BOARD OF DIRECTORS
SHRI ABHAY KANORIA, Chairman & Managing Director
SHRI U.G. PATEL
SHRI UDDHAV KANORIA - President & Whole-time Director
SHRI SANAT SHIRALI
SHRI N. AHMEDALI
Ms. NEHA GADA
SHRI N. PAULY SUKUMAR
SHRI NIRBHAY KANORIA

AUDITORS
KAMG & ASSOCIATES
Chartered Accountants

BANKERS
HDFC BANK LTD
YES BANK LTD

REGISTRARS & SHARE TRANSFER AGENTS
Canbank computer Services Ltd.,
#218, J.P. Royale, 1st Floor,
2nd Main Sampige Road
(Near 14th Cross), Malleswaram
Bengaluru - 560 003
Phone: 080-23469661 / 62 & 23469664 / 65
Fax: 080-23469667/68
E-mail: Canbankrta@ccsl.co.in

REGISTERED OFFICE
No. 41, 3rd Cross, V Block
RajajiNagar
Bengaluru - 560 010
Karnataka.

MANUFACTURING PLANT

PHARMACEUTICALS
Plot No. 4, Peenya Industrial Area
Phase II, Peenya
Bengaluru - 560 058
Karnataka

With effect from 1st January 2018
Our Company is listed with
Metropolitan Stock Exchange of India, Mumbai.

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BOARD'S REPORT TO THE MEMBERS

Dear Shareowners,

Your Directors have pleasure in presenting the 95th Annual Report of the Company along with Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2018.

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:

(₹ In Lakhs)

PARTICULARS	YEAR ENDED	
	31.03.2018	31.03.2017
Sales and other income	11241	12914
Profit/(Loss) for the year before Depreciation	(1112)	245
Less: Depreciation	(179)	(197)
Profit/(Loss) before Tax	(1291)	48
Less: Provision for Taxation		
- Current	-	2
- Deferred	(167)	6
Profit/(Loss) after tax	(1124)	40
Total Other Comprehensive Income/(Loss) for the year, net of tax	16	(11)
Add: Balance brought forward from Profit & Loss Account	795	766
Amount available for appropriation	(313)	795

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 relevant rules issued thereunder and other Generally Accepted Accounting Principles (GAAP) in India. Accordingly, previous period's figures have been reclassified/regrouped, wherever necessary.

2. FINANCIAL HIGHLIGHTS AND OPERATIONS

The consolidated Sales & Operating income during the year ended under review is Rs.11,241 lakhs as compared to Rs.12,914 lakhs of the previous year.

There were many un-favorable events in the year gone by

- Sudden and excessive spurt in the prices of raw materials. (Many of these have also declined by May, 2018)
- During implementation of GST two major things happened.
  - There was a huge reduction in sale in the quarter April to June 2017 in anticipation of GST. We lost sales of about Rs.12 cr in April-June 2017 compared to the same quarter of 2016.
  - While cost to final customer including taxes remained the same, the value realized by the company declined by 2.25%. On the top line this is not so significant but the entire 2.25% of sales was reduced from the bottom line, that is there was a drop in profit to the extent of about Rs.2 crores.

Mainly because of the above factors, the Company has incurred a loss amounting to Rs.1,291 Lacs during the year 2017-18. All the above have now returned to normalcy. Apart from this, the management is working on the effectiveness of manufacturing cost as well as increasing sales volume and is confident of generating operating surplus in current year.

3. DIVIDEND

Your Directors do not propose any dividend for the year under review.

4. TRANSFER TO GENERAL RESERVE

No amount is transferred to General Reserve for the year under review.

5. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans and has not made any investments in other entities. The Company is a co-guarantor for loan taken by Sudarshan Services Ltd which is within permissible limits.

6. 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. applicable accounting standards have been followed in the preparation of the annual accounts.

ii. Appropriate accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at 31st March 2018, and to the profit of the Company for the year ended on that date

iii. proper and sufficient care have been taken for the maintenance of adequate 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 accompanying Annual Accounts have been prepared on a going concern basis.

v. proper internal financial controls were in place and were adequate and operating effectively; and

vi. proper systems to ensure compliance with the provisions of applicable laws were in place and were adequate and operating effectively

7. DIRECTORS

a. Board of Directors

In accordance with the provisions of the Companies Act 2013 and the Articles of Association of the Company, Mr. Sanat Shirali will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

b. Meetings of the Board

Five (5) Board Meetings were held during the financial year ended March 2018 on 22nd May 2017, 10th August 2017, 12th September 2017, 14th December 2017 and 12th February, 2018. The time gap between any two meetings was not exceeding one hundred and twenty days. These meetings were held as per the provision of section 173 of the Companies Act, 2013.

c. Independent Directors

The Independent Directors of the Company have given the declaration to the Company that they meet the criteria of independence as provided in sub-section 6 of Section 149 of the Companies Act, 2013.

d. Board Evaluation

The Board has reviewed and evaluated the performance of all individual directors and the independent directors have reviewed and evaluated the performances of Chairman, Managing Director and non-independent Directors during the year at their meeting held on 12th February, 2018. They found that none of the board members have contravened any of the statutory provisions of Companies Act, 2013 and its relevant rules, regulations, guidelines etc. applicable to them in exercise of their duties and responsibilities.

8. CORPORATE GOVERNANCE

As the Company's paid up capital is Rs.116.25 Lacs and Turnover is Rs.11241 Lacs it is not under the purview of Corporate Governance under Clause 49 of the Listing Agreement with Stock Exchanges, and hence the Report is not attached.

9. NOMINATION AND REMUNERATION POLICY

The Company has constituted Nomination and Remuneration Committee. The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management, Key Managerial Personnel and their remuneration. The Policy is available on Company's website www.afdil.com.

10. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

As per Section 178 of the Companies Act, 2013, the Company was required to constitute a Nomination and Remuneration Committee for the purpose of identifying qualified persons for appointment of Directors and Senior/ Key Managerial Personnel in future and to fix their remuneration and other allowances.

11. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a Whistle Blower Policy for Directors and employees to report their genuine concern.

12. 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, www.afdil.com.

13. FIXED DEPOSITS

Your Company has not invited/accepted any fixed deposits during the year under review, as such; no amount of principal or interest on fixed deposit was outstanding on the date of balance sheet.

14. AUDITORS

a) Statutory Auditors:

In compliance with the Companies (Audit and Auditors) Rules 2014, M/s KAMG & Associates, Chartered Accountants (FRN311027E) has been appointed as the Statutory Auditors of the Company, till the conclusion of 99th Annual General Meeting of Company i.e. for the F.Y-2021-22, as approved by the Members.

Further, pursuant to the requirement of Section 139 of the Companies Act, 2013, the appointment of Statutory Auditors is to be ratified by the members at every Annual General Meeting. Members are requested to ratify their appointment for the Financial Year 2018-19.

The Auditors Report for the financial year 2017-18 does not contain any qualification, reservations or adverse remarks. The Auditors report is enclosed with the financial statement in this Annual Report.

b) Cost Auditors:

G.M. & Associates, Cost Accountants, Bangalore (Firm Registration No.000574) is appointed as Cost Auditors to conduct cost audit of the accounts maintained by the Company, in respect of the Formulations products for the Financial Year 2018-19.

c) Internal Auditors:

During the year under review, M/s B Choraria & Mates., Chartered Accountants, Bangalore carried out the internal audit exercise and submitted their report.

15. INTERNAL FINANCIAL CONTROL (IFC) SYSTEM

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.

A formal documented IFC framework has been implemented by the Company. The Board regularly reviews the effectiveness of controls and takes necessary corrective actions where weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls and Information Technology environment. Based on this evaluation, there is nothing that has come to the attention of the Directors to indicate any material break down in the functioning of these controls, procedures or systems during the year. There have been no significant events during the year that have materially affected, or are reasonably likely to materially affect, our internal financial controls. The management has also come to a conclusion that the IFC and other financial reporting was effective during the year and is adequate considering the business operations of the Company.

16. 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 I to the Report and forms a part of this Report.

17. EXTRACTS OF ANNUAL RETURN

The extract of the Annual Return required under Section 134 (3) (a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014 is annexed here with as Annexure II.

18. PARTICULARS OF EMPLOYEES

The total number of employees of the company as on March 31, 2018 was 602 as against 641 as on March 31, 2017.

19. SECRETARIAL STANDARDS

The Company complied with all applicable Secretarial Standards

20. 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 are claimed by the shareholders for 7 consecutive years or more shall be transferred to the demat account of the IEPF authority. Accordingly the company has transferred the unclaimed and unpaid dividends of Rs.1,53,330/-. Further corresponding shares shall be transferred as per the requirements of the IEPF rules. The details are available on our website.

21. 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.

22. RELATED PARTY TRANSACTIONS

Related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. The Company is a co-guarantor for loan taken by Sudarshan Services Ltd which is within permissible limits. 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 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 III.

23. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Swaroop, Ravishankar & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is attached as Annexure IV. The Secretarial Auditor Report for the Financial Year ended 31st March 2018 does not contain any qualification, reservation or adverse remark.

24. GREEN INITIATIVES

Electronic copies of the Annual Report 2017-18 and the notice of the 95th Annual General Meeting are sent to all members whose e-mail addresses are registered with the Company/Depository Participants. For members who have not registered their e-mail addresses, physical copies are sent in the permitted mode.

25. CHANGES IN KEY MANAGERIAL PERSONS

Mr. Naveen Gupta ceased to be Chief Financial Officer of the Company with effect from 11th August 2017, Mr. Manish Jagnani was appointed as Chief Financial Officer with effect from 12th February 2018 and Mr. Aditya Jain has been appointed as Company Secretary with effect from 10th August 2017 in place of Mr. B. Subbarayalu. Mr. Aditya Jain ceased to be the Company Secretary from 18th May 2018.

26. ACKNOWLEDGEMENTS

Your Directors acknowledges 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

Bengaluru
30th May 2018

ABHAY KANORIA
Chairman & Managing Director

ANNEXURE I TO THE DIRECTORS REPORT

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 31st March 2018.

A. CONSERVATION OF ENERGY:

a) Energy conservation measures taken b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy. c) Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods.	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.
d) Total energy consumption and energy consumption per unit of production.	Please refer Form A hereunder.

FORM A

[See Rule 2]

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

A. Power and Fuel consumption:

	Current Year	Previous Year
1. Electricity		
a) Purchased:		
Units	1376,425	1637200
Total Amount [₹ in Lacs]	107	120
Rate/Unit [₹]	7.80	7.36
b) Own Generation:		
i) Through Diesel Generator		
Units	13720	16656
Units per Ltr. of Diesel Oil	2.30	2.30
Cost/Unit [₹]	25.99	24.77
ii) Through Steam Turbine/Generator Units Units per Ltr. of Fuel Oil/Gas Cost/Unit [₹]	Nil	Nil
2. Coal Quantity (tonnes) Total Cost [₹]	Nil	Nil

3 Furnace Oil	Current Year	Previous Year
Quantity (K. Ltrs)	Nil	Nil
Total Amount [₹ in 'Lacs]	Nil	Nil
Average Rate [₹ per Ltrs]	Nil	Nil
4 Others / Internal generation Quantity Total Cost Rate/Unit	Nil	Nil

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:

e) 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	**Current Year**	**Previous Year**
a) Capital [₹ in Lacs]	Nil	Nil
b) Recurring [₹ in 'Lacs]	20	28
c) Total [₹ in 'Lacs]	20	28
d) Total R&D expenditure as a percentage of total turnover	0.18%	0.22%

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. — Not Applicable
   a) Technology imported
   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.

		Current Year	Previous Year
b) Total foreign exchange used (₹ in lacs)	:	123	170
Total foreign exchange earned (₹ in lacs)	:	565	797

On behalf of the Board

Bengaluru
30th May 2018

ABHAY KANORIA
Chairman & Managing Director

ANNEXURE II TO THE DIRECTORS REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the Financial Year ended on 31.3.2018

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

I. REGISTRATION AND OTHER DETAILS

i) CIN:	L24230KA1923PLC010205
ii) Registration Date:	01/02/1923
iii) Name of the Company	Anglo-French Drugs & Industries Ltd.
iv) Category / Sub-Category of the Company:	Company having Share Capital
v) Address of the Registered office and contact details	No 41, 3rd Cross, V Block, Rajajinagar, Bangalore – 560 010 Tel No.080-2315 6757, Fax No.080-23389963
vi) Whether listed company	Yes Company's Securities are listed with Metropolitan Stock Exchange of India, Mumbai, vide their letter No.MSE/LIST/2018/18 dated 1st January 2018, w.e.f. 1st January 2018.
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Canbank Computer Services Limited, J.P. Royale, 1st Floor, #218, 2nd Main Sampige Road, Malleswaram, Bangalore 560 003.Tel No.080-23469661/62

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacturing of Pharmaceutical Formulations	21002	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Anglo-French Drugs & Industries Pte Ltd, Singapore	2013 09075E	Subsidiary	100%	2(87)
2.	Abhay Kanoria Family Trust	NA	Associate	60.37%	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 1.4.2017				No. of Shares held at the end of the year 31.3.2018				% Change during the year
	Demat	Physical	Total	% of total	Demat	Physical	Total	% of total	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	3650	3650	0.314	3650	-	3650	0.314	0
b)Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	701745	-	701745	60.365	701745	-	701745	60.365	0
Sub-total (A) (1):-	**701745**	**3650**	**705395**	**60.679**	**705395**	**-**	**705395**	**60.679**	**0**
(2) Foreign	0	0	0	0	0	0	0	0	
a) NRIs - Individuals									0
b) Other – Individuals									
c) Bodies Corp.									
d)Banks/FI									
e)Any Other									
Subtotal(A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**701745**	**3650**	**705395**	**60.679**	**705395**	**0**	**705395**	**60.679**	**0**
B. Public Shareholding									
1.Institutions									
a) Mutual Funds									
b) Banks / FI	0	150	150	0.013	0	150	150	0.013	0
c) Central Govt	-	-	-	-	-	-			
d) State Govt(s)	-	-	-	-	-	-			
e) VentureCapital funds	-	-	-	-	-	-			
f) InsuranceCompanies	210000	0	210000	18.065	210000	0	210000	18.065	0
g) FIIs	-	-	-	-	-	-	-	-	-
h) ForeignVenture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(1):-	**210000**	**150**	**210150**	**18.078**	**210000**	**150**	**210150**	**18.078**	-
2. Non-Institutions	-	-	-	-	-	-	-	-	0
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	55250	4300	59550	5.122	56330	4300	60630	5.22	0.98
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	58410	125950	184360	15.858	58620	124460	183080	15.75	0.108
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Resident Indians HUF	2620	0	2620	0.225	2870	0	2870	0.250	0.025
NRI non repatriable	425	0	425	0.035	375	0	375	0.030	0.005
Sub-total (B)(2):-	**116705**	**131350**	**246955**	**21.245**	**118195**	**128760**	**246955**	**21.245**	**0.00**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**326705**	**130400**	**457105**	**39.325**	**328195**	**128910**	**457105**	**39.325**	**0.00**
C. Shares held by Custodian For GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Grand Total (A+B+C)	**1027300**	**135200**	**1162500**	**100**	**1033590**	**128910**	**1162500**	**100**	

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 1.4.2017			Share holding at the end of the year 31.3.2018			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Binod Kumar Kanoria	2850	0.245	0	2850	0.245	0	0
2	Binod Kumar Kanoria (HUF)	200	0.017	0	200	0.017	0	0
3	Prabhadevi Kanoria	600	0.052	0	600	0.052	0	0
4	Abhay Kanoria Trustee Abhay Kanoria Family Trust	701745	60.365	0	701745	60.365	0	0
	Total	**705395**	**60.679**	**0**	**705395**	**60.679**	**0**	**0**

