to 12.25%. These deposits are repayable on mutually agreed dates.

		(Rupees in lakhs)	
		As at March 31, 2022	As at March 31, 2021
<b>25</b>	<b>TRADE PAYABLES</b>		
	Trade payables	2244	2,256
	<b>Total trade payables</b>	<b>2,244</b>	<b>2,256</b>
	Classification as required by MSME Act		
	Total outstanding dues of Micro Enterprises and Small Enterprises*	54	135
	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2190	2,121
	<b>Total trade payables</b>	<b>2,244</b>	<b>2,256</b>
	* Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 (MSME Act) are based on information made available to the Company. Total interest on MSME dues paid after the appointed day as per MSME Act, 2006 is ₹179,610 for the year 2020-21. The company has not provided interest for the dues outstanding for the specified period of few parties since such cases are under dispute.		
<b>26</b>	<b>OTHER CURRENT FINANCIAL LIABILITIES</b>		
	Current maturities of long term debt		80
	Current maturities of car loan		6
	Unclaimed dividend	1	-
	Security deposits	13	13
	Others:		
	- Other payables	104	149
	Advance from customers		102
	Statutory and other dues	54	113
	Liabilities related to employees	341	164
	Other liabilities	296	327
	Deferred Lease Liability IND AS 116		99
	Others-Refund Contract Liability	86	43
	<b>Total current financial liabilities</b>	<b>894</b>	<b>1096</b>
<b>27</b>	<b>OTHER CURRENT LIABILITIES</b>		
	<b>Total other current liabilities</b>	<b>0</b>	<b>0</b>





		(Rupees in lakhs)	
		Year ended March 31, 2022	Year ended March 31, 2021
<b>28</b>	<b>REVENUE FROM OPERATIONS</b>		
	<b>a) Sale of products (including excise duty)</b>		
	Pharmaceutical / fabrics	16514	15,332
	<b>b) Other operating income</b>		
	Sale of scrap	9	6
	Excise duty recovered on operating income	(7)	14
	Conversion charges/income from job work	10	14
	Miscellaneous - operating income	0	0
	Cash Discount Received	0	
	Commission received	7	12
	Export duty credit/duty drawback		
	<b>Total revenue from operations</b>	<b>16,532</b>	<b>15,378</b>
<b>29</b>	<b>OTHER INCOME</b>		
	Interest income		7
	Interest on others	15	9
	Provisions/ Liabilities written back	33	77
	Insurance claim local	6	4
	Miscellaneous income -non operating	5	2
	DEPB Transfer/Duty Drawback	9	2
	Profit on sale of assets (net)		0
	Foreign Exchange Gain	15	-
	<b>Total other income</b>	<b>82</b>	<b>102</b>
<b>30</b>	<b>COST OF MATERIALS CONSUMED</b>		
	<b>a) Raw Material Consumed</b>		
	Opening Stock	1,470	1,875
	Purchases	2,361	2,500
		<b>3,831</b>	<b>4,375</b>
	Less : Sales	111	90
	Less : Closing Stock	1,163	1,470
	Raw Material Consumed	<b>2,557</b>	<b>2,815</b>
	<b>b) Packing Material Consumed</b>		
	Opening Stock	389	461
	Purchases	947	559
		1,335	1,020
	Less: Sales	0	-
	Less : Closing Stock	494	389
	Packing Material Consumed	841	631
	<b>Total Cost of material consumed</b>	<b>3,398</b>	<b>3,446</b>
<b>31</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE</b>		
	<b>Opening Inventories of :</b>		
	Finished Goods	1145	1,262
	Work in Progress	113	136
		<b>1258</b>	<b>1,398</b>
	<b>Closing Inventories of :</b>		
	Finished Goods	1334	1145
	Work in Progress	104	113
		1438	1,258
	<b>Total changes in inventories of finished goods, work in progress and stock-in-trade</b>	<b>-180</b>	<b>140</b>
<b>32</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries & wages	2569	2389
	Contribution to provident and other Funds	180	180
	Staff welfare expenses	148	153
	<b>Total employee benefits expense</b>	<b>2897</b>	<b>2722</b>