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 1.4.2017	705395	60.679	705395	60.679
	Date wise increase / Decrease in Promoters Share holding during the year specifying The reasons for increase / decrease (e.g. allotment /transfer/bonus/sweat equity etc):	-	-	-	-
	At the End of the year 31.3.2018	705395	60.679	705395	60.679

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 1.4.2017				
1)	Life Insurance Corporation Of India	90000	7.74	90000	7.74
2)	Reliance Net Limited	47650	4.10	47650	4.10
3)	General Insurance Corporation Of India	45000	3.87	45000	3.87
4)	National Insurance Company Ltd	37500	3.23	37500	3.23
5)	The New India Assurance Company Limited	37500	3.23	37500	3.23
6)	Padmanabh Trading (P) Ltd.	4200	0.36	4200	0.36
7)	Jyotsna Jitendra Desai	3950	0.34	3950	0.34
8)	Thakkar Bina J	3650	0.31	3650	0.31
9)	Trendsetter Investments Pvt. Ltd.	2350	0.20	2350	0.20
10)	Reliance Capital Fin Trust	2050	0.18	2050	0.18
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year) 31.3.18				
1)	Life Insurance Corporation of India	90000	7.74	90000	7.74
2)	Reliance Net Limited	47650	4.10	47650	4.10
3)	General Insurance Corporation of India	45000	3.87	45000	3.87
4)	National Insurance Company Ltd	37500	3.23	37500	3.23
5)	The New India Assurance Company Limited	37500	3.23	37500	3.23
6)	Padmanabh Trading (P) Ltd.	4200	0.36	4200	0.36
7)	Jyotsna Jitendra Desai	3950	0.34	3950	0.34
8)	Thakkar Bina J	3650	0.31	3650	0.31
9)	Trendsetter Investments Pvt. Ltd.	2350	0.20	2350	0.20
10)	Reliance Capital Fin Trust	2050	0.18	2050	0.18

(v)Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 1.4.2017				
	1. Mr. U.G. Patel	200	0.02	200	0.02
	2. Mr. B. Subbarayalu	200	0.02	390	0.03
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year 31.3.2018 - Mr. U.G. Patel	200	0.02	200	0.02

V. INDEBTEDNESS

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

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year – CC/TL 1.4.17 TO 31.3.18				
i) Principal Amount	1942	754	NIL	2696
ii)Interest due but not paid	NIL	20	NIL	20
iii)Interest accrued but not due	17	NIL	NIL	17
Total (i+ii+iii)	1959	774		2733
Change in Indebtedness during the financial year				
•Addition	882	1341	NIL	2223
•Reduction	(339)	(29)	NIL	(368)
Net Change	543	1312	NIL	1855
Indebtedness at the end of the financial year				
i) Principal Amount	2502	2086	NIL	4588
ii) Interest due but not paid	NIL	65	NIL	65
iii) Interest accrued but not due	18	0	NIL	18
Total (i+ii+iii)	2520	2151	NIL	4671

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A.Remuneration to Managing Director, Whole-time Directors and/or Manager: (April 2017 to March 2018)

(₹In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Mr. Abhay Kanoria	Mr. Uddhav Kanoria	Mr. Nirbhay Kanoria	
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29.99	22.49	17.09	69.57
	(b)Value of perquisites u/s 17(2)Income-tax Act, 1961	19.54	15.87	12.52	47.93
	(c) Profits in lieu of salary under section 17 (3) income tax Act, 1961	-	-	-	-
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	**49.53**	**38.36**	**29.61**	**117.50**
	Ceiling as per the Act, per annum	84.00	84.00	84.00	

B.Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs)
		Mr.U.G. Patel	Mr.N. Ahmedali	Mr.Sanat Shirali	Mrs. Neha Gada	
1.	Independent Directors					
	•Fee for attending board committee meetings	50000	80000	50000	70000	250000
	•Commission	-	-	-	-	-
	•Others, please specify	-	-	-	-	-
	Total (1)	**50000**	**80000**	**50000**	**70000**	**250000**
2.	Other Non-Executive Directors	Mr.N Pauly Sukumar	-	-	-	-
	•Fee for attending board committee meetings	60000				60000
	•Commission	-	-	-	-	-
	•Others, please specify	-	-	-	-	-
	Total (2)	**60000**	-	-	-	-
	Total (B)=(1+2)	**110000**	**80000**	**50000**	**70000**	**60000**
	Total Managerial Remuneration	-	-	-	-	**310000**
	Overall Ceiling as per the Act- Per meeting	Rs.1 Lakh	Rs.1 Lakh	Rs.1 Lakh	Rs.1 Lakh	-

C.Remuneration to key managerial personnel other than MD/Manager/WTD (April 17 to March 18)

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Naveen Gupta Upto:11.8.17	Mr. Aditya Kumar Jain 10.8.17 to 31.3.2018	Mr. Manish Jagnani,CFO 12.2.2018 to 31.3.2018	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.75	1.52	1.39	16.66
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961	4.87	0.00	0.36	5.23
	(c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission -as % of profit others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total	**18.62**	**1.52**	**1.75**	**21.89**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE III TO THE DIRECTORS REPORT

FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length 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, 2018, which were not at arm's length basis.

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

Sl.No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	a. Sudarshan Services Ltd. b. Shri. Abhay Kanoria/Mrs. Pallavi Kanoria
2	Nature of contracts/ arrangements/ transaction	a. Administrative Charges b. Payment of monthly rent for the Flat located at Bangalore leased to the Company
3	Duration of the contracts/ arrangements/ transaction	a. Agreement renewed from 1.4.2016 b. Agreement renewed from 22.11.2017
4	Salient terms of the contracts or arrangements or transaction including the value, if any	a. Administrative Charges Rs.2,58,127/- per annum b. Rent - Rs. 9,76,677/- per annum Rs. 9,63,552 /- per annum
5	Date of approval by the Board	a. 30.05.2016 b. 15.11.2015
6	Amount paid as advances, if any	Nil

On behalf of the Board

Bengaluru.
30th May 2018

ABHAY KANORIA
Chairman & Managing Director

ANNEXURE IV TO THE DIRECTORS REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

FORM NO. MR-3

{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
Bangalore-560 010.
CIN: L24230KA1923PLC010205

We 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 our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 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 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;
Not Applicable during the year

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, 2009; -
Not Applicable during the year

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable during the year**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
Not Applicable during the year

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, 2009; - **Not Applicable during the year;**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable during the year**; and

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company was listed on Metropolitan Stock Exchange of India Limited effectively on January 4, 2018.

(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.

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

We 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. We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India to the extent applicable as on the date of my audit;
(ii) The Listing Agreement, Notifications and circulars issued by the Metropolitan Stock Exchange of India Limited;

We further report that:

- The Board of Directors of the Company is duly constituted with proper composition of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice is given to all directors to schedule the Board and other Committee meetings. 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.

- Decisions at the meetings of Board of Directors of the company are carried out based on majority. There were no dissenting views by any member of the Board during the year under review.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report during the audit period, there was no specific event or action having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

During the audit period, there were no instances of:

(i) Public/Rights/Preferential issue of shares/ debentures/ sweat equity.
(ii) Redemption/buy back of securities.
(iii) Merger/amalgamation/reconstruction etc.
(iv) Foreign technical collaborations.

For ***Swaroop, Ravishankar& Associates***
Company Secretaries

Swaroop S
Partner
FCS. 8977 | CP. 9997
Bangalore
18.05.2018

Annexure-A to Form MR-3

To,

The Members of
Anglo-French Drugs and Industries Limited
Bangalore - 560 010.
CIN: L24230KA1923PLC010205

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

(i) The Compliance of provisions of all laws, rules, regulations, standards applicable to "the Company" is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of this Report.

(ii) Maintenance of secretarial and other records under the applicable laws is the responsibility of the management of the Company. Our responsibility is to issue the Secretarial Audit Report, based on the relevant records maintained and furnished to us by the Company, along with the explanations where so required.

(iii) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial and other records. We believe that the process and practices, we followed provide a reasonable basis for the purpose of issue of this Report.

(iv) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

(v) Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of major events during the audit period.

(vi) 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.

For ***Swaroop, Ravishankar& Associates***
Company Secretaries

Swaroop S
Partner
FCS. 8977 | CP. 9997
Bangalore
18.05.2018

INDEPENDENT AUDITOR'S REPORT (STANDALONE)

To
The Members
Anglo French Drugs & Industries Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Anglo French Drugs & Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

1. The closing inventory has not been verified by us as on 31st March, 2018 & the same have been certified by the management.
2. Trade receivable includes Rs.125.64 Lacs as on 31st March 2018 from Viva Remedies, which in the opinion of the Company is good and recoverable from Viva Remedies.
3. The Company is in the process of taking Professional Tax Registration for the States of Kerala and Tamil Nadu.
4. Adverse effect of increment of manufacturing cost and reduction in overall sale volume resulting in operating loss before tax amounting to Rs.1,288 Lacs incurred by the company during the year(Refer to Note 44 to the financial statements).
5. Note 43 and 11 to the financial statements where in the company has stated no adjustment is necessary for impairing the carrying cost of trade receivable amounting Rs 272 Lacs which is outstanding as on 31st March, 2018 from 100% subsidiary company 'Anglo French Drugs & Industries PTE. Limited, Singapore.
6. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by predecessor auditor and on which predecessor auditor expressed an unmodified opinions in

the reports for the year ended March 31, 2017 and March 31, 2016 dated 10th August, 2017 and 9th August, 2016 respectively, as adjusted for the differences in accounting principles adopted by the Company on transition to the Ind AS which have been audited by us.

Our opinion is not modified in respect of these matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and

   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 read with the Companies (Audit and Auditors) Amendment Rules, 2017, 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 against the Company on its financial position in its standalone Ind AS financial statements in respect of claims and demands on the Company which are being contested as mentioned in Note 40.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For KAMG & Associates
Chartered Accountants
Firm's Registration No.311027E

Arpit Parasmal Shah
Partner
Membership No.: 180949

Place: Mumbai
Date: 30th May, 2018

ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure-A referred to in our report to the members of Anglo-French Drugs & Industries Limited for the year ended March 31, 2018.

We report that:

i. a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.

b) According to the information and explanation given to us, most of the fixed assets have been physically verified by the Management during the year in a phased program and no material discrepancies were noticed on such verification. In our opinion, the frequency of such verification is reasonable having regard to the size of the company and the nature of its assets.

c) The title deeds of immovable properties are held in the name of the company.

ii. As explained to us & on the basis of certificate given to us, all the inventory of the Company has been physically verified during the year by the management. In our opinion and according to the information and explanations given to us, the frequency of the verification is reasonable having regard to the size of the Company and the nature of its business.

iii. According to the information and explanation given to us, the Company has neither granted nor taken any loans to and from the companies, firms, limited liability partnerships or other parties as listed in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of Clause 3 (iii) (b) & (c) of the Order are not applicable to the Company.

iv. According to the information and explanation given to us, company has not given any loan to directors as mentioned in Section 185 and has not made any investments or given any guarantees & security as mentioned in Section 186. Accordingly, provisions of Clause 3 (iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits during the year and so the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable.

vi. The Central Government has prescribed for the maintenance of the cost records under section 148(1) of the Companies Act, 2013 in respect of the products of the Company and according to the information and explanations given to us such accounts and records have been made and maintained.

vii. (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees State Insurance, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Cess, Custom Duty and other statutory dues applicable to it.

(b) According to the information and explanation given to us, the following are the disputed statutory dues which have not been deposited.

Service Tax demand amounting to Rs.158 Lacs against which appeal is pending before appropriate authority.

Period	Amount (Rs. in Lacs)	Name of the Assessing Authority
April 2006 to August 2008	82	CESTAT-Bengaluru
Sept 2008 to March 2009	34	CESTAT-Bengaluru
2011-2012 to 2013-2014	42	CESTAT-Bengaluru
Total	**158**	

Sales tax/Vat demands amounting to Rs.152 Lacs against which the Company has preferred appeals.

Period	Amount (Rs. in Lacs)	Name of the Assessing Authority
2002-2003	1	JCCT-Appeals-Patna
2004-2005	8	JCCT-Appeals-Patna
2005-2006	3	DCCT-Appeals-Lucknow
2006-2007	3	JCCT-Appeals-Dhar Pithampur
2007-2008	6	JCCT-Appeals-Dhar Pithampur
2008-2009	44	JCCT-Appeals-Dhar Pithampur
2009-2010	15	JCCT-Appeals-Dhar Pithampur
2010-2011	16	ACCT-Mumbai & Pithampur
2011-2012	54	ACCT-Mumbai
2014-2015	2	DCCT-Bengaluru
Total	**152**	

viii. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

ix. The company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.

x. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xv. The company has not entered into any non-cash transactions with directors or persons connected with him.

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For KAMG & Associates
Firm's Registration No.311027E

Arpit Parasmal Shah
Partner
Membership No.: 180949

Place: Mumbai
Date: 30th May, 2018

ANNEXURE - B TO THE AUDITORS' REPORT
REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Anglo-French Drugs & Industries Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018 except for the internal control system followed in the areas of inventory management such as periodical physical verification of stock and input output reconciliation which effects the cost of production and secondly, pending reconciliation of Sales Tax / VAT, Excise Duty, Service Tax and other indirect taxes of pre GST period which are outstanding as on 31st March, 2018, 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
Firm's Registration No.311027E

Arpit Parasmal Shah
Partner
Membership No.: 180949

Place: Mumbai
Date: 30th May, 2018

BALANCE SHEET AS AT 31st MARCH 2018 (STANDALONE)

(₹ In lacs)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	4	1,580	1,738	1,838
Intangible Assets	5	3	4	3
Financial Assets				
(i) Investments	6	14	17	10
(ii) Trade Receivables	7	-	-	-
(iii) other Non-current Financial Assets	8	99	159	89
Other Non-current Assets	9	28	17	53
Total Non-Current Assets		**1,724**	**1,935**	**1,993**
Current Assets				
Inventories	10	4,065	3,560	1,878
Financial Assets				
(i) Trade Receivables	11	2,979	2,999	2,876
(ii) Cash and Cash Equivalents	12	168	13	23
(iii) other bank balances	13	72	41	75
(iv) Other current Financial Assets	14	72	61	66
Current Tax Asset (NET)	15	84	83	62
Other Current Asset	16	1536	799	809
Total Current Assets		**8,979**	**7,556**	**5,789**
Total Assets		**10,700**	**9,491**	**7,782**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	17	116	116	116
Other Equity	18	470	1,575	1,560
Total Equity		**586**	**1,691**	**1,676**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	19	894	140	97
(ii) Other Non-Current Financial Liabilities	20	300	311	321
Employee Benefit Obligations	21	57	48	41
Deferred Tax Liabilities - NET	22	-	167	163
Total Non-Current Liabilities		**1,251**	**666**	**622**
Current Liabilities				
Financial Liabilities				
(i) Borrowings	23	3,789	2,583	2,122
(ii) Trade Payables	24	3,251	3,004	2,178
(iii) Other Current Financial Liabilities	25	1,068	842	586
Other Current Liabilities	26	700	659	591
Employee Benefit Obligations	21	55	46	7
Total Current Liabilities		**8,863**	**7,134**	**5,484**
Total Equity and Liabilities		**10,700**	**9,491**	**7,782**

The accompanying notes form 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 Registration Number 311027E

For and on behalf of the Board of Directors

Arpit Parasmal Shah
Partner
Membership Number 180949
Mumbai, 30th May, 2018

Manish Jagnani
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018 (STANDALONE)

(₹ In lacs)