(Rupees in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
<b>33 FINANCE COSTS</b>		
Interest Expense on borrowing from banks and others	364	505
IND As 116 - Finance Cost	63	24
<b>Total finance costs</b>	<b>427</b>	<b>529</b>
<b>34 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of property, plant and equipment	150	148
Amortisation of intangible assets	1	1
Amortisation (IND AS 116)	139	97
<b>Total depreciation and amortisation expense</b>	<b>290</b>	<b>246</b>
<b>35 OTHER EXPENSES</b>		
<b>(a) Operating, administrative &amp; other expenses</b>		
Consumption of stores and spares	34	49
Rent	42	39
Rates & taxes	25	17
Sales tax	43	34
Repairs & maintenance	-	-
Building	8	12
Plant & machinery	84	80
Others	53	46
Insurance charges	14	13
Electricity & water	30	16
Factory power & fuel	112	143
Job-work charges- manufacturing service charges	84	44
Tour & travelling expenses	1,181	830
Vehicle running & maintenance	68	56
Conveyance expenses	6	7
Legal & professional fee	161	106
Membership fee & subscription	48	51
Office & general expenses	173	96
Postage and telegram	6	10
Bank charges	38	22
Printing & stationary	345	35
Charity & donations	-	1
Foreign exchange rate fluctuation on expenses	-	4
Security expenses	43	42
Telephone & telex charges	39	26
Laboratory expenses	37	42
Directors fee	5	4
Trade marks	16	13
Auditors remuneration [refer note 35(a)]	8	16
<b>(b) Selling &amp; distribution expenses</b>		
Selling expenses	36	42
Advertisement & publicity	-	2
Business promotion expenses	1,131	800
Bad debt written off	45	30
Provision for doubtful debts	40	40
Clearing, forwarding & freight	190	181
Rebates & discount allowed	345	323
Insurance expenses- goods-in-transit	6	3
Handling expenses	2	3
Clearing & forwarding agents commission	367	370
<b>Total other expenses</b>	<b>4,866</b>	<b>3,650</b>
<b>35 (a) Details of Auditors' remuneration</b>		
Audit fee	3	7
Tax audit fee	1	1
For other services such as certification	4	8
<b>Total auditors remuneration</b>	<b>8</b>	<b>16</b>



(Rupees in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
<b>36 TAX EXPENSE</b>		
<b>(a) Current tax</b>		
Tax on profits for the year	54	174
Adjustments for prior periods	-	-
Total income tax	54	174
<b>(b) Deferred tax</b>		
Decrease (increase) in deferred tax assets	(18)	(49)
(Decrease) increase in deferred tax liabilities	-	87
	(18)	38
Less : Recognised in OCI		-
Total deferred tax expense/(benefit)	(18)	38
<b>Total tax expense</b>	<b>36</b>	<b>212</b>
Effective tax rate	27.82%	27.82%
<b>(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:</b>		
Profit before income tax expense	181	921
Tax at the rate of 27.82% (2020 - 27.82%)	50	256
Adjustments related to property, plant and equipments:		
Adjustment on account of depreciable assets	(158)	(29)
Unabsorbed business loss	(1)	(15)
Tax effect of amounts which are not deductible in calculating taxable income:		
Donations	-	-
Provision for debts, advances and investments	-	5
Adjustment in 43B (on payment basis)	-	1
Income tax adjustments (since income tax payable under MAT - u/s 115JB)	-	(174)
Tax payable under MAT - u/s 115JB	-	174
<b>Income tax expense as per Income Tax</b>	<b>36</b>	<b>212</b>

**37 FAIR VALUE MEASUREMENTS**

**Financial instruments by category**

(Rupees in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Financial assets</b>				
Investments				
- Equity instruments	7		8	
Fixed Deposits		-		8
Trade Receivables		3,426		3,626
Cash and cash equivalents		50		63
Other Bank Balance		163		50
Security deposits		202		223
<b>Total financial assets</b>	<b>7</b>	<b>3,841</b>	<b>8</b>	<b>3,970</b>
<b>Financial liabilities</b>				
Borrowings		3,513		3,971
Security deposits		311		311
Trade payables		2,244		2,266
Capital creditors				-
Unclaimed Dividend				-
Others		894		412
<b>Total financial liabilities</b>	<b>-</b>	<b>6,963</b>	<b>-</b>	<b>6,960</b>

**(i) Financial assets and liabilities measured at fair value - recurring fair value measurements**

Particulars	As at March 31, 2022	As at March 31, 2021
	Level 1	Level 1
Financial Assets at FVOCI		
Investment in equity shares		
Industrial Development Bank of India Limited	5	2
Vijaya Bank	2	6
<b>Total financial assets at FVOCI</b>	<b>7</b>	<b>8</b>

**(ii) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, security deposits included in level 3.

**(iii) Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

All the financial asset and financial liabilities measured at amortised cost, carrying value is an approximation of their respective fair value.

**(iv) Significant estimates**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

**38 Financial risk management**

The group's activities expose it to market risk (i.e., currency risk, interest rate risk and market price risk), liquidity risk and credit risk. This note explains the sources of risk which the group is exposed to and how the group manages the risk :

The group's risk management is carried out by a treasury department under policies approved by the Board of Directors, group Treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments and investment of excess liquidity.

**(A) Market risk**
**(i) Foreign currency risk**

The group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the respective group's functional currency.