Particulars	Notes	Year ended 31st March 2018	Year ended 31st March 2017
INCOME			
Revenue From Operations	27	11,141	12,839
Other Income	28	95	48
Total Income		11,236	12,887
Expenses :			
Cost of Materials Consumed	29	4,113	3,657
Purchase of Stock-in-Trade		2,312	2,888
Changes in Inventories of Finished Goods, Work-in Progress and Stock-in Trade	30	(138)	(551)
Employee Benefits Expense	31	2,386	2,391
Finance Costs	32	429	331
Depreciation and Amortization Expense	33	179	197
Other expenses	34	3,243	3,940
Total Expenses		12,524	12,853
Profit /(Loss) Before Exceptional Items and Tax		(1,288)	34
Exceptional Items - Profit /(Loss)		-	-
Profit /(Loss) before Tax		(1,288)	34
Tax Expense			
Current Tax	35	-	2
Deferred Tax	35	(167)	6
Profit /(Loss) For The Year		(1,121)	26
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
- Remeasurement of Post-employment benefit obligations		21	(21)
- Change in equity instrument-Fair value through other Comprehensive income		(4)	8
- Tax relating to these items			
Current Tax		-	-
Deferred Tax		(1)	2
Total other Comprehensive Income/(Loss) for the year, net of tax		16	(11)
Total Comprehensive Income for the year		(1,105)	15
Earnings per equity share (in INR) (Face value INR 10)			
(1) Basic	46	(96.43)	2.24
(2) Diluted	46	(96.43)	2.24

The accompanying notes form an integral part of the Financial Statements

This is the Statement of Profit & Loss referred to in our report of even date,
For KAMG & ASSOCIATES
Chartered Accountants
Firm Registration Number 311027E

For and on behalf of the Board of Directors

Arpit Parasmal Shah
Partner
Membership Number 180949
Mumbai, 30th May, 2018

Manish Jagnani
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2018 (STANDALONE)

A. EQUITY SHARE CAPITAL

	(` in lacs)
As at April 1, 2016	116
Changes in equity share capital during the year	-
As at March 31, 2017	116
Changes in equity share capital during the year	-
As at March 31, 2018	116

B. OTHER EQUITY

	Reserves and Surplus				Other Comprehensive income	Total
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings (Surplus)		
Balance at April 1,2016	43	70	549	898	-	1,560
Profit for the year	-	-	-	26	-	26
Other comprehensive income for the year, net of tax	-	-	-	(19)	8	(11)
Total comprehensive income for the year	-	-	-	7	8	15
Balance as at March 31,2017	43	70	549	905	8	1,575
Balance as at April 1,2017	43	70	549	905	8	1,575
Profit for the year	-	-	-	(1,121)	-	(1,121)
Other comprehensive income for the year, net of tax	-	-	-	20	(4)	16
Total comprehensive income for the year	-	-	-	(1,101)	(4)	(1,105)
Balance as at March 31,2018	43	70	549	(196)	4	470

The accompanying notes form an integral part of the Financial Statements

This is the statement of changes in equity referred in our report of even date,
For KAMG & ASSOCIATES
Chartered Accountants
Firm Registration Number 311027E

For and on behalf of the Board of Directors

Arpit Parasmal Shah
Partner
Membership Number 180949
Mumbai, 30th May, 2018

Manish Jagnani
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

CASH FLOW STATEMENT FOR THE FOR PERIOD ENDED 31st MARCH 2018 (STANDALONE) (₹ in lacs)

	Year ended 31st March 2018	Year ended 31st March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Income Tax	(1,288)	34
Adjustment for		
Depreciations and amortisation expense	179	197
(Gain)/Loss on disposal of property, plant and equipment	3	-
Provisions Written Back	(53)	(17)
Interest income classified as investing cash flows	(2)	(11)
Finance costs	429	331
Change in operating assets and liabalities		
(Increase) / Decrease in trade receivables	20	(123)
(Increase) / Decrease in inventories	(506)	(1682)
(Increase) / Decrease in other financial assets	49	(65)
(Increase) / Decrease in other non-current assets	(11)	(12)
(Increase) / Decrease in other current assets	(737)	10
Increase / (Decrease) in trade payables	299	842
Increase / (Decrease) in employee benefit obligations	39	25
Increase / (Decrease) in other financial liabalities	141	332
Increase / (Decrease) in other current liabalities	41	68
Cash Generated from Operations	**(1,397)**	**(71)**
Income taxes paid (net of refund)	**(2)**	**(23)**
Net Cash in flow from operating activities	**(1,399)**	**(94)**
Cash flows from investing activities		
Payment for property, plant and equipment	(27)	(109)
Proceeds from sale of property, plant and equipment	4	3
Change in other bank balances	(31)	34
Interest received	3	12
Net Cash outflow from investing activities	**(51)**	**(60)**
Cash flows from financing activities		
Proceeds from borrowings:		
Term Loan	776	95
Cash Credit (net)	(152)	81
Others	1,358	380
Repayment of borrowings:		
Term Loan	80	(58)
Car Loan	(27)	(23)
Interest Paid	(429)	(331)
Dividends paid	(1)	-
Net cash inflow (outflow) from financing activities	1,605	144
Net increase (decrease) in cash and cash equivalents	155	(10)
Cash and cash equivalent at the begining of the year	13	23
Cash and cash equivalent at the end of the year	168	13

The accompanying notes 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 Registration Number 311027E

For and on behalf of the Board of Directors

Arpit Parasmal Shah
Partner
Membership Number 180949
Mumbai, 30th May, 2018

Manish Jagnani
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

NOTES TO ACCOUNTS (Standalone)

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.

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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 separate financial statements have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 as a going concern on an accrual basis. The financial statements up to year ended 31 March 2017 were prepared earlier in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS and the transition was carried out in accordance with Ind AS 101, "First time adoption of Indian Accounting Standards. Refer **Note 48** for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

(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 financial statements and the amounts of revenue and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of facts and circumstances as at the date of the 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 recognized 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 recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized 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 has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 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 derecognized 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 Company.

Transition to Ind AS:

Upon first-time adoption of Ind AS, the Company has elected to apply deemed cost exemption for all of its intangible assets as at the date of transition to Ind AS i.e. April 01, 2016. Accordingly, the Company has continued with the carrying value under Previous GAAP for all of its intangible assets recognized in the financial statements as at the date of transition to Ind AS.

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 recognized 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 Company 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 recognized 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 recognized on the trade date, i.e., the date that the Company 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 Company subsequently measures all equity investments in companies other than equity investments in subsidiary at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income or FVTPL. The Company makes such election on an instrument by instrument basis. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.

(C) Derecognitions

A financial asset (or, where applicable, a part of a financial asset or part of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when the rights to receive cash flows from the asset have expired, or the Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company 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 Company 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 Company could be required to repay.

(D) Impairment:

In accordance with Ind-AS 109, the Company 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 Company follows 'simplified approach' for recognition of impairment loss allowance on:
Trade receivables which do not contain a significant financing component.

The company 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 company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized 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 recognized 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 derecognized 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 recognized 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 recognized 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 Company or the counterparty.

(iv) INCOME RECOGNITION:

Interest income from debt instruments is recognized 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 company 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 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 :

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, sales tax and applicable trade discounts and allowances, chargebacks and rebates. Revenue includes shipping and handling costs billed to the customers. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

(B) Export Incentive

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

(C) Interest Income

Revenue from interest is recognized 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 company 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 recognized 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 company are entitled to leave benefits as per the policy of the Company. 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 recognized 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 company 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 company. The liability or asset recognized 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 recognized immediately in profit or loss as past service cost.

Provident Fund -

The company pays provident fund contributions to a fund administered by Government Provident Fund Authority. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized 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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under leases are charged or credited to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognized as an expense in line with the contractual term.

(i) FOREIGN CURRENCY TRANSLATION

(i) Presentation Currency

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

(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 company classifies all its foreign operations as integral in nature.

Payments made in foreign currency including for acquiring investments are converted at the applicable rate prevailing on the date of remittance.

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 separate financial statements. Deferred tax assets are recognized 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 Company has carry forward unabsorbed depreciation and tax losses, all deferred tax assets are recognized 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 recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized 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 recognized if, as a result of a past event, the Company 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 recognized 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 recognized 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 recognized nor disclosed in the 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 recognized 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 Company is entitled to on fulfillment of certain conditions, but are available to the company only on completion of some other conditions, are recognized as income at fair value on completion of such other conditions

Incentives that the company 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:

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on 28th March, 2018. The rules shall be effective from reporting periods beginning on or after 1st April, 2018 and cannot be early adopted.

(a) Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with, Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard Will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

Retrospectively With cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) - The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The Company is in the process of assessing the detailed impact of Ind AS 115.

(b) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

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 amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

The Company intends to adopt amendments prospectively to items in scope of the appendix that are initially recognized on or after the beginning of the reporting period in which the appendix is first applied (i.e. from ISI April, 2018).

(c) Amendments to Ind AS 40 Investment property - Transfers of investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the defination of investment property. A change in intension alone is not sufficient to support a transfer. The amendments provide two transition options. Entities can choose to apply the amendment either retrospectively without the use of hindsight or prospectively to changes in use that occur on or after the date of initial application.

The Company has assessed the effects of the amendment on classification of existing property at 1st April, 2018 and concluded that no reclassifications are required.

The Company has decided to apply the amendment prospectively to changes in use that occur after the date of initial application (i.e 1st April, 2018).

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 company'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 company 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 Company's accounting policies and that have the most significant effect on the amounts recognized in the 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 Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company'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 recognized 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 Company.

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

4. Property, Plant and Equipment

(₹ in lacs)

	Gross carrying amount				Accumulated Depreciation				Carrying Value
	Deemed cost as at April 01, 2016	Additions	Sales / Adjustments	Balance as at March 31, 2017	As at April 1, 2016	For the Year	Sales / Adjustments	As at March 31, 2017	As at March 31, 2017
Freehold land	8	-	-	8	-	-	-	-	8
Buildings	777	1	-	778	-	32	-	32	746
Plant & equipment	604	40	-	644	-	45	-	45	599
Furniture & fittings	86	44	-	130	-	22	-	22	108
Vehicles	161	2	3	160	-	28	-	28	132
Office equipment	31	3	-	34	-	11	-	11	23
Computers	171	9	-	180	-	57	-	57	123
TOTAL	**1,838**	**99**	**3**	**1,934**	-	**196**	-	**196**	**1,738**

	Gross carrying amount				Accumulated Depreciation				Carrying Value
	as at April 01, 2017	Additions	Sales / Adjustments	Balance as at March 31, 2018	As at April 1, 2017	For the Year	Sales / Adjustments	As at March 31, 2018	As at March 31, 2018
Freehold land	8	-	-	8	-	-	-	-	8
Buildings	778	4	-	782	32	32	-	64	718
Plant & equipment	644	9	-	653	45	45	-	90	563
Furniture & fittings	130	5	-	135	22	23	-	45	90
Vehicles	160	-	8	152	28	26	1	53	99
Office equipment	34	-	-	34	11	17	-	28	6
Computers	180	9	-	189	57	35	-	92	97
TOTAL	**1,934**	**27**	**8**	**1,953**	**196**	**178**	1	**373**	**1,580**

5. Intangible Assets

	Gross carrying amount				Accumulated Depreciation				Carrying Value
	Deemed cost as at April 01, 2016	Additions	Sales / Adjustments	Balance as at March 31, 2017	As at April 1, 2016	For the Year	Sales / Adjustments	As at March 31, 2017	As at March 31, 2017
Trademarks	-	-	-	-	-	-	-	-	-
Computer Software	3	2	-	5	-	1	-	1	4
TOTAL	3	2	-	5	-	1	-	1	4

	Gross carrying amount				Accumulated Depreciation				Carrying Value
	As at April 01, 2017	Additions	Sales / Adjustments	Balance as at March 31, 2018	As at April 1, 2017	For the Year	Sales / Adjustments	As at March 31, 2018	As at March 31, 2018
Trademarks	-	-	-	-	-	-	-	-	-
Computer Software	5	-	-	5	1	1	-	2	3
TOTAL	5	-	-	5	1	1	-	2	3

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
6 **Non-Current Investments**			
A. Investments in equity instruments (fully paid)			
(i) Quoted -			
In other-entities (Equity investments at Fair value through other comprehensive income)			
5,760 (2017 & 2016-5,760) Equity shares of INR 10 each in Industrial Development Bank of India Limited	4	4	4
19,400 (2017 & 2016 - 19,400) Equity shares of INR 10 each in Vijaya Bank	10	13	6
(ii) Unquoted -			
In Subsidiary Companies (Equity investments at cost)			
50,000 (2017 & 2016-50,000) Equity shares in Anglo French Drugs & Industries Pte Ltd. Singapore. wholly owned Subsidiary.	24	24	24
Less: Provision for diminution in the value of investment (Refer Note 43)	(24)	(24)	(24)
Total Investment in equity instruments	**14**	**17**	**10**
Total non-current investments	**14**	**17**	**10**
Aggregate amount of quoted investments	14	17	10
Market value of quoted investments	14	17	10
Aggregate amount of unquoted investments	24	24	24
Aggregate amount of impairment in the value of investment	(24)	(24)	(24)
7 **TRADE RECEIVABLES**			
Doubtful			
Receivables from related parties			
Receivables other than from related parties	126	129	129
Less: Provision for doubtful debts	126	129	129
Total trade reeivables (non-current)	-	-	-
8 **OTHER NON-CURRENT FINANCIAL ASSETS**			
Security deposits	91	101	73
Fixed deposits with bank (with maturity period of more than 12 months)	8	58	16
Total other non-current financial assets	**99**	**159**	**89**
9 **OTHER NON-CURRENT ASSETS**			
Capital advances	-	-	48
Deferred rent expense for security deposit assets	25	15	3
Other deposits	3	2	2
Total other non-current assets	**28**	**17**	**53**

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
10 INVENTORIES			
Raw materials	1,442	1,213	673
Packing materials	370	331	268
Work-in-progress	172	108	89
Finished goods**	1,453	1,379	847
Stores and spare parts *	628	529	228
Less: Provision for inventories	-	-	227
Total Inventories	**4,065**	**3,560**	**1,878**
* includes Stock of samples and promotional items in the hands of sales representatives Rs. 82 Lacs **Closing stock of Finished goods includes samples amounting to Rs. 55 Lacs, 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.			
11 TRADE RECEIVABLES			
Unsecured, considered good			
receivable from related parties (Refer Note 43)	272	200	136
Receivable from other than related parties	2,707	2,799	2,740
Total trade receivables (current)	**2,979**	**2,999**	**2,876**
12 CASH & CASH EQUIVALENTS			
Balances with Banks			
- Current Accounts	165	12	20
Cash in hand	5	1	3
Stamps in hand	-	-	-
Total cash and cash equivalents	**168**	**13**	**23**
13 OTHER BANK BALANCES			
Fixed deposits maturing within 3-12 months	72	41	75
Total other bank balances	**72**	**41**	**75**
14 OTHER CURRENT FINANCIAL ASSETS			
Security Deposits			
Related Party	13	13	13
Security Deposits	59	48	53
Total other current financial assets	**72**	**61**	**66**
15 CURRENT TAX ASSETS (NET)			
Opening balance	64	63	45
Less: Tax payable for the year	-	2	17
Ass: Taxes paid	1	5	2
Add / (Less): Refund / adjustment for earlier years	-	(2)	(3)
Closing balance	65	64	27
MAT credit entitlement	19	19	35
Total current tax assets (net)	**84**	**83**	**62**
16 OTHER CURRENT ASSETS			
Prepaid expenses	159	184	94
Deferred rent expense on security deposit given	8	7	5
Other advances	1,369	608	710
Total other current assets	**1,536**	**799**	**809**