The exposure of the group to foreign currency risk is not significant. The position of foreign currency exposure to the group as at the end of the year expressed in INR are as follows :

Currency	Receivables	Payables
<b>March 31, 2022</b>		
US Dollar (USD)	4.00	
<b>Net exposure to foreign currency risk</b>	<b>4.00</b>	
<b>March 31, 2021</b>		
US Dollar (USD)	2.00	
<b>Net exposure to foreign currency risk</b>	<b>2.00</b>	
March 31, 2020		
US Dollar (USD)	1.50	-
<b>Net exposure to foreign currency risk</b>	<b>1.50</b>	-

(Rupees in lakhs)



### Sensitivity

If INR is depreciated or appreciated by 5% vis-s-a-vis foreign currency, the impact thereof on the profit and loss of the group are given below:

Particulars	Impact on profit after tax	
	March 31, 2022	March 31, 2021
USD sensitivity		
INR/USD Increases by 5% (March 31, 2021 - 5%)	18	20
INR/USD Decreases by 5% (March 31, 2021 - 5%)	(18)	(20)

\* Holding all other variables constant

### (ii) Interest rate risk

The exposure of the group's borrowing to interest rate changes at the end of the reporting period depends on the mix of fixed rate and floating rate of the borrowings and the expected movement of market interest rate. The status of borrowings in terms of fixed rate and floating rate are as follows:

(Rupees in lakhs)

Particulars	March 31, 2022	March 31, 2021
Variable rate borrowings	1143	1,741
Fixed rate borrowings	2364	2,316
<b>Total borrowings</b>	<b>3,507</b>	<b>4,057</b>

As at the end of the reporting period, the group had the following variable rate borrowings outstanding:

Particulars	Weighted average interest rate	Balance	% of total loans
<b>March 31, 2022</b>			
Bank overdrafts, bank loans, Cash credit	8.64	1,143	33%
<b>March 31, 2021</b>			
Bank overdrafts, bank loans, Cash credit	12.17	1,741	42%
<b>March 31, 2020</b>			
Bank overdrafts, bank loans, Cash credit	12.16	1,014	25%

### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(Rupees in lakhs)

Particulars	Impact on profit after tax		
	March 31, 2022	March 31, 2021	March 31, 2020
Interest rates – increase by 50 basis points (50 bps) *	8	9	5
Interest rates – decrease by 50 basis points (50 bps) *	(8)	(9)	(5)

### (iii) Price risk

The group's exposure to equity securities price risk arises from investments held by the group in equity securities and classified in the balance sheet as at fair value through profit or loss. However, group does not have a practice of investing in market equity securities with a view to earn fair value changes gain. As per the group policies, whenever any investment is made by the group in equity securities, the same is made either with some strategic objective or as a part of contractual arrangement. Further, at the reporting date group does not hold material value of quoted securities. Accordingly, group is not exposed to significant market price risk.

### (A) Credit risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the group.

Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. In order to mitigate the risk of financial loss from defaulters, the group has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the group does not allow any credit period and therefore, is not exposed to any credit risk.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30-120 days past due case to case basis.

(ii) Reconciliation of loss allowance provision – Trade receivables

(Rupees in lakhs)

Particulars	(Amounts in INR)
<b>Loss allowance on April 1, 2018</b>	126
Changes in loss allowance	52
<b>Loss allowance on March 31, 2019</b>	178
Changes in loss allowance	20
<b>Loss allowance on March 31, 2020</b>	198
Changes in loss allowance	47
<b>Loss allowance on March 31, 2021</b>	245
Changes in loss allowance	85
<b>Loss allowance on March 31, 2022</b>	330

(B) Liquidity risk

The group has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

- (i) Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows:

(Rupees in lakhs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Floating rate			
Cash credit/WCTL facility	659	892	793

The bank overdraft and cash credit facilities may be drawn at any time and may be terminated by the bank without notice.

- (ii) Maturities of financial liabilities

The table below analyses the group's all non-derivative financial liabilities into relevant maturity based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities:

(Rupees in lakhs)

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
<b>Non-derivatives</b>				
<b>March 31, 2022</b>				
Borrowings				0
Trade payables				0
Security deposits				0
Other financial liabilities				0
<b>Total non-derivative liabilities</b>	-	-	-	-
<b>March 31, 2021</b>				
Borrowings	3073	385	513	3971
Trade payables	2256			2256
Security deposits			311	311
Other financial liabilities	162			162
<b>Total non-derivative liabilities</b>	<b>5,491</b>	<b>385</b>	<b>824</b>	<b>6,700</b>

39 Capital management

(a) Risk management

The group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, The group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.