17 EQUITY SHARE CAPITAL

(₹ in lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
AUTHORISED			
2,000,000 Equity Shares of INR 10 each (2017 & 2016 - 2,000,000)	200	200	200
	200	**200**	**200**
ISSUED, SUBSCRIBED & FULLY PAID			
1,162,500 Equity Shares of INR 10 each (2017 & 2016-1,162,500) of the above 704,000 Equity Shares are Issued by way of Bonus Shares by capitalisation of General Reserve	116	116	116
	116	**116**	**116**

(i) Reconciliation of equity share capital

	Number of Shares	Equity share capital (per value)
As at April 1, 2016	**1,162,500**	**116**
Change during the year	-	-
As at March 31, 2017	**1,162,500**	**116**
Change during the year	-	-
As at March 31, 2018	**1,162,500**	**116**

(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 31st March 2018		As at 31st March 2017		As at 31st March 2016	
	Number of Shares	% holding	Number of Shares	% holding	Number of Shares	% holding
1) Abhay Kanoria Family Trust represented by Mr. Abhay Kanoria	701,745	60.36	701,745	60.36	349,775	30.08
2) Smt Pallavi Kanoria	-	-	-	-	351,970	30.28
3) Life Insurance Corporation of India	90,000	7.74	90,000	7.74	90,000	7.74

18. OTHER EQUITY

(₹ In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) RESERVES AND SURPLUS			
Capital Reserve	43	43	43
Securities Premium Reserve	70	70	70
General Reserve	549	549	549
Surplus / (Deficit) in Statement of Profit and Loss	(196)	905	898
	466	1,567	1,560
(b) OTHER RESERVES			
Fair Value through Other Comprehensive Income - Equity Instrument	4	8	-
Total Other equity	**470**	**1,575**	**1,560**

(a) RESERVES AND SURPLUS		
(I) CAPITAL RESERVE		
Opening Balance	43	43
Adjustment during the year		
Closing Balance	43	43
(ii) SECURITIES PREMIUM RESERVE		
Opening Balance	70	70
Adjustment during the year		
Closing Balance	70	70
(iii) GENERAL RESERVE		
Opening Balance	549	549
Adjustment during the year		
Closing Balance	549	549
(iv) SURPLUS / (DEFICIT) IN STATEMENT OF PROFIT AND LOSS		
Opening Balance	905	898
Add. Profit (Loss) during the year as per Statement of Profit & Loss	(1,121)	26
Other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment, benefit obligation net of tax	20	(19)
Closing Balance	(196)	905
(b) OTHER RESERVE		
OTHER COMPREHENSIVE INCOME		
Opening Balance	8	-
Adjustments during the year		
- Remeasurments of Quoted equity shares	(4)	8
Closing Balance	4	8

Nature and purpose of Reserves

(i) **Capital Reserve**
Capital Reserve represents the statutory reserve created by the company as per requirement of the Act. The same can be utilised by the company 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 in general reserve. Under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.

(₹ In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
19 NON-CURRENT BORROWINGS			
Term Loans from Banks			
Secured			
HDFC	-	-	27
YES Bank	97	95	-
Car finance loans from banks	23	45	70
Term Loans from Other (NBFC)			
JM Financial Products Limited	774	-	-
Total Non - current borrowings	**894**	**140**	**97**
Current maturities of long-term debt (included in note 25)	157	77	108
Current maturities of car finance loan (included in note 25)	19	24	22
	-	-	-

Notes to Accounts - Contd.

PARTICULARS OF TERM BORROWINGS :

a) **Security:**

i. The Company has mortagaged its land at Peenya and first charge on Plant & Machinery of the Company on the term loan taken from YES Bank.

ii. Vehicle loans are secured by hypothecation of vehicles.

iii. Term loan from JM Financial Products Limited is secured at firts ranking & exclusive charge by way of equitable mortgage on residential property of Sudarsha Services Ltd.

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

i. The Company has taken term loan from 'YES' Bank which carry interest at the rate of 10.20%, repayable in 37 equal installments. Repayment of the term loan will be completed in February 2020.

ii. In respect of Vehicle loans repayments are done by equated monthly installments over 36 to 60 months.

iii. Term Loan from JM Financial Products Limited carries interest at the rate of 10.00%, repayable in 120 equal monthly installments. Repayment will be completed in March 2028.

20. OTHER NON-CURRENT FINANCIAL LIABILITIES			
Security deposits	296	307	317
Other liabilities	4	4	4
Total other non-current financial liabilities	**300**	**311**	**321**

21. Employee benefit obligations

(₹ in lacs)

	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
Leave Encashment - Unfunded									
Present value of obligation	15	57	72	14	48	62	13	41	54
Gratuity - Funded									
Present value of obligation	241		241	251	-	251	192	-	192
Fair value of plan assets	201		201	219	-	219	198	-	198
Net Liability	40		40	32	-	32	(6)	-	(6)
Total employee benefit obligations	**55**	**57**	**112**	**46**	**48**	**94**	**7**	**41**	**48**

(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-107Lo10V05).

b) Leave Encashment:

As per the policy of the company, obligations on account of encashment of accumulated leave of an employee is settled only on termination / retirement of the employee. Such liability is recognised on the basis of actuarial valuation following Project Unit Credit Method. It is an unfunded plan. The company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

(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.

(₹ in lacs)

Particulars	March 31, 2018	March 31, 2017
a) Supperannuation Fund	10	7
b) provident Fund	44	42

(iii) Movement of defined benefit obligation and fair value of plan assets :
The amounts recognised in the balance sheet an the movements in the net defined benefit obligation over the year are as follows:

(₹ in lacs)

Particulars	Gratuity			Leave Encashment
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
April 1, 2016	**192**	**198**	**(6)**	**54**
Current service cost	29	-	29	18
Interest expense / (income)	14	14	-	3
Total amount recognised in profit or loss	**43**	**14**	**29**	**21**
Remeasurements				
Loss due to experience	21	-	21	4
Loss due to change in financial assumptions	7	-	7	2
Return on plan assets (greater)/less than discount rate	-	14	(14)	-
Total amount recognised in other comprehensive Income	**28**	**14**	**14**	**6**
Employer contributions	-	5	(5)	-
Benefit payments	(12)	(12)	-	(19)
March 31, 2017	**251**	**219**	**32**	**62**
April 1, 2017	**251**	**219**	**32**	**62**
Current service cost	23		23	19
Interest expense/(Income)	18	15	3	4
Total amount recognised in profit or loss	**41**	**15**	**26**	**23**
Remeasurments				
Loss due to experience	(15)	-	(15)	(2)
Loss due to change in financial assumptions	(3)	-	(3)	(1)
Return on plan assets (greater)/less than discount rate	-	-	-	-
Total amount recognised in other comprehensive Income	**(18)**	**-**	**(18)**	**(3)**
Employer contributions	-	-	-	
Benefit payments	33	33	-	10
March 31, 2018	**241**	**201**	**40**	**72**

The net liability disclosed above relates to funded and unfunded plan are as follows : **(₹ in lacs)**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Present value of funded obligations	241	251	192
Fair value of plan assets	201	219	198
Deficit of funded plan	**40**	**32**	**(6)**
Unfunded plans	72	62	54
Deficit of Employee Benefit plans	**112**	**94**	**48**

(iv) Post-Employment benefits
The significant actuarial assumptions were as follows:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate	7.63%	7.43%	7.91%
Salary growth rate	6.00%	6.00%	6.00%
Expected return on assets	7.63%	7.43%	7.91%
Mortality	Indian Assured Lives Mortality (2006-08)	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 assumption is:

(₹ in lacs)

Particulars	Change in assumption		Impact on defined benefit obligation			
			Increase by 1%		Decrease by 1%	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Gratuity						
Discount rate	1%	1%	(14)	(14)	16	16
Salary growth rate	1%	1%	14	14	(13)	(13)
withdrawal rate	1%	1%	1	1	(1)	(1)
Leave Encashment						
Discount rate	1%	1%	(5)	(5)	6	6
Salary growth rate	1%	1%	2	2	(2)	(2)
Withdrawal rate	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 acturial assumption 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:

21. Employee benefit obligations

(₹ in lacs)

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Amount in lacs	in %	Amount in lacs	in %	Amount in lacs	in %
Gratuity						
Investment funds with Kotak Gratuity Group Plan (UNI-107L010V05)	201	100%	219	100%	198	100%
Total	**201**	**100%**	**219**	**100%**	**198**	**100%**

The Company pays contribution to Kotak Gratuity Group Plan (UNI-107L010V05) which inturn invests the amount in various instruments. As it is done by Kotak Gratuity Group Plan (UNI-107L010V05) in totally basis along with contributions from other participants, the Company wise investment in planned assets-category / classwise 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 variablity 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, 2018 is 27 lacs.

The weighted average duration of the defined benefit obligation is 13-43 years (March 31, 2017 - 13.43 years, April 1, 2016 - 13.10 years) in case of gratuity and 13.13 years (March 31, 2017-13.13 years, April 1, 2016 - 12.82 years) in case of Leave encashment in all the three years. The expected maturity analysis of undiscounted gratuity and leave encashment is as follows:

(₹ 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
March 31, 2018							
Gratuity	19	12	13	17	15	165	241
Leave encashment	6	4	4	3	4	51	72
Total	**25**	**16**	**17**	**20**	**19**	**216**	**313**
March 31, 2017							
Gratuity	35	11	10	12	14	169	251
Leave encashment	5	4	4	3	3	43	62
Total	**40**	**15**	**14**	**15**	**17**	**212**	**313**
March 31, 2016							
Gratuity	34	16	8	8	9	117	192
Leave encashment	5	3	3	2	3	38	54
Total	**39**	**19**	**11**	**10**	**12**	**155**	**246**

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
22 DEFERRED TAX LIABILITIES - NET			
Deferred Tax Liabilites on account of :			
Depreciation	210	219	230
Processing fess of term loan	-	-	-
Total deferred tax liabilities (A)	**210**	**219**	**230**
Deferred Tax Assets on account of :			
Accrued expenses deductible on payment	2	6	20
Leave encashment and gratuity	3	6	4
Provision for debts, advances and investments	39	40	43
Fair valuation of security deposit Assets	-	-	-
Unabsorbed depreciation and carried forward business loss	360	-	-
Less : Deferred Tax Assets not recognised	194	-	-
Total deferred tax assets (B)	**210**	**52**	**67**
Deferred Tax (Assets) / Liabilities (Net - A - B)	-	**167**	**163**

In terms of accounting policy note 1 (i) followed by the company, deferred tax assets of Rs 194 Lacs (2017 & 2016 - Rs Nil) have not been recognised.

Movement in deferred tax liabilities

Particulars	Depreciation	Restatement of liability at fair value	Fair Valuation of Equity Investment	Total
As at April 1, 2016	**230**	-	-	**230**
Charged / (Credited):	-	-	-	-
- to profit and loss	(11)	-	-	(11)
- to other comprehensive income	-			-
As at March 31, 2017	**219**	-	-	**219**
Charged / (Credited):				
- to profit and loss	(9)	-	-	(9)
- to other comprehensive income	-	-	-	-
As at March 31, 2018	**210**	-	-	**210**

Movement in deferred tax assets

Particulars	Statutory Expenses claimable on payment	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	Deferred Tax assets not recognised	Total
As at April 1, 2016	**20**	**43**	-	**4**	-	-	**67**
Charged / (Credited):							
- to profit and loss	(14)	(3)	-	4	-	-	(13)
- to other comprehensive income				(2)	-		(2)
As at March 31, 2017	**6**	**40**	-	**6**	-	-	**52**
Charged / (Credited):							
- to profit and loss	(4)	(1)	-	(3)	360	194	158
- to other comprehensive income	-	-	-	-	-	-	-
As at March 31, 2018	**2**	**39**	-	**3**	**360**	**194**	**210**

Notes to Accounts - Contd.

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
23			
CURRENT BORROWINGS			
SECURED			
Cash Credit from Banks			
Axis Bank	-	-	791
HDFC Bank	682	902	842
YES Bank	532	812	-
Packing Credit facility from Banks			
YES Bank	348	-	-
Short term loan from others			
Working Capital Loan from National Small Industries Corporation Ltd (NSICL)	141	144	142
UNSECURED			
Inter Corporate Deposit			
Related Party	770	-	-
Others	1,316	725	347
Total Current borrowing	**3,789**	**2,583**	**2,122**

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 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 12.25 % and 9.92% respectively.

(ii) Working Capital Loan from National Small Industries Corporation Ltd Carries interest at the rate of 11.95%.

(iii) Inter Corporate Deposits generally carry interest at the rate between 10.00% to 17.00%. These deposits are repayable on mutually agreed dates.

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
24 TRADE PAYABLES			
Trade payables	3,248	3,003	2,156
Trade payables to related parties	3	1	22
Total trade payables	**3,251**	**3,004**	**2,178**
Classification as required by MSME Act			
Total outstanding dues of Micro Enterprises and Small Enterprises*			
Total outstanding dues of creditors other than Micro Enterprises and small Enterprises	3,251	3,004	2,178
Total trade payables	**3,251**	**3,004**	**2,178**
* 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. Neither was there any delay in payment nor is any interest due and remaining unpaid on the above.			
25. OTHER CURRENT FINANCIAL LIABILITIES			
Current maturities of long term debt	157	77	108
Current maturities of car loan	19	24	22
Unclaimed dividend	5	6	6
Security deposits	13	-	2
Others:			
- Liability for capital expenditure	-	-	57
- Other payables	874	735	391
Total current financial liabilities	**1,068**	**842**	**586**
26 OTHER CURRENT LIABILITIES			
Advance from customers	7	41	223
Statutory and other dues	315	117	99
Liabilities related to employees	103	67	158
Other liabilities	275	434	111
Total other current liabilities	**700**	**659**	**591**

(₹ In Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
27 REVENUE FROM OPERATIONS		
a) Sale of products (including excise duty)	11,103	12,745
Pharmaceutical / fabrics		
b) Other operating income		
Sale of scrap	5	13
Excise duty recovered on operating income	4	11
conversion charges / income from job work	21	50
Miscellaneous - operating income	-	1
Commission received.	4	1
Export duty credit / duty drawback	4	18
Total revenue from operations	**11,141**	**12,839**
28. OTHER INCOME		
Interest income	7	10
Interest on others	2	11
Provisions / Liabilities written back	53	17
Insurance claim local	24	1
Miscellaneous income - non operating	9	9
Profit on sale of assets (net)	-	-
Total other income	**95**	**48**

Notes to Accounts - Contd.