Consistent with others in the industry, The group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

The gearing ratios of the group are as follows:

(Rupees in lakhs)

	March 31, 2022	March 31, 2021
Net debt (net of cash and cash equivalents)	3,463	3,971
Total equity	1,892	702
<b>Net debt to equity ratio</b>	<b>183%</b>	<b>566%</b>

#### 40 RELATED PARTY TRANSACTIONS

##### (a) List of Related Parties

###### A. Key Management Personnel of the company and close member of Key Management Personnel of the company

- 1 Mr. Abhay Kanoria
- 2 Mr. Uddhav Kanoria
- 3 Mr. N Ahmedali
- 4 Ms.Neha Rajen Gada
- 5 Mr. Nirbhay Kanoria
- 6 Mr. Sanatkumar Shirali
- 7 Mrs. Girija Subramanian, (from 14.06.2021)
- 8 Mr. Shashikant N More, (upto 14.06.2021)
- 9 Dr. Rajeshwar B Smarta, (upto 25.01.2022)
- 10 Mr. Rakesh P Kanyadi
- 11 Mrs.Pallavi Kanoria (Wife of Mr Abhay Kanoria)
- 12 Mr.Harshwardhan Murarka
- 13 Mrs. Deepa Ramachandran (upto 04.03.2022)

###### B. Subsidiaries

- i) Anglo French Drugs & Industries PTE Ltd

###### C Enterprises which are post employment benefit plan for the benefit of employees

- i) The Anglo French Drug Co. ESTN Ltd Employee`s Gratuity Fund
- ii) Group Supperannuation Scheme under LIC of India

###### D. Enterprises in which Key Management Personnel and close member of Key Management personnel have joint control.

- 1 Aakruti Investments Ltd.
- 2 Abhay Kanoria Family Trust
- 3 Broach Textile Mills Ltd.
- 4 Ekta Tie-up Pvt. Ltd.
- 5 GBK Charitable Trust
- 6 Radha Kesari Spinning Mills Ltd.
- 7 Sudarshan Exports Ltd.
- 8 Sudarshan Services Ltd.
- 9 Ninand finance & Properties Pvt Ltd

(b) Transactions with Related Parties for the year ended March 31, 2022

NATURE OF TRANSACTIONS	Subsidiaries		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel / Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>EXPENSES:</b>								
<b>i) Rent paid</b>								
Sudarshan Services Ltd.								
Mr. Abhay Kanoria					12	11		
Mrs.Pallavi Kanoria					12	11		
<b>ii Receiving of Services – Administrative, Commercial &amp; Accounting service</b>								
Sudarshan Services Ltd.								
<b>iii) Interest Paid</b>								
Sudarshan Services Ltd			71	76				
Ninand finance & Properties Pvt Ltd			25	106				
<b>iv) Remuneration Paid</b>								
Mr. Abhay Kanoria					95	70		
Mr. Uddhav Kanoria					54	52		
Mr. Nirbhay Kanoria					43	40		
Mrs.Pallavi Kanoria					36	29		
Mr.Harshwardhan Murarka					19	14		
Ms. Deepa Ramachadran					11	9		
Mr. Rakesh P Kanyadi					25	22		
<b>v) Director’s sitting fees</b>								
Mr. Sanatkumar Shirali					1.10	0.80		
Ms. Neha Rajen Gada					1.30	1.10		
Mr. N Ahmedali					1.20	1.40		
Mr. Shahikanth More					0.10	0.40		
Mr. Rajendra Bhaskar Smarta					0.60	0.60		
Mr. Rakesh P Kanyadi					0.60	-		
Mrs. Girija Subramanian					0.20	-		
<b>INCOME:</b>								
<b>i) Sale of Pharmaceutical products</b>								
Anglo-French Drugs & Industries Pte Ltd	164	130						
<b>OTHER RECEIPTS:</b>								
<b>i) Inter Corporate Deposit Received</b>								
Sudarshan Services Ltd					-			
<b>Contribution of Gratuity Fund</b>								
The Anglo French Drug Co. ESTN Ltd Employee’s Gratuity Fund							-	60
Group Supperannuation Scheme under LIC of India								
<b>Refund of Gratuity</b>								
The Anglo French Drug Co. ESTN Ltd Employee’s Gratuity Fund							31	27





## (c) Outstanding Balances as on March 31, 2022

NATURE OF TRANSACTIONS	Subsidiaries		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel/ Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>PAYABLES :</b>								
i) <b>For Goods &amp; Services</b> Sudarshan Services Ltd		-		-				
ii) <b>Inter Corporate Deposit</b> Sudarshan Services Ltd Ninand finance & Properties Pvt Ltd			638 69	749 440				
<b>LOANS &amp; ADVANCES AND RECEIVABLES :</b>								
iii) <b>For Goods &amp; Services</b> Anglo-French Drugs & Industries Pte Ltd	123	100						
iii) <b>Security Deposit</b> Mr. Abhay Kanoria			12	12				

**41 Contingent liabilities****A The group had contingent liabilities at March 31, 2022 in respect of:**

- (a) Claims against the group pending appellate/judicial decisions not acknowledged as debts :

(Rupees in lakhs)