(₹ In Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
29 COST OF MATERIALS CONSUMED		
a) Raw Material Consumed		
Opening Stock	1,213	673
Purchase	3,690	3,329
	4,903	4,002
Less: Sales	-	3
Less: Closing Stock	1,442	1,213
Raw Material Consumed	3,461	2,786
b) Packing Material Consumed		
Opening Stock	331	268
Purchases	691	934
	1,022	1,202
Less: Sales	-	-
Less: Closing Stock	370	331
Packing Material Consumed	652	871
Total Cost of material consumed	**4,113**	**3,657**
30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE		
Opening Inventories of :		
Finished Goods	1,379	847
Work in Progress	108	89
	1,487	936
Closing Inventories of :		
Finished Goods	1,453	1,379
Work in Progress	172	108
	1,625	1,487
Total changes in inventories of finished goods, work in progress and stock-in-trade	**(138)**	**(551)**
31 EMPLOYEE BENEFITS EXPENSES		
Salaries & wages	2,094	2,088
Contribution to provident and other Funds	152	153
Staff Welfare expenses	140	150
Total employee benefits expense	**2,386**	**2,391**
32 FINANCE COSTS		
Interest Expense		
on borrowing from banks and others	429	330
Other Borrowing Costs		
loan processing charges	-	1
Total finance costs	**429**	**331**
33. DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of property, plant and equipment	178	196
Amortisation of intangible assets	1	1
Total depreciation and amortisation expense	**179**	**197**

(₹ In Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
34. OTHER EXPENSES		
a) Operating, administrative & other expenses		
Consumption of stores and spares	26	7
Rent	176	148
Rates & taxes	21	22
Sales tax	62	43
Excise duty	77	601
Repairs & maintenance		
Building	12	6
Plant & machinery	88	63
Others	16	15
Insurance charges	19	10
Electricity & water	23	24
Factory power & fuel	134	158
Job-work charges-manufacturing service charges	91	114
Tour & travelling expenses	749	887
Vehicle running & maintenance	53	46
Coveyance expenses	7	25
Legal & professional fee	85	89
Membership fee & subscription	49	44
Office & general expenses	88	100
Postage and telegram	12	15
Bank charges	23	45
Printing & stationary	17	74
Charity & donations	-	2
Foreign exchange rate fluctuation on expenses	13	34
Festival & celebration expenses	2	2
Security expenses	25	36
Telephone & telex charges	42	64
Laboratory expenses	5	4
ERP expenses	-	8
Directors fee	3	3
Trade marks	9	4
Loss on sale of assets	3	-
Auditors remuneration [refer note 34(a)]	9	10
(b) Selling & distribution expenses		
Selling expenses	7	9
Advertisement & publicity	-	1
Business promotion expenses	642	393
Bad debt written off	5	1
Provision for doubtful debts	-	1
Clearing, forwarding & freight	173	185
Rebates & discount allowed	162	212
Insurance expenses - goods - in - transit	-	4
Handling expenses	4	10
Clearing & forwarding agents commission	311	419
Total other expenses	**3,243**	**3,940**
34. (a) Details of Auditors' remuneration		
Audit fee	4	4
Tax audit fee	1	1
For other services such as certification	4	5
Total auditors remuneration	**9**	**10**

Notes to Accounts - Contd.

(₹ In Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
35 TAX EXPENSE		
(a) Current Tax		
Tax on profits for the year	-	2
Adjustments for prior periods	-	-
Total Income Tax	-	2
(b) Deferred tax		
Decrease (increase) in deferred tax assets	(158)	(15)
(Decrease) increase in deferred tax liabilities	(9)	(11)
	(167)	4
Less : Recognised in OCI	-	(2)
Total deferred tax expense / (benefit)	**(167)**	6
Total tax expense	**(167)**	8
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before income tax expense	(1,288)	34
Tax at the rate of 30.900% (2016-30.900%)	-	11
Adjustments related to property, plant and equipments:		
Adjustment on account of depreciable assets	(9)	(11)
Unabsorbed business loss	**(166)**	-
Tax effect of amounts which are not deductible in calculating taxable income:		
Provision for debts, advances and investments	1	3
Adjustment in 43B (on payment basis)	7	14
	(167)	17
Income tax adjustments (since income tax payable undet MAT - u / s 115JB)	-	(11)
Tax payable under MAT - u/s 115JB	-	2
Income tax expense as per Income Tax	**(167)**	**8**

FAIR VALUE MEASUREMENTS

Financial instruments by category

(₹ In Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	FVOCI	Amortised cost	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	14		17		10	
Fixed Deposits		8		58		16
Trade Receivables		2,979		2,999		2,876
Cash and cash equivalents		168		13		23
Other Bank Balance		72		41		75
Security Deposits		163		162		139
Total financial assets	**14**	**3,390**	**17**	**3,273**	**10**	**3,129**
Financial liabilities						
Borrowings		4,859		2,824		2,349
Security deposits		309		307		319
Trade payables		3,251		3,004		2,178
Capital creditors		-		-		57
Unclaimed Dividend		5		6		6
Others		878		739		395
Total financial liabilities	-	**9,302**	-	**6,880**	-	**5,304**

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Level 1	Level 1	Level 1
Financial Assets at FVOCI			
Investment in equity shares			
Industrial Development Bank of India Limited	4	4	4
Vijaya Bank	10	13	6
Total financial assets at FVOCI	**14**	**17**	**10**

(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.

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, 2018		
US Dollar (USD)	514	-
Net exposure to foreign currency risk	**514**	-
March 31, 2017		
US Dollar (USD)	451	-
Net exposure to foreign currency risk	**451**	-
April 1, 2016		
US Dollar (USD)	547	-
Net exposure to foreign currency risk	**547**	-

Notes to Accounts - Contd.

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 company are given below :

(₹ In Lakhs)

Particulars	Impact on profit after tax	
	March 31, 2018	March 31, 2017
USD sensitivity INR / USD Increases by 5% (March 31, 2017-5%) INR / USD Increases by 5% (March 31, 2017-5%) * Holding all other variables constant	26 (26)	23 (23)

(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, 2018	March 31, 2017	April 1, 2016
Variable rate borrowings	2,332	1,714	1,633
Fixed rate borrowings	2,527	1,110	716
Total borrowings	**4,859**	**2,824**	**2,349**

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
March 31, 2018			
Bank overdrafts, bank loans, Cash credit	11.23	2,332	48%
March 31, 2017			
Bank overdrafts, bank loans, Cash credit	11.15	1,714	61%
April 1, 2016			
Bank overdrafts, bank loans, Cash credit	12.47	1,633	70%

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, 2018	March 31, 2017
Interest rates - increase by 50 basis points (50 bps)*	12	9
Interest rates - increase by 50 basis points (50 bps)*	(12)	(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.

(ii) Reconciliation of loss allowance provision - Trade receivables (₹ In Lakhs)

Particulars	(Amounts in INR)
Loss allowance on April 1, 2016	129
Changes in loss alowance	-
Loss allowance on March 31, 2017	129
Changes in loss alowance	-
Loss allowance on March 31, 2018	129

(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-a-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, 2018	March 31, 2017	April 1, 2016
Floating rate	325	40	172
Cash Credit/ WCTL Facility			

The bank overdraft and cash credit 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 company'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:

(₹ In Lakhs)

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
Non-derivatives				
March 31, 2018				
Borrowings	3,965	381	513	4,859
Trade payables	3,251			3,251
Security deposits	13		296	309
Other financial liabilities	879	4		883
Total non-derivative liabilities	**8,108**	**385**	**809**	**9,302**
March 31, 2017				
Borrowings	2,684	140	-	2,824
Trade payables	3,004	-	-	3,004
Security deposits	-		307	307
Other financial liabilities	741	4	-	745
Total non-derivative liabilities	**6,429**	**144**	**307**	**6,880**
April 1, 2016				
Borrowings	2,252	97	-	2,349
Trade payables	2,178	-	-	2,178
Security deposits	2		317	319
Other financial liabilities	454	4	-	458
Total non-derivative liabilities	**4,886**	**101**	**317**	**5,304**

38. 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 stake holders, 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:

(Rupees in Lacs)

	March 31, 2018	March 31, 2017	April 1, 2016
Net debt (not cash and cash equivalents)	4,859	2,824	2,349
Total equity	586	1,691	1,676
Net debt to equity ratio	**829%**	**167%**	**140%**

39 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. Upendra G. Patel
iv) Mr. N. Ahmedali
v) Ms. Neha Rajen Gada
vi) Mr. Nirbhay Kanoria
vii) Mr. Pauly Sukumar Nuthakki
viii) Mr. Sanathkumar Shirali
ix) Mr. Manish Jagnani (From 12th Feb, 2018)
x) Mr. Naveen Kumar Gupta (Upto 11th Aug, 2017)
xi) Mr. Aditya Kumar Jain (From August, 2017)
xii) Mrs. Pallavi Kanoria (Wife of Mr. Abhay Kanoria)
xiii) Mr. V.B. Haribhakti (Upto 30th May, 2016)

(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.

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.

39 RELATED PARTY TRANSACTIONS

(b) Transactions with Related Parties for the year ended March 31, 2018

(₹ in Lakhs)

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	
	2018	2017	2018	2017	2018	2017	2018	2017
EXPENSES:								
(i) Rent paid								
Sudarshan Services Ltd.			-	11				
Mr. Abhay Kanoria					10	11		
Mrs. Pallavi Kanoria					10	9		
(ii) Receiving of Services - Administrative, Commercial & Accounting service								
Sudarshan Services Ltd.			3	2				
(iii) Interest Paid								
Sudarshan Services Ltd.			13	-		-		
(iv) Remuneration Paid								
Mr. Abhay Kanoria			-	-	54	54		
Mr. Uddhav Kanoria			-	-	45	24		
Mr. Nirbay Kanoria			-	-	34	5		
Mrs. Pallavi Kanoria					18	17		
Mr. Naveen Kumar Gupta			-	-	12	30		
Mr. Manish Jagnani					2	-		
Mr. Aditya Kumar Jain					2	-		
(v) Director's Sitting Fees								
Mr. Sanatkumar Shirali					0.5	0.5		
Ms. Neha Rajen Gada					0.7	0.5		
Mr. Upendra G. Patel					0.5	0.8		
Mr. N. Ahmedali					0.8	0.4		
Mr. V.B. Haribhakti					0	0.3		
Mr. Pauly Sukumar Nuthakki					0.2	0.3		

Notes to Accounts - Contd.

(₹ In Lakhs)

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	
	2018	2017	2018	2017	2018	2017	2018	2017
INCOME :								
i) Sale of Pharmaceutical Products								
Anglo-French Drugs & Industries PTE Ltd.	80	65						
OTHER RECEIPTS:								
i) Inter Corporate Deposit Received								
Sudarshan Services Ltd.			809	-		-		
Contribution of Gratuity Fund								
The Anglo French Drug Co. (ESTN) Ltd Employee's Gratuity Fund							5	5
Refund of Gratuity								
The Anglo French Drug Co. (ESTN) Ltd Employee's Gratuity Fund							32	12

(c) Outstanding Balances as on March 31, 2018

(₹ In Lakhs)

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		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
PAYABLES:												
i) For Goods & Services												
Sudarshan Services Ltd.	-	-	21	3	1	1						
ii) Inter Corporate Deposit												
Sudarshan Services Ltd.				770	-	-						
LOANS & ADVANCES AND RECEIVABLES:												
iii) For Goods & Services												
Anglo - French Drugs & Industries Pte Ltd.	272	200	136									
iv) Security Deposit												
Mr. Abhay Kanoria				13	13	13						

40 Contingent Liabilities

The Company had contingent liabilities at March 31, 2018 in respect of :

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

(₹ In Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
a) Value Added Tax / Sales Tax	152	186	96
b) Income - tax	-	-	198
c) Service Tax / Excise Duty	158	137	220

The Management believes that the outcome of the above will not have any material adverse effect on the financial position of the company.

(b) Guarantees:

i. Counter guarantees issued to banks and remaining outstanding INR 442 lacs (2017-INR 565 lacs; 2016- INR 514 lacs)

ii. Letter of credit opened and remaining outstanding INR 193 lacs (2017-INR 9 lacs; 2016-NIL).

41 Leases

(a) Non - cancellable operating leases
As a Lessee

The Company has entered into operating lease arrangements primarily for office premises, godown and guest house premises for its employees. During the year, the company has recognised lease rent expense of INR 168 Lacs (2017: INR 138 lacs) related to such non-cancelable operating lease. The future minimum lease payments payable by the company taken under non-cancellable operating lease, are as under :-

(₹ In Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	161	161	145
Later than one year but not later than five years	569	624	635
Later than five years	16	122	272

42 (a) Details of Raw Materials Consumed

(₹ In Lakhs)

Description	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
PHARMACEUTICALS					
Calcium D Pantohenate IP	Kgs	74,393	682	30,881	843
Ascoric Acid	Kgs	20,694	914	101,686	522
Miscellaneous (None individually account for more than 10% of total consumption)		-	1,864	-	1,409
FURNISHING FABRICS					
Yarn	Kgs	-	-	6,218	12
			3,460		**2,786**

Notes to Accounts - Contd.

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

(₹ In Lakhs)

Description	Current Year		Previous Year	
	Amount	%	Amount	%
a) Raw & Packing Materials				
Imported	9	-	-	-
Indigenous	3,451	100	2,786	100
	3,460	**100**	**2,786**	**100**
b) Stores and Spare Parts				
Imported	-	-	-	-
Indigenous	26	100	7	100
	26	**100**	**7**	**100**

(c) Purchase of Stock - in-Trade

(₹ In Lakhs)

Description	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
FORMULATION:					
a) Tablets	Million	194	1,003	139	921
b) Liquids	Bottles	4,255,385	396	5,804,438	672
c) Injections	Litres	79,247	121	63,863	155
d) Capsules	Million	36	386	56	624
e) Granules	Kgs	2,868	3	1,622	3
f) Powder	Kgs	110,437	116	40,985	50
g) Ointment	Kgs	48,712	241	63,445	387
h) Raw Materials	Kgs	-	-	-	-
i) Picking Materials	Kgs	-	-	-	-
j) Others	Nos.	618,890	46	579,528	71
k) Fabrics	Mtrs	---	-	-	-
			2,312		**2,883**

(d) Value of Imports on CIF basis

(₹ In Lakhs)

Description	Current Year		Previous Year	
	USD	Rs. in Lakhs	USD	Rs. in Lakhs
i) Raw Materials		-		-
ii) Components and Spare Parts		-		-
Expenditure in Foreign Currency		123		170
F.O.B. Value of Exports				
In Foreign Currency	916,240	593	1,051,167	705

43 Company's investment in 100% Subsidiary 'Anglo French Drugs & Industries PTE, Limited Singapore (AFDIPL)' amounting Rs 24 lacs is long term in nature and which has been provided in the books on the date of transition to Ind AS (Refer Note 6). AFDIPL has incurred a net loss of Rs. 5 Lacs during the year ended 31st March, 2018 and, as of that date, AFDIPL current liabilities exceeded its current assets by Rs 116 Lacs and its total liabilities exceeded its total assets by Rs 122 Lacs. These factors raises substantial doubt that the said subsidiary Company will be able to continue as a going concern .However, as per management projections no adjustment is necessary for impairing the carrying cost of Trade Receivables amounting Rs 272 Lacs which is outstanding as on 31st March, 2018. (Refer Note 11).

44 Increase in cost of materials, restriction in increment of sale price (MRP) in relation to increment of manufacturing cost of product under non-scheduled formulation as prescribed by National List of Essential Medicine (NLEM) and overall reduction in sales volume has adversely affected the operating result of the company. The Company has incurred loss before tax amounting to Rs. 1,288/- Lacs during the year 2017-18. The management of the Company is working on the effectiveness of manufacturing cost as well as to increase sales volume for generating operating surplus in near future.

45 As per para 4 of Indian Accounting Standard (Ind AS) 108 - Operating Segments, if a financial report contains both the consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Hence segment information as required under Ind AS 108 - Operating Segments is given in the consolidated Ind AS financial Statements of the Company.

46 Earnings per Equity share

Particulars	March 31, 2018 INR	March 31, 2017 INR
(a) Basic earnings per share	(96.43)	2.24
(b) Diluted earnings per share	(96.43)	2.24

(c) Reconciliations of earnings used in calculating earnings per share

Particulars	March 31, 2018 INR	March 31, 2017 INR
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(1,121)	26
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	(1,121)	26

(d) Weighted average number of shares used as the denominator

Particulars	March 31, 2018 Number of Shares	March 31, 2017 Number of Shares
Weighted average number of equity shares used as the denomination in calculating basic earnings per share	1,162,500	1,162,500
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.	1,162,500	1,162,500

47 Research and Development Expenses

For the period ended	March 31, 2018	March 31, 2017
Material Consumption	3	3
Laboratory consumption	-	11
Employee Benefits Expense	16	13
Others	1	1
	20	28

48 First-time adoption of Ind AS
Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS

The accounting policies set out in note 1 have been applied in, preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (date of transition to Ind AS). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Exemptions and exceptions availed

A. 1 Ind AS optional exemptions

(a) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption is also used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value, which has been considered as deemed cost.