Particulars	March 31, 2022	March 31, 2021
a) Value Added Tax/Sales Tax	132	148
b) Service Tax/ Excise Duty	116	116
b) TDS demand (Traces)	18	18

- a. The Management believes that the outcome of the above will not have any material adverse effect on the financial position of the company.
- b. The Company does not expect any reimbursements in respect of the above contingent liabilities.
- c. The assessed tax liability is ₹ 132 lakhs towards Value added tax / sales tax and ₹116 lakhs towards service tax are under dispute as at March 31, 2022 based on the favourable decision of the Appellate Authorities and the interpretation of the other relevant provisions, the Company has been advised that the demand raised by the Department may not crystallise into a potential obligation. Accordingly, no provision is considered necessary.
- d. TDS demand is due to errors in filling the TDS returns, which are being revised. On revision, the liability is likely to get adjusted and hence no provision has been made
- e. It is not practicable to estimate the timing of cash outflows, if any, in respect of matters above pending resolution of the arbitration / appellate proceedings. Further, the liability above excludes interest and penalty in cases where the company has determined that the possibility of such levy is remote.
- (b) Guarantees :
- Counter guarantees issued to banks and remaining outstanding INR 420.59 lakhs (2021 - INR 469.61 lakhs).
  - Letter of credit opened and remaining outstanding INR 66.08 lakhs (2021 - INR 27.84 lakhs)
- (c) Capital commitments : Nil

**B Other Statutory information**

The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

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

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The 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:

- (a) 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
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

The Company is not declared wilful defaulter by and bank or financial institution or lender during the year.

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

The Company does not have any transactions with companies which are struck off

The Indian Parliament has approved the Code on Social Security, 2020 ('Code') which may likely impact the contributions made by the Company towards Provident Fund and Gratuity. The Company will assess the impact and its evaluation once the corresponding rules are notified and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are notified.

The Company has sold the portfolio of brand (including all rights and interests associated with the products) along with identified intangible assets including without limitation all intellectual property rights in April 2022 based on approval by the shareholders of the Company in the EGM held on 28.02.2022 to Lupin Limited for a consideration of approximately ₹305 crores

## 42 Leases

### Applicability of Ind AS 116 – As a lessee

Ind AS 116 on "Leases" is mandatory for reporting periods beginning on or after 1st April, 2019 as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standards) Rules, 2015 as amended, replacing the existing lease rental recognition criteria. The application of Ind AS 116 has impacted the company's accounting for recognition of leases payments.

Under this standard, amortisation cost and Finance cost has increased by ₹ 42 lakhs and ₹ 39 lakhs respectively and corresponding rent has decreased by ₹ 325.61 lakhs. Application of this standard resulted in decreased of profit amounting to ₹ 31 lacs. The single accounting model introduced by Ind AS 116 recognises a right-of-use asset amounting to ₹ 473.30 lakhs representing its right to use the underlying assets and a lease liability of the equivalent amount representing its obligation to make lease payments.

The following are the leasing arrangements entered into by the Company which has been considered for IND AS 116.

S r . No	Location	Name of Land Lord	Period		Deposit	Rent P.M.	Rent for One Year
			From	To			
1	Corporate Office	Rathna Shivarudrappa	01.04.2014	31.03.2016	1,650,000	140,000	1,680,000
			01.04.2016	31.03.2018		165,000	1,980,000
			01.04.2018	31.03.2022		190,000	2,280,000
2	Guest House-Pebble Bay	Amod Vig	01.09.2017	31.08.2018	1,500,000	160,000	1,920,000
			01.09.2018	31.08.2019		168,000	2,016,000
			01.09.2019	31.08.2020		176,400	2,116,800
			01.09.2020	31.08.2021		185,220	2,222,640
			01.09.2021	31.08.2022		194,480	2,333,760
3	Mumbai Office	The Phoenix Mills Limited	18.12.2016	17.12.2021	4,580,180	778,363	9,340,356
			18.12.2021	17.12.2022		774,510	
4	Mumbai Guest house	MINOO	01.08.2021	31.07.2022	1,200,000	400,000	4,800,000



43 (a) Details of Raw Materials Consumed

(Rupees in lakhs)

Description	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
<b>PHARMACEUTICALS</b>					
Calcium D Pantothenate IP	Kgs	4,700	59	3,748	165
Ascoric Acid	Kgs	63,849	297	66,133	419
Miscellaneous (None individually account for more than 10% of total consumption)			2,212		2,231
			<b>2,568</b>		<b>2,815</b>

(b) Value of Raw Materials Stores and Spare Parts consumed:

(Rupees in lakhs)

Description	Current Year		Previous Year	
	Amount	%	Amount	%
<b>a) Raw Materials:</b>				
Imported	-	-	-	-
Indigenous	2,568	100	2,815	100
	<b>2,568</b>	<b>100</b>	<b>2,815</b>	<b>100</b>
<b>b) Stores and Spare Parts</b>				
Imported	-	-	-	-
Indigenous	16	100	15	100
	<b>16</b>	<b>100</b>	<b>15</b>	<b>100</b>