(b) Investments in subsidiaries

Ind AS 101 permits a first-time adopter to measure its investments in subsidiaries at deemed cost, which should be either:

(i) fair value at the entity's date of transition to Ind AS in its separate financial statements; or

(ii) previous GAAP carrying amount at that date

The company has elected to measure in its separate financial statements all of its investments in subsidiaries at their previous GAAP carrying amount on the date of transition.

Notes to Accounts - Contd.

A.2 Ind AS mandatory exceptions

(a) Estimates

Estimates made under Ind AS as at April 1, 2016 are consistent with the estimates as under previous GAAP.

(b) Classification and measurement of financial assets

Ind AS 101 requires that an entity should assess the classification of its financial assets on the basis of facts and circumstances exist on the date of transition. Accordingly, in its Opening Ind AS Balance Sheet, the company has classified all the financial assets on the basis of facts and circumstances that existed on the date of transition, i.e., April 1, 2016.

49 Reconciliation between previous GAAP and Ind AS :

I. Reconciliation of total equity as at March 31, 2017 and April 1, 2016

(₹ In Lakhs)

Particulars	Notes	As at March 31, 2017	As at April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		1,692	1,687
Adjustments			
Fair valuation of equity investments	1	11	3
Fair valuation of investments in subsidiary	2	(24	(24)
Fair valuation of security deposits paid	3	(1)	(1)
Processing Charges	4	1	1
Fair Valuation of Gratuity Liability	5	12	10
Tax effects of adjustments	6	-	-
Total adjustments		(1)	(11)
Total equity as per Ind AS		1,691	1,676

II. Reconciliation of total comprehensive income for the year ended March 31, 2017

(₹ In Lakhs)

Particulars	Notes	March 31, 2017
Profit after tax as per previous GAAP		5
Adjustments		
Fair valuation of Security deposits paid	3	(1)
Processing Charges on Borrowings	4	(1)
Fair Valuation of Gratuity Liability	5	2
Remeasurement of Post-employment benefit obligations (Net of Tax)	7	21
Total adjustments		**21**
Profit after tax as per Ind AS		**26**
Other comprehensive income (Net of Tax)	1 & 7	(11)
Total comprehensive income as per Ind AS		**15**

III) Impact of Ind AS Adoption on cash flow statement for the year ended March 31, 2017

(₹ In Lakhs)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	(39)	(55)	(94)
Net cash flow from investing activities	(83)	23	(60)
Net cash flow from financing activities	110	34	144
Others (unrealised forex gain / loss)	(34)		
Net increase / (decrease) in cash and cash equivalents	(46)	2	(10)
Cash and cash equivalents as at April 1, 2016	98		23
Cash and cash equivalents as at March 31, 2017	52		13
The impact in cash flow statement are due to adjustments explained below.			

1 **Fair valuation of equity investments**

The company holds investment in Equity Shares of entitles other than subsidiaries, associate and joint venture. Under previous GAAP such investments were measured at cost less provision for other than temporary nature diminution in the value of investment.

Under Ind AS, these investments has been measured at fair value. The company has categorised these investments as fair value through Other Comprehensive Income (FVOCI) and any changes in fair value of those investment has been recognised in the statement of profit and loss.

2 **Fair valuation of investments in subsidiary**

The company holds investment in Equity Shares in subsidiary. Under previous GAAP such investments were measured at cost. Under Ind AS, this investments has been measured at cost. Company generally follows an accounting policy of making provision in case of permanent diminution only. However, considering the negative networth of the subsidiary, Company has made full provision for abundant caution and adjustment made in retained earning on the date of transition.

3 **Fair valuation of security deposits paid**

Under the previous GAAP, interest free lease security deposits assets (that are refundable in cash on completion of the contract term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value at initial recognition and subsequently at amortised cost. Accordingly, The company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

4 **Processing Charges on Borrowings**

Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facilities will be drawn down. To the extent there is no evidence that it is probable that some or all of the facilities will be dramm down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of facilities to which it relates.

Ind AS 109 requires transaction cost incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowings as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit and loss as and when incurred. Accordingly borrowing as on the date of transition have been reduced with a corresponding adjustment to retained earnings.

5 **Fair Valuation of Gratuity Liability**

Adjustments made in the gratuity liability as on the date of transition i.e. April 1, 2016 as well as March 31, 2017 as per the requirement of Ind AS.

6 **Tax effects of adjustments**

Additional deferred tax asset/ (liability) has been recognised corresponding to the adjustments to retained earnings / profit or loss as a result of Ind AS Implementation.

7 **Remeasurement of Post-employment benefit obligations (Net of Tax):**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. Accordingly, loss on remeasurements of post-employment benefit obligation has been reclassified to the Other Comprehensive Income for the period.

50 The previous year figures have been regrouped/ rearranged wherever necessary to make it comparable with the current year.

For KAMG & ASSOCIATES
Chartered Accountants
Firm Registration Number 311027E

For and on behalf of the Board of Directors

Arpit Parasmal Shah
Partner
Membership Number 180949
Mumbai, 30th May, 2018

Manish Jagnani
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of ANGLO-FRENCH DRUGS & INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising the consolidated balance sheet as at March 31, 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements")

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting polices; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, Whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind As financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made there under.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors 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 consolidated Ind AS financial statements.

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 report of other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in india including the Ind AS, of the consolidated financial position of the Group as at March 31, 2018, and their consolidated profit/(loss) including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

i) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs.154 Lacs as at 31st March, 2018, total revenues of Rs. 85 Lacs for the period ended on that date, as considered in the consolidated Ind AS financial statements. This financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor. We have audited the conversion adjustments made by the Company's management.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, are not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

ii) We draw attention to note 43 in the consolidated financial statements. The subsidiary of the company 'Anglo French Drugs & Industries PTE. Limited Singapore (AFDIPL)' has incurred a net loss of Rs. 5 Lacs during the year ended 31st

March, 2018 and, as of that date, AFDIPL current liabilities exceeded its current assets by Rs 116 Lacs and its total liabilities exceeded its total assets by Rs 122 Lacs. These factors indicate the existence of a material uncertainty which may cast significant doubt over the AFDIPL's ability to continue as a going concern. However, as per the views of auditors of the subsidiary company, the ability of the Company to continue as a going concern is dependent on the undertaking of its immediate and ultimate holding company. Holding Company has to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

iii) The closing inventory of the Holding Company has not been verified by us as on 31" March, 2018 & the same have been certified by the management.

iv) Trade receivable includes Rs.125.64 Lacs as on 31st March 2018 from Viva Remedies, which in the opinion of the Holding Company is good and recoverable from Viva Remedies.

v) The Holding Company is in the process of taking Professional Tax Registration for the States of Kerala and Tamil Nadu.

vi) Adverse effect of increment of manufacturing cost and reduction in overall sale volume resulting in operating loss before tax amounting to Rs.1,288 Lacs incurred by the Holding company during the year. (Refer to Note 44 to the financial statements).

vii) The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, are the consolidated figures of separate Ind AS financial statements of ANGLO-FRENCH DRUGS & INDUSTRIES LIMITED(holding company) and it's subsidiary incorporated in outside India, these consolidated financial statements audited by predecessor auditor and on which predecessor auditor expressed an unmodified opinions in the reports for the year ended March 31, 2017 and March 31, 2016 dated 10" August, 2017and 9" August, 2016 respectively. Separate financial statements of subsidiary which are incorporated outside India have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by other auditor under generally accepted auditing standards applicable in that country.

We have audited the conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside india is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section143 (3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the afore said consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The consolidated balance Sheet, the consolidated statement of profit and loss, the consolidated statement of cash flow and consolidated statement of changes in equity, dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31"March, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on 31"March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in Annexure.

   (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 Auditor's) Rules, 2014 read with the Companies (Audit and Auditors) Amendment Rules, 2017, 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 report of the other auditor on separate financial statements as also the other financial information of the subsidiary as noted in the "Other Matters"

   paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigation on the consolidated financial position in its consolidated Ind AS financial statements in respect of claims and demands of the Group which are being contested as mentioned in note 40.

   ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated outside India during the year ended 31.03.2018.

For KAMG & Associates
Firm's Registration No.311027E

Arpit Parasmal Shah
Partner
Membership No.: 180949

Place: Mumbai
Date: 30th May, 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF AFDIL LIMITED

Report on the Internal Financial Controls 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 Ind AS financial statements of the Group for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of ANGLO-FRENCH DRUGS & INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") except the subsidiary company, ANGLO FRENCH DRUGS & INDUSTRIES PTE. LTD which is not audited by us.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India('ICAI').These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 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") issued by the ICAI 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, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 consolidated Ind AS 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 consolidated Ind AS 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 consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company 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 March 31,2018 except for the internal control system followed in the areas of inventory management such as periodical physical verification of stock and input output reconciliation which effects the cost of production and secondly, pending reconciliation of Sales Tax/VAT, Excise Duty, Service Tax and other indirect taxes of pre GST period which are outstanding as on 31st March, 2018, based on the internal control over financial reporting criteria established by the 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.

Other Matter

Reporting on Internal Financial Controls over financial reporting is not applicable to subsidiaries and joint ventures incorporated outside India.

For KAMG & Associates
Firm's Registration No.311027E
Arpit Parasmal Shah
Partner
Membership No.: 180949

Place: Mumbai
Date: 30th May, 2018

Balance Sheet as at March 31, 2018 (Consolidated) (₹ In Lakhs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
NON-CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT	4	1,580	1,738	1,838
INTANGIBLE ASSETS	5	3	4	3
FINANCIAL ASSETS				
(i) Investments	6	14	17	10
(ii) Trade Receivables	7	-	-	-
(iii) Other Non-Current Financial Assets	8	99	159	89
OTHER NON CURRENT ASSETS	9	28	17	53
TOTAL NON-CURRENT ASSETS		**1,724**	**1,935**	**1,993**
CURRENT ASSETS				
INVENTORIES	10	4,065	3,560	1,878
FINANCIAL ASSETS				
(i) Trade Receivables	11	2,832	2,898	2,777
(ii) Cash and Cash Equivalents	12	197	14	29
(iii) Other Bank Balances	13	72	41	75
(iv) Other Current Financial Assets	14	72	61	66
CURRENT TAX ASSET (NET)	15	84	83	62
OTHER CURRENT ASSETS	16	1,536	799	809
TOTAL CURRENT ASSETS		**8,858**	**7,456**	**5,696**
TOTAL ASSETS		**10,582**	**9,391**	**7,689**
EQUITY AND LIABILITIES				
EQUITY				
EQUITY SHARE CAPITAL	17	116	116	116
OTHER EQUITY	18	349	1,457	1,428
TOTAL EQUITY		**466**	**1,573**	**1,544**
LIABILITIES				
NON-CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
(i) Borrowings	19	894	140	97
(ii) Other Non-Current Financial Liabilities	20	300	311	321
EMPLOYEE BENEFIT OBLIGATIONS	21	57	48	41
DEFERRED TAX LIABILITIES - NET	22	-	167	163
TOTAL NON-CURRENT LIABILITIES	**622**	**1,251**	**666**	**622**
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
(i) Borrowings	23	3,789	2,583	2,122
(ii) Trade Payables	24	3,249	3,010	2,158
(iii) Other Current Financial Liabilities	25	1,068	842	586
OTHER CURRENT LIABILITIES	26	705	671	650
EMPLOYEE BENEFIT OBLIGATIONS	21	55	46	7
TOTAL CURRENT LIABILITIES		8,866	7,152	5,523
TOTAL EQUITY AND LLABILITIES		10,582	9,391	7,689

The accompanying notes form 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

For and on behalf of the Board of Directors

Arpit Parasmal Shah
Partner
Membership Number 180949
Mumbai, 30th May, 2018

Manish Jagnani
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

Statement of Profit and Loss for the year ended March 31, 2018 (Consolidated)

(₹ In Lakhs)

Particulars	Note	Year Ended March 31, 2018	Year Ended March 31, 2017
INCOME			-
REVENUE FROM OPERATIONS	27	11,140	12,866
OTHER INCOME	28	101	48
TOTAL INCOME		**11,241**	**12,914**
EXPENSES			
COST OF MATERIALS CONSUMED	29	4,113	3,657
PURCHASES OF STOCK-IN-TRADE		2,312	2,888
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	30	(138)	(551)
EMPLOYEE BENEFITS EXPENSE	31	2,386	2,391
FINANCE COSTS	32	429	331
DEPRECIATION AND AMORTISATION EXPENSE	33	179	197
OTHER EXPENSES	34	3,251	3,953
TOTAL EXPENSES		**12,532**	**12,866**
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		(1,291)	48
EXCEPTIONAL ITEMS - PROFIT / (LOSS)			-
PROFIT/(LOSS) BEFORE TAX		(1,291)	48
TAX EXPENSE			
CURRENT TAX	35	-	2
DEFERRED TAX	35	(167)	6
PROFIT/ (LOSS) FOR THE YEAR		**(1,124)**	**40**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
- Remeasurement of Post-employment benefit obligations		21	(21)
- Change in equity instruments- Fair value through Other Comprehensive Income		(4)	8
- Tax relating to these items			
1) Current Tax		-	-
2) Deferred Tax		(1)	2
Total Other Comprehensive Income/ (Loss) for the year, net of tax		**16**	**(11)**
Total Comprehensive Income for the year		**(1,108)**	**29**
Earnings per equity share (in INR) (Face value INR 10)			
(1) Basic	46	(96.69)	3.44
(2) Diluted	46	(96.69)	3.44

The accompanying notes 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

For and on behalf of the Board of Directors

Arpit Parasmal Shah
Partner
Membership Number 180949
Mumbai, 30th May, 2018

Manish Jagnani
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

Statement of changes in equity for the year ended March 31, 2018

A. Equity share capital

	(Rupees in Lacs)
As at April 1, 2016	116
Changes in equity share capital during the year	-
As at March 31, 2017	116
Changes in equity share capital during the year	-
As at March 31, 2018	116

B. Other equity

(₹ In Lakhs)

	Reserves and surplus				Other Compreh-ensive Income	Total
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings (surplus)		
Balance at April 1, 2016	43	70	549	766	-	1,428
Profit for the year	-	-	-	40	-	40
Other Comprehensive Income for the year, net of tax	-	-	-	(19)	8	(11)
Total Comprehensive Income for the year	-	-	-	21	8	29
Balance as at March 31, 2017	43	70	549	787	8	1,457
Balance as at April 1, 2017	43	70	549	787	8	1,457
Profit for the year	-	-	-	(1,124)	-	(1,124)
Other Comprehensive Income for the year, net of tax	-	-	-	20	(4)	16
Total Comprehensive Income for the year	-	-	-	(1,104)	(4)	(1,108)
Balance as at March 31, 2018	43	70	549	(317)	4	349

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 Registration Number 311027E

For and on behalf of the Board of Directors

Arpit Parasmal Shah
Partner
Membership Number 180949
Mumbai, 30th May, 2018

Manish Jagnani
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

Statement of cash flows for the year ended March 31, 2018 (Consolidated)

(₹ In Lakhs)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Cash flow from operating activities		
Profit / (Loss) before income tax	(1,291)	48
Adjustments for		
Depreciation and amortisation expense	179	197
(Gain)/loss on disposal of property, plant and equipment	3	-
Provisions Written Back	(59)	(17)
Interest income classified as investing cash flows	(2)	(11)
Finance costs	429	331
Change in operating assets and liabilities		
(Increase) /Decrease in trade receivables	66	(121)
(Increase) /Decrease in inventories	(506)	(1,682)
(Increase)/ Decrease in other financial assets	49	(65)
(Increase)/ Decrease in other non-current assets	(11)	(12)
(Increase)/Decrease in other current assets	(737)	10
Increase/ (Decrease) in trade payables	297	868
Increase/ (Decrease) in employee benefit obligations	39	25
Increase/ (Decrease) in other financial liabilities	141	332
Increase/ (Decrease) in other current liabilities	34	21
Cash generated from operations	**(1,369)**	**(76)**
Income taxes paid (net of refund)	(2)	(23)
Net cash inflow from operating activities	**(1,371)**	**(99)**
Cash flows from investing activities		
Payments for property, plant and equipment	(27)	(109)
Proceeds from sale of property, plant and equipment	4	3
Changes in Other bank balances	(31)	34
Interest received	3	12
Net cash outflow from investing activities	**(51)**	**(60)**
Cash flows from financing activities		
Proceeds from borrowings:		
Term Loan	776	95
Cash Credit (net)	(152)	81
Others	1,358	380
Repayment of borrowings:		
Term Loan	80	(58)
Car Loan	(27)	(23)
Interest paid	(429)	(331)
Dividends paid	(1)	-
Net cash inflow (outflow) from Financing activities	**1,605**	**144**
Net increase (decrease) in cash and cash equivalents	**183**	**(15)**
Cash and cash equivalents at the beginning of the year	14	29
Cash and cash equivalents at the end of the year	**197**	**14**

The accompanying notes 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

For and on behalf of the Board of Directors

Arpit Parasmal Shah
Partner
Membership Number 180949
Mumbai, 30th May, 2018

Manish Jagnani
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

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.

The consolidated financial statements relate to Anglo French Drugs & Industries Limited and its subsidiary company as referred in **Note 50** (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 consolidated 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 as a going concern on an accrual basis. The consolidated financial statements up to year ended 31 March 2017 were prepared earlier in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These consolidated financial statements are the first consolidated financial statements of the company under Ind AS and the transition was carried out in accordance with Ind AS 101, "First time adoption of Indian Accounting Standards. Refer **Note 48** for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

(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 loses 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 company 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 has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 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 Company.

Transition to Ind AS:

Upon first-time adoption of Ind AS, the Company has elected to apply deemed cost exemption for all of its intangible assets as at the date of transition to Ind AS i.e. April 01, 2016. Accordingly, the Company has continued with the carrying value under Previous GAAP for all of its intangible assets recognised in the consolidated financial statements as at the date of transition to Ind AS.

Derecognition:

The carrying amount of an intangible asset is derecognised 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 Company 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 Company 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 recognised in the statement of profit and loss.

Equity investment:

The Company subsequently measures all equity investments in companies other than equity investments in subsidiary at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income or FVTPL. The Company makes such election on an instrument by instrument basis. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

(C) Derecognitions

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 Company's balance sheet) when the rights to receive cash flows from the asset have expired, or the Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company 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 Company 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 Company could be required to repay.

(D) Impairment:

In accordance with Ind-AS 109, the Company 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 Company follows 'simplified approach' for recognition of impairment loss allowance on:
Trade receivables which do not contain a significant financing component.

The company 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 company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company 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 Company 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 company 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 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

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, sales tax and applicable trade discounts and allowances, chargebacks and rebates. Revenue includes shipping and handling costs billed to the customers. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

(B) Export Incentive

Duty drawback is recognised at the time of exports and the benefits in respect of advance license received by the Company against export made by it are recognised 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 recognised when right to receive payment is established.

(h) EMPLOYEE BENEFITS

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

(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 company are entitled to leave benefits as per the policy of the Company. 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 company 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 company. 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 recognised 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 company pays provident fund contributions to a fund administered by Government Provident Fund Authority. The Company 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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under leases are charged or credited to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

(j) FOREIGN CURRENCY TRANSLATION

(i) Presentation Currency

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

(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 recognised in the statement of Profit and Loss. The company classifies all its foreign operations as integral in nature.

On consolidation, exchange differences arising from the translating 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 recognised 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 Company 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 Company 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 Company is entitled to on fulfillment of certain conditions, but are available to the company only on completion of some other conditions, are recognised as income at fair value on completion of such other conditions.

Incentives that the company is entitled to unconditionally on fulfillment of certain conditions, such incentives are recognised 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:

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on 28th March, 2018. The rules shall be effective from reporting periods beginning on or after 1st April, 2018 and cannot be early adopted.

(a) Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with, Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors

Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) - The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The Company is in the process of assessing the detailed impact of Ind AS 115.

(b) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

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 amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the consolidated financial statements and the impact is not material.

The Company intends to adopt 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 Ist April, 2018).

(c) Amendments to Ind AS 40 Investment property - Transfers of investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the defination of investment property. A change in intension alone is not sufficient to support a transfer. The amendments provide two transition options. Entities can choose to apply the amendment either retrospectively without the use of hindsight or prospectively to changes in use that occur on or after the date of initial application.

The Company has assessed the effects of the amendment on classification of existing property at 1st April, 2018 and concluded that no reclassifications are required.

The Company has decided to apply the amendment prospectively to changes in use that occur after the date of initial application (i.e 1st April, 2018).

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 company'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 company 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 Company's accounting policies and that have the most significant effect on the amounts recognised in the 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 Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company'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 Company.

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

4 Property, Plant and Equipment

(₹ In Lakhs)

	Gross carrying amount				Accumulated Depreciation				Carrying value
	Deemed cost as at April 1, 2016	Additions	Sales / Adjustments	Balance as at March 31, 2017	As at April 1, 2016	For the Year	Sales / Adjustments	As at March 31, 2017	As at March 31, 2017
Freehold land	8	-	-	8	-	-	-	-	8
Buildings	777	1	-	778	-	32	-	32	746
Plant & equipment	604	40	-	644	-	45	-	45	599
Furniture & Fittings	86	44	-	130	-	22	-	22	108
Vehicles	161	2	3	160	-	28	-	28	132
Office equipment	31	3	-	34	-	11	-	11	23
Computers	171	9	-	180	-	57	-	57	123
TOTAL	**1,838**	**99**	**3**	**1,934**	**-**	**196**	**-**	**196**	**1,738**

	Gross carrying amount				Accumulated Depreciation				Carrying value
	as at April 1, 2017	Additions	Sales / Adjustments	Balance as at March 31, 2018	As at April 1, 2017	For the Year	Sales / Adjustments	As at March 31, 2018	As at March 31, 2018
Freehold land	8	-	-	8	-	-	-	-	8
Buildings	778	4	-	782	32	32	-	64	718
Plant & equipment	644	9	-	653	45	45	-	90	563
Furniture & Fittings	130	5	-	135	22	23	-	45	90
Vehicles	160	-	8	152	28	26	1	53	99
Office equipment	34	-	-	34	11	17	-	28	6
Computers	180	9	-	189	57	35	-	92	97
TOTAL	**1,934**	**27**	**8**	**1,953**	**196**	**178**	**1**	**373**	**1,580**

5 Intangible Assets

(₹ In Lakhs)

	Gross carrying amount				Accumulated Depreciation				Carrying value
	Deemed cost as at April 1, 2016	Additions	Sales / Adjustments	Balance as at March 31, 2017	As at April 1, 2016	For the Year	Sales / Adjustments	As at March 31, 2017	As at March 31, 2017
Trademarks	-	-	-	-	-	-	-	-	-
Computer Software	3	2	-	5	-	1	-	1	4
TOTAL	**3**	**2**	**-**	**5**	**-**	**1**	**-**	**1**	**4**

	Gross carrying amount				Accumulated Depreciation				Carrying value
	as at April 1, 2017	Additions	Sales / Adjustments	Balance as at March 31, 2018	As at April 1, 2017	For the Year	Sales / Adjustments	As at March 31, 2018	As at March 31, 2018
Trademarks	-	-	-	-	-	-	-	-	-
Computer Software	5	-	-	5	1	1	-	2	3
TOTAL	5	-	-	5	1	1	-	2	3

Notes to Accounts - Contd.

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
6 Non-Current investments			
A. Investments in equity instruments (fully paid)			
(i) Quoted -			
In Other entities (Equity investments at Fair value through other comprehensive income)			
5,760 (2017 & 2016- 5,760) Equity shares of INR 10 each in Industrial Development Bank of India Limited	4	4	4
19,400 (2017 & 2016- 19,400) Equity shares of INR 10 each in Vijaya Bank	10	13	6
Total Investment in equity instruments	**14**	**17**	**10**
Total non-current investments	**14**	**17**	**10**
Aggregate amount of quoted investments	14	17	10
Market value of quoted investments	14	17	10
7 TRADE RECEIVABLES			
Doubtful			
Receivables from related parties	-	-	-
Receivables other than from related parties	126	129	129
Less: Provision for doubtful debts	126	129	129
Total trade receivables (non-current)	-	-	-
8 OTHER NON-CURRENT FINANCIAL ASSETS			
Security deposits	91	101	73
Fixed deposits with bank (with maturity period of more than 12 months)	8	58	16
Total other non-current financial assets	**99**	**159**	**89**
9 OTHER NON-CURRENT ASSETS			
Capital advances	-	-	48
Deferred rent expense for security deposit assets	25	15	3
Other deposits	3	2	2
Total other non-current assets	**28**	**17**	**53**

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2017
10 INVENTORIES			
Raw materials	1,442	1,213	673
Packing materials	370	331	268
Work-in-progress	172	108	89
Finished goods**	1,453	1,379	847
Stores and spare parts *	628	529	228
Less:Provision for inventories	-	-	227
Total inventories	**4,065**	**3,560**	**1,878**
* includes Stock of samples and promotional items in the hands of sales representatives Rs 82 Lacs			
**Closing stock of Finished goods includes samples amounting to Rs. 55 Lacs, 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.			
11 TRADE RECEIVABLES			
Unsecured, considered good			
Receivable from related parties	-	-	-
Receivable from other than related parties	2,832	2,898	2,777
Total trade receivables (current)	**2,832**	**2,898**	**2,777**
12 CASH & CASH EQUIVALENTS			
Balances with Banks			
- Current Accounts	194	13	26
Cash in hand	3	1	3
Stamps in hand	-	-	-
Total cash and cash equivalents	**197**	**14**	**29**
13 OTHER BANK BALANCES			
Fixed deposits maturing within 3 - 12 months	72	41	75
Margin money	-		
Total other bank balances	**72**	**41**	**75**
14 OTHER CURRENT FINANCIAL ASSETS			
Security Deposits			
Related Party	13	13	13
Security deposits	59	48	53
Total other current financial assets	**72**	**61**	**66**
15 CURRENT TAX ASSETS (NET)			
Opening balance	64	63	45
Less: Tax payable for the year	-	2	17
Add: Taxes paid	1	5	2
Add/ (Less): Refund/ adjustment for earlier years	-	(2)	(3)
Closing balance	65	64	27
MAT credit entitlement	19	19	35
Total current tax assets (net)	**84**	**83**	**62**
16 OTHER CURRENT ASSETS			
Prepaid expenses	159	184	94
Deferred rent expense on security deposit given	8	7	5
Other advances	1,369	608	710
Total other current assets	**1,536**	**799**	**809**

17 EQUITY SHARE CAPITAL

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
AUTHORISED			
2,000,000 Equity Shares of INR 10 each (2017 & 2016- 2,000,000)	200	200	200
	200	**200**	**200**
ISSUED, SUBSCRIBED & FULLY PAID			
1,162,500 Equity Shares of INR 10 each (2017 & 2016- 1,162,500) Of the above 704,000 Equity Shares are issued by way of Bonus Shares by capitalisation of General Reserve	116	116	116
	116	**116**	**116**

(i) Reconciliation of equity share capital

	Number of Shares	Equity share capital (per value)
As at April 1, 2016	**1,162,500**	**116**
Change during the year	-	-
As at March 31, 2017	**1,162,500**	**116**
Change during the year	-	-
As at March 31, 2018	**1,162,500**	**116**

(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 :

	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Number of Shares	% holding	Number of Shares	% holding	Number of Shares	% holding
(i) Abhay Kanoria Family Trust represented by Mr. Abhay Kanoria	701,745	60.36	701,745	60.36	349,775	30.08
(2) Smt. Pallavi Kanoria	-	-	-	-	351,970	30.28
(3) Life Insurance Coporation of India	90,000	7.74	90,000	7.74	90,000	7.74

18 OTHER EQUITY

(₹ In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) RESERVES AND SURPLUS			
CAPITAL RESERVE	43	43	43
SECURITIES PREMIUM RESERVE	70	70	70
GENERAL RESERVE	549	549	549
SURPLUS/ (DEFICIT) IN STATEMENT OF PROFIT AND LOSS	(317)	787	766
	345	1,449	1,428
(b) OTHER RESERVES			
Fair Value through Other Comprehensive Income- Equity Instrument	4	8	-
Total other equity	349	1,457	1,428

(a) RESERVE AND SURPLUS		
(i) CAPITAL RESERVE		
Opening Balance	43	43
Adjustment during the year		
Closing Balance	43	43
(ii) SECURITIES PREMIUM RESERVE		
Opening Balance	70	70
Adjustment during the year		
Closing Balance	70	70
(iii) GENERAL RESERVE		
Opening Balance	549	549
Adjustment during the year		
Closing Balance	549	549
(iv) SURPLUS/ (DEFICIT) IN STATEMENT OF PROFIT AND LOSS		
Opening Balance	787	766
Add: Profit / (Loss) during the year as per Statement of Profit & Loss	(1,124)	40
Other comprehensive income recognised directly in retained earnings		
- *Remeasurements of post-employment benefit obligation, net of tax*	20	(19)
Closing Balance	**(317)**	**787**
(b) OTHER RESERVE		
OTHER COMPREHENSIVE INCOME		
Opening Balance	8	-
Adjustments during the year		
- Remeasurements of quoted equity shares	(4)	8
Closing Balance	4	8

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.

(₹ In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
19 NON-CURRENT BORROWINGS			
Term Loans from Banks .			
Secured			
HDFC Bank Ltd.	-	-	27
YES Bank Ltd.	97	95	-
Car finance loans from banks	23	45	70
Term Loans from Others (NBFC)			
JM Financial Products Limited	774	-	-
Total Non-current borrowings	**894**	**140**	**97**
Current maturities of long-term debt (included in note 25)	157	77	108
Current maturities of car finance loan (included in note 25)	19	24	22
Total			

PARTICULARS OF TERM BORROVVINGS :

a) Security

(i) The Company has mortagaged its land at Peenya and first charge on Plant Machinery of the Company on the term loan taken from YES Bank.

(ii) Vehicle loans are secured by hypothecation of vehicles.

(iii) Term loan from JM Financial Products Limited is secured at first ranking & exclusive charge by way of equitable mortgage on residential property of Sudarshan Services Ltd.

b) Terms of repayment and Interest rate :

(i) The company has taken term loan from YES Bank which carry interest at the rate of 10.20%, repayable in 37 equal installments. Repayment of the term loan will be completed in February 2020.

(ii) In respect of Vehicle loans repayments are done by equated monthly installments over 36 to 60 months.

(iii) Term Loan from JM Financial Products Limited carries interest at the rate of 10.00%, repayable in 120 equal monthly installments. Repayment will be completed in March 2028.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
20 OTHER NON-CURRENT FINANCIAL LIABILITIES			
Security deposits	296	307	317
Other liabilities	4	4	4
Total other non-current financial liabilities	**300**	**311**	**321**

Notes to Accounts - Contd.