(c) Purchase of Stock -in-Trade

(Rupees in lakhs)

Description	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
<b>Formulations:</b>					
a) Tablets	Million	292	2,409	256	1,988
b) Liquids	Bottles	10,375,900	1,267	8,067,729	947
c) Injections	Litres	12,439	125	13,466	289
d) Capsules	Million	49	503	55	560
e) Granules	Kgs	1,017	8	4,582	8
f) Powder	Kgs	371,443	354	241,323	247
g) Ointment	Kgs	46,550	280	55,664	356
h) Injections	Kgs	243,783	344	-	-
i) Others	Nos.	528,073	39	1,075,440	66
			<b>5,329</b>		<b>4,461</b>

(d) Value of Imports on CIF basis

Description	Current Year		Previous Year	
	USD	₹ In lakhs	USD	₹ In lakhs
i) Raw Materials	-	-	-	-
ii) Components and Spare Parts	-	-	-	-
Expenditure in Foreign Currency	152,706	114	90,774	68
F.O.B Value of Exports	-	-	-	-
In Foreign Currency	875,133	645	1,196,272	883

- 44 Company's investments in 100% subsidiary 'Anglo French Drugs & Industries PTE. Limited Singapore (AFDIPL)' amounting ₹ 24 lakhs is long term in nature and which has been provided in the books on the date of transition to Ind AS. Though AFDIPL has incurred a net profit of ₹ 42 lakhs during the year ended 31st March, 2022 and had accumulated negative reserves to the tune of ₹ 18 lakhs as on 31st March, 2021 which positively became ₹ 24 lakhs at the year ended 31st March 2022. Since, there is an upward positive trend in the accumulated reserves of the subsidiary, the Management of the Company is positive of the assumption of going concern for the subsidiary. However, the Management has decided to continue with the ECL provision made during the past years.

In addition, if the AFDIPL were unable to continue in operational existence for the foreseeable future, the AFDIPL may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to the financial statements of AFDIPL as on 31st March, 2022.

#### 45 Operating Segment

The Holding Company has only one reportable segment i.e. pharmaceuticals

(Rupees in lakhs)

Particulars	March 31, 2022	March 31, 2021
<b>Information about Geographical Areas:</b>		
Revenue from customers		
In India	15,730	14,671
Outside India	732	688
<b>Non-current assets</b>		
In India	-	1,417
Outside India	-	-
<b>Information about major customers</b>		
Consolidated Revenue-exceeding 10% from each single customer		

#### 46 Earnings per Equity share

Particulars	March 31, 2022 INR	March 31, 2021 INR
(a) Basic earnings per share	16	62
(b) Diluted earnings per share	16	62

- (c) Reconciliations of earnings used in calculating earnings per share

Particulars	March 31, 2022 INR	March 31, 2021 INR
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	188.34	751
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	188.34	751

- (d) Weighted average number of shares used as the denominator

Particulars	March 31, 2022 Number of shares	March 31, 2021 Number of shares
No of equity shares outstanding as at the beginning of the year	1,291,500	1,162,500
No of equity shares outstanding as at the end of the year	1,291,500	1,291,500
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,212,687	1,212,687
Adjustments for calculation of diluted earnings per share:		
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	1,212,687	1,212,687

#### 47 Research and Development Expenses

(Rupees in lakhs)

For the period ended	31st March, 2022	31st March, 2021
Material Consumption	2	6
Labortary consumption	5	7
Employee Benefits Expense	16	17
Others	65	1
	<b>88</b>	<b>31</b>



#### 48 Revenue Recognition as per Ind AS 115

- i The Group derives revenues primarily from sale of pharmaceutical products and scrap from its contracts with customers. The revenues have been disclosed in Note No.27 "Revenue from Operations"
- ii The disaggregation of revenues is as under:

(Rupees in lakhs)

Nature	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers		
Revenues from sale of goods	16,514	15,332
Revenues from sale of scrap (Other operating income)	9	6
	<b>16,523</b>	<b>15,338</b>

- iii The revenues are further disaggregated into revenues from domestic as well as export market as follows:

(Rupees in lakhs)

Nature	Year ended March 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2021
	Domestic	Exports (including Deemed Exports)	Domestic	Exports (including Deemed Exports)
Revenue from contracts with customers				
Revenues from sale of goods	15,730	784	13,916	1,416
Revenues from sale of scrap (Other operating income)	9	-	6	-
	<b>15,739</b>	<b>784</b>	<b>13,922</b>	<b>1,416</b>

- iv The movement in group's receivables, contract assets and contract liabilities are as under:

Nature	Amount (₹ in lakhs)	
	Contract Assets	Contract Liabilities
Balance as at the beginning of the year	43	85
Additions	-	-
Adjustments	-	-
<b>Balance as at the end of the year</b>	<b>43</b>	<b>85</b>

#### 49 Critical judgements in applying accounting policies

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainties about these assumptions and estimates could result outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### Key Assumptions:

The key assumptions concerning the future and other key estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

##### a Estimated useful life of tangible and intangible assets:

The Company has estimated the useful life based on useful life as specified in Schedule-II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The estimated useful life and residual values are reviewed at the end of each financial year and if necessary, changes in estimates are accounted. Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

##### b Inventory :

Reviews are made periodically by the management on damaged, obsolete and slowmoving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

Inventories are stated at the lower of cost and net realisable value. Demand levels, exchange rates, technological advances and pricing competition could change from time to time. The company estimates the net realisable value of inventories based on an assessment of sales prices.

The Company's management conducts physical verification of inventories during the year at reasonable intervals. Management was able to perform year end physical verification of inventories, only at certain locations during Feb & Mar21. Management has carried out procedures to validate the existence of its inventory to determine the quantities and value of the inventory at the balance sheet date.

**c Trade Receivable :**

The collectibility of receivables is assessed on an on going basis. An allowance for doubtful debts is made for any account considered to be doubtful of collection and also .

Allowance for doubtful debts is made based on a review of all outstanding accounts as at the balance sheet date. A considerable amount of judgement and estimate is required in assessing the ultimate realisation of these receivables, including the creditworthiness, the past collection history of each customer and subsequent collection up to date of report. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

**d Impairment of Trade Receivable:**

The impairment provision for financial assets is based on the assumption about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the input impairment calculation based on the Company past history as well as forward looking assumptions at the end of each reporting period.

**e Defined Benefit Obligation:**

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 21, 'Employee benefits'

**f Fair value measurement :**

Fair value measurement of financial instruments When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

**g Current Tax :**

The computation of advance taxes, provision for current/deferred tax are made based on significant judgments and which may get revised pursuant to position taken by the tax authorities.

**h Provision and Contingent Liabilities :**

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities (see note 40 to the standalone financial statements). Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

**50 Adoption of FRS 109 Financial Instruments**

The financial statements of the subsidiary of the company, Anglo French Drugs & Industries PTE LTD., have been drawn up in accordance with Singapore Financial Reporting Standards(SFRS)

The subsidiary company has applied FRS 109 wef 01.04.2018 as a result of which an allowance of USD 28357 equivalent to ₹ 19,61,495 , has been created against Trade Receivables appearing as on 01.04.2018. Therefore an adjustment of ₹ 20 lakhs has been done from Retained Earnings as on 01.04.2018 to give effect of the allowance made against Trade Receivables.

The balance of Surplus/Defecit in Consolidated Statement of Profit & Loss as on 01.04.2018 has been reinstated from (317 lakhs) to (337 lakhs) to give effect of 20 lakhs of allowance against Trade Receivables on the date of initial application i.e. 01.04.2018.(Note 18(iv))

**51 Interests in other entity**

**Subsidiary**

The group's subsidiary as at March 31, 2022 is set out below. Unless otherwise stated, it has share capital consisting solely of equity shares that are held directly by the group, and the ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business / Country of Incorporation	Ownership interest held by the group			Principal activities
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	
Anglo French Drugs & Industries Pte. Ltd.	Singapore	100	100	100	Trading in pharmaceutical products

The financial statements of the subsidiary are presented in United States Dollar(USD),which is its functional currency.

For the purpose of consolidation, the financial statements are converted into INR from USD.



52 Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Information in respect of subsidiary with amounts in lakhs

1	Sl. No.	1
2	Name of the subsidiary	Anglo French Drugs & Industries Pte. Ltd.
3	Date on which subsidiary was acquired	5th April, 2013
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	US\$ (INR 75.81/US\$)
6	Share capital	25
7	Reserves & surplus	24
8	Total assets	195
9	Total Liabilities	147
10	Investments	-
11	Turnover	189
12	Profit before taxation	42
13	Provision for taxation	-
14	Profit after taxation	42
15	Proposed Dividend	
16	% of shareholding	100%

- Names of subsidiaries which are yet to commence operations : None
- Names of subsidiaries which have been liquidated or sold during the year : None

53 Additional information as required under Shedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary

(Amounts in lakhs)

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5	6	7	8	9
<b>Parent</b>								
Anglo French Drugs & Industries Ltd	100.38%	1,899	169.86%	319	100.00%	97	100.00%	285
Less: Adjustment arising out of consolidation	-2.96%	(56)	-92.39%	(174)	0.00%	-	0.00%	-
<b>Subsidiaries</b>								
<b>Indian</b>	-	-						
<b>Foreign</b>								
Anglo French Drugs & Industries Pte. Ltd.	2.58%	49	22.53%	42	0.00%	-	0.00%	-
<b>TOTAL</b>	<b>100.00%</b>	<b>1,892</b>	<b>100.00%</b>	<b>188</b>	<b>100.00%</b>	<b>97</b>	<b>100.00%</b>	<b>285</b>

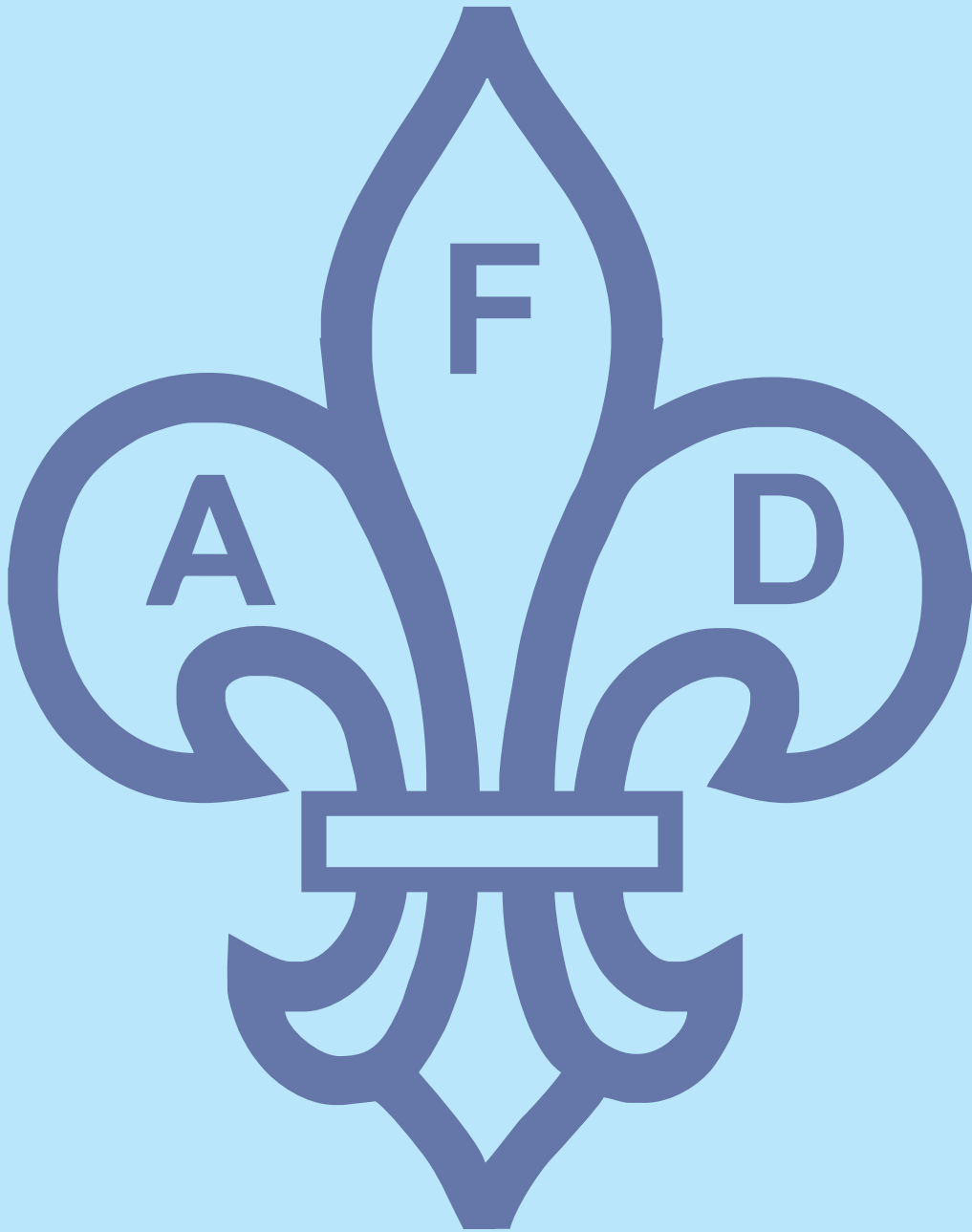
54 Significant Events after the reporting year

The Company has sold the portfolio of brand (including all rights and interests associated with the products) along with identified intangible assets including without limitation all intellectual property rights in April 2022 based on approval by the shareholders of the Company in the EGM held on 28.02.2022 to Lupin Limited for a consideration of approximately ₹305 crores. However, the Company has other brands which will enable it to sustain in the business. Hence, the going concern assumption is not affected.

55 The previous year figures have been regrouped/rearranged wherever necessary to make it comparable with the current year.







**Anglo-French Drugs & Industries Ltd.**

No. 41, 3rd Cross, 5th Block, Rajajinagar, Bangalore - 560 010