21 Employee Benefit Obligation

(₹ In Lakhs)

	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Current	Non - Current	Total	Current	Non - Current	Total	Current	Non - Current	Total
Leave Encashment - Unfunded									
Present value of obligation	15	57	72	14	48	62	13	41	54
Gratuity - Funded									
Present value of obligation	241		241	251	-	251	192	-	192
Fair value of plan assets	201		201	219	-	219	198	-	198
Net Liability	40		40	32	-	32	(6)	-	(6)
Total employee benefit obligations	55	57	112	46	48	94	7	41	48

(I)Defined benefit plans

a) Gratuity

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

b) Leave Encashment

As per the policy of the group, obligations on account of encashment of accumulated leave of an employee is settled only on termination/ retirement of the employee. Such liability is recognised on the basis of actuarial valuation following Project Unit Credit Method. It is an unfunded plan. The group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

(ii) Defined contribution plans

The group makes contributions towards provident fund which are in the nature of defined contribution post employment benefits plans. Under the plan, the group 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

(₹ In Lakhs)

Particulars	March 31, 2018	March 31, 2017
a) Supperannuation Fund	10	7
b) Provident Fund	44	42

(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:

(₹ In Lakhs)

Particulars	Gratuity			Leave Encashment
	Present value of obligation	Fair value of plan assets	Net Amount	Present value of obligation
April 1, 2016	192	198	(6)	54
Current service cost	29	-	29	18
Interest expense/ (income)	14	14	-	3
Total amount recognised in profit or loss	**43**	**14**	**29**	**21**
Remeasurements				
Loss due to experience	21	-	21	4
Loss due to change in financial assumptions	7	-	7	2
Return on plan assets (greater)/less than discount rate	-	14	(14)	-
Total amount recognised in other comprehensive income	**28**	**14**	**14**	**6**
Employer contributions	-	5	(5)	-
Benefit payments	(12)	(12)	-	(19)
March 31, 2017	**251**	**219**	**32**	**62**
April 1, 2017	**251**	**219**	**32**	**62**
Current service cost	23		23	19
Interest expense/ (income)	18	15	3	4
Total amount recognised in profit or loss	**41**	**15**	**26**	**23**
Remeasurements				
Loss due to experience	(15)	-	(15)	(2)
Loss due to change in financial assumptions	(3)	-	(3)	(1)
Return on plan assets (greater)/ less than discount rate	-	-	-	-
Total amount recognised in other comprehensive income	**(18)**	**-**	**(18)**	**(3)**
Employer contributions	-	-	-	
Benefit payments	33	33	-	10
March 31, 2018	**241**	**201**	**40**	**72**

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

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Present value of funded obligations	241	251	192
Fair value of plan assets	201	219	198
Deficit of funded plan	**40**	**32**	**(6)**
Unfunded plans	72	62	54
Deficit of Employee Benefit Plans	**112**	**94**	**48**

iv) Post-Employment benefits

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Discount rate	7.63%	7.43%	7.91%
Salary growth rate	6.00%	6.00%	6.00%
Expected return on assets	7.63%	7.43%	7.91%
Mortality	Indian Assured Lives Mortality (2006-08)	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:

(₹ In Lakhs)

Particulars	Change in assumption		Impact on defined benefit obligation			
			Increase by 1 %		Decrease by 1 %	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Gratuity						
Discount rate	1%	1%	(14)	(14)	16	16
Salary growth rate	1%	1%	14	14	(13)	(13)
Withdrawal rate	1%	1%	1	1	(1)	(1)
Leave Encashment						
Discount rate	1%	1%	(5)	(5)	6	6
Salary growth rate	1%	1%	2	2	(2)	(2)
Withdrawal rate	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, 2018		March 31, 2017		April 1, 2016	
	Amount in lacs	in %	Amount in lacs	in %	Amount in lacs	in %
Investment funds with Kotak Gratuity Group Plan (UNI-107L010V05)	201	100%	219	100%	198	100%
Total	**201**	**100%**	**219**	**100%**	**198**	**100%**

The group pays contribution to Kotak Gratuity Group Plan (UNI-107L010V05), which inturn 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 Grou wisep 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, 2018 is 27 lacs.

The weighted average duration of the defined benefit obligation is 13.43 years (March 31, 2017 - 13.43 years, April 1, 2016 - 13.10 years) in case of Gratuity and 13.13 years (March 31, 2017 - 13.13 years, April 1, 2016 - 12.82 years) in case of Leave encashment in all the three years. The expected maturity analysis of undiscounted gratuity and leave encashment is as follows:

(₹ 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
March 31, 2018							
Gratuity	19	12	13	17	15	165	241
Leave encashment	6	4	4	3	4	51	72
Total	**25**	**16**	**17**	**20**	**19**	**216**	**313**
March 31, 2017							
Gratuity	35	11	10	12	14	169	251
Leave encashment	5	4	4	3	3	43	62
Total	**40**	**15**	**14**	**15**	**17**	**212**	**313**
April 1, 2016							
Gratuity	34	16	8	8	9	117	192
Leave encashment	5	3	3	2	3	38	54
Total	**39**	**19**	**11**	**10**	**12**	**155**	**246**

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
22 DEFERRED TAX LIABILITIES - NET			
Deferred Tax Liabilities on account of :			
Depreciation	210	219	230
Processing fees of term loan	-	-	-
Total deferred tax liabilities (A)	210	219	230
Deferred Tax Assets on account of :			
Accrued expenses deductible on payment	2	6	20
Leave encashment and gratuity	3	6	4
Provision for debts, advances and investments	39	40	43
Fair valuation of security deposit-Assets	-	-	-
Unabsorbed depreciation and carried forward business loss	360	-	-
Less: Deferred Tax Assets not recognised	194	-	-
Total deferred tax assets (B)	210	52	67
Deferred Tax (Assetsz/Liabilities (Net - A-B)	-	167	163

In terms of accounting policy note 1(k) followed by the Company, deferred tax assets of Rs 194 Lacs (2017 & 2016- Rs Nil) have not been recognised.

Movement in deferred tax liabilities :

Particulars	Depreciation	Restatement of liability of fair value	Fair valuation of Equity Investment	Total
As at April 1, 2016	230	-	-	230
Charged/(Credited):				
- to profit and loss	(11)	-	-	(11)
- to other comprehensive income	-	-	-	-
As at March 31, 2017	219	-	-	219
Charged/(Credited):				
- to profit and loss	(9)	-	-	(9)
- to other comprehensive income	-	-	-	-
As at March 31, 2018	210	-	-	210

Movement in deferred tax assets

Particulars	Statutory Expenses claimable on payment	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	Deferred tax assets not recognised	Total
As at April 1, 2016	20	43	-	4	-	-	67
Charged/(Credited):							
- to profit and loss	(14)	(3)	-	4	-	-	(13)
- to other comprehensive income	-	-	-	(2)	-	-	(2)
As at March 31, 2017	6	40	-	6	-	-	52
(Charged/Credited):							
- to profit and loss	(4)	(1)	-	(3)	360	194	158
- to other comprehensive income	-	-	-	-	-	-	-
As at March 31, 2018	2	39	-	3	360	194	210

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
23			
CURRENT BORROWINGS			
SECURED			
Cash Credit from Banks			
Axis Bank	-	-	791
HDFC Bank	682	902	842
YES Bank	532	812	-
Packing Credit facility from Banks			
YES Bank	348	-	-
Short term loan from others			
Working Capital Loan from National Small Industries Coporation Ltd.	141	144	142
UNSECURED			
Inter Corporate Deposit			
Related Party	770	-	-
Others	1,316	725	347
Total Current borrowing	**3,789**	**2,583**	**2,122**

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 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 12.25% and 9.92% respectively.

(ii) Working Capital Loan from National Small Industries Corporation Ltd carries interest at the rate of 11.95%

(iii) Inter Corporate Deposits generally carry interest at the rate between 10.00% to 17.00%. These deposits are repayable on mutually agreed dates.

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
24 TRADE PAYABLES			
Trade payables	3,246	3,009	2,157
Trade payables to related parties	3	1	1
Total trade payables	**3,249**	**3,010**	**2,158**
Classification as required by MSME Act			
Total outstanding dues of Micro Enterprises and Small Enterprises*			
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	3,249	3,010	2,158
Total trade payables	**3,249**	**3,010**	**2,158**
* 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 group. Neither was there any delay in payment nor is any interest due and remaining unpaid on the above.			
25 OTHER CURRENT FINANCIAL LIABILITIES			
Current maturities of long term debt	157	77	108
Current maturities of car loan	19	24	22
Unclaimed dividend	5	6	6
Security deposits	13	-	2
Others:			
- Liability for capital expenditure	-	-	57
- Other payables	874	735	391
Total current financial liabilities	**1,068**	**842**	**586**
26 OTHER CURRENT LIABILITIES			
Advance from customers	7	41	223
Statutory and other dues	315	117	99
Liabilities related to employees	103	67	158
Other liabilities	280	446	170
Total other current liabilities	**705**	**671**	**650**

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
27 REVENUE FROM OPERATIONS		
a) Sale of products (including excise duty)		
Pharmaceutical / fabrics	11,102	12,772
b) Other operating income		
Sale of scrap	5	13
Excise duty recovered on operating income	4	11
Conversion charges / income from job work	21	50
Miscellaneous - operating income	-	1
Commission received	4	1
Export duty credit/duty drawback	4	18
Total revenue from operations	**11,140**	**12,866**
28 OTHER INCOME		
Interest income	7	10
Interest on others	2	11
Provisions/ Liabilities written back	59	17
Insurance claim local	24	1
Miscellaneous income -non operating	9	9
Total other income	**101**	**48**
29 COST OF MATERIALS CONSUMED		
a) Raw Material Consumed		
Opening Stock	1,213	673
Purchases	3,690	3,329
	4,903	4,002
Less : Sales	-	3
Less : Closing Stock	1,442	1,213
Raw Material Consumed	**3,461**	**2,786**
b) Packing Material Consumed		
Opening Stock	331	268
Purchases	691	934
	1,022	1,202
Less: Sales	-	-
Less : Closing Stock	370	331
Packing Material Consumed	**652**	**871**
Total cost of material consumed	**4,113**	**3,657**
30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE		
Opening Inventories of :		
Finished Goods	1,379	847
Work in Progress	108	89
	1,487	936
Closing Inventories of :		
Finished Goods	1,453	1,379
Work in Progress	172	108
	1,625	1,487
Total changes in inventories of finished goods, work in progress and stock-in-trade	**(138)**	**(551)**
31 EMPLOYEE BENEFITS EXPENSES		
Salaries & wages	2,094	2,088
Contribution to provident and other Funds	152	153
Staff welfare expenses	140	150
Total employee benefits expense	**2,386**	**2,391**

(₹ In Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
32 FINANCE COSTS		
Interest Expense		
on borrowing from banks and others	429	330
Other Borrowing Costs		
loan processing charges	-	1
Total finance costs	429	331
33 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment	178	196
Amortisation of intangible assets	1	1
Total depreciation and amortisation expense	179	197
34 OTHER EXPENSES		
(a) Operating, administrative & other expenses		
Consumptiom of stores and spares	26	7
Rent	176	148
Rates & taxes	21	22
Sales tax	62	43
Excise duty	77	601
Repairs & maintenance		
Building	12	6
Plant & machinery	88	63
Others	16	15
Insurance charges	19	10
Electricity & water	23	24
Factory power & fuel	134	158
Job-work charges- manufacturing service charges	91	114
Tour & travelling expenses	749	887
Vehicle running & maintenance	53	46
Conveyance expenses	7	25
Legal & professional fee	90	95
Membership fee & subscription	49	44
Office & general expenses	88	100
Postage and telegram	12	15
Bank charges	23	46
Printing & stationary	17	74
Charity & donations	-	2
Foreign exchange rate fluctuation on expenses	13	34
Festival & celebration expenses	2	2
Security expenses	25	36
Telephone & telex charges	42	64
Laboratory expenses	5	4
ERP expenses	-	8
Directors fee	3	3
Trade marks	9	4
Loss on sale of assets	3	-
Auditors remuneration [refer note 34(a)]	12	16
(b) Selling & distribution expenses		
Selling expenses	7	9
Advertisement & publicity	-	1
Business promotion expenses	642	393
Bad debt written off	5	1
Provision for doubtful debts	-	1
Clearing, forwarding & freight	173	185
Rebates & discount allowed	162	212
Insurance expenses- goods-in-transit	-	4
Handling expenses	4	10
Clearing & forwarding agents commission	311	419
Total other expenses	3,251	3,953
34 (a) Details of Auditors' remuneration		
Audit fee	7	10
Tax audit fee	1	1
For other services such as certification	4	5
Total auditors remuneration	12	16

(₹ In Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
35 TAX EXPENSE		
(a) Current tax		
Tax on profits for the year	-	2
Adjustments for prior periods	-	-
Total income tax	-	2
(b) Deferred tax		
Decrease (increase) in deferred tax assets	(158)	15
(Decrease) increase in deferred tax liabilities	(9)	(11)
	(167)	4
Less : Recognised in OCI	-	(2)
Total deferred tax expense/ (benefit)	(167)	6
Total tax expense	(167)	8
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before income tax expense	(1,291)	48
Tax at the rate of 30.900% (2016 - 30.900%)	-	15
Adjustments related to property, plant and equipments:		
Adjustment on account of depreciable assets	(9)	(11)
Unabsorbed business loss	(166)	-
Tax effect of amounts which are not deductible in calculating taxable income:		
Provision for debts, advances and investments	1	3
Adjustment in 43B (on payment basis)	7	14
	(167)	21
Income tax adjustments (since income tax payable undet MAT - u/s 115JB)	-	(11)
Tax payable under MAT - u/s 115JB	-	2
Profit of subsidiary - exempted	-	(4)
Income tax expense as per Income Tax	(167)	8

36. FAIR VALUE MEASUREMENTS

Financial instruments by category

(₹ In Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	FVOCI	Amortised Cost	FVOCI	Amortised Cost	FVOCI	Amortised Cost
Financial assets						
Investments						
- Equity instruments	14		17		10	
Fixed Deposits		8		58		16
Trade Receivables		2,832		2,898		2,777
Cash and cash equivalents		197		14		29
Other Bank Balance		72		41		75
Security deposits		163		162		139
Total financial Assets	**14**	**3,272**	**17**	**3,173**	**10**	**3,036**
Financial liabilities						
Borrowings		4,859		2,824		2,349
Security deposits		309		307		319
Trade payables		3,249		3,010		2,158
Capital creditors		-		-		57
Unclaimed Dividend		5		6		6
Others		878		739		395
Total financial Liabilities	-	**9,300**	-	**6,886**	-	**5,284**

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Level 1	Level 1	Level 1
Financial Assets at FVOCI			
Investment in equity shares			
Industrial Development Bank of India Limited	4	4	4
Viiaya Bank	10	13	6
Total financial assets at FVOCI	14	17	10

(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.

37 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 :

(₹ In Lakhs)

Currency	Receivables	Payables
March 31, 2018		
US Dollar (USD)	250	-
Net exposure to foreign currency risk	**250**	**-**
March 31, 2017		
US Dollar (USD)	255	-
Net exposure to foreign currency risk	**255**	**-**
April 1, 2016		
US Dollar (USD)	407	-
Net exposure to foreign currency risk	**407**	**-**

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, 2018	March 31, 2017
USD sensitivity		
INR/ USD Increases by 5% (March 31, 2017 - 5%)	13	13
INR/USD Decreases by 5% (March 31, 2017 - 5%)	(13)	(13)
* 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:

(₹ In Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Variable rate borrowings	2,332	1,714	1,633
Fixed rate borrowings	2,527	1,110	716
Total borrowings	4,859	2,824	2,349

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
March 31, 2018			
Bank overdrafts, bank loans, Cash credit	11.23	2,332	48%
March 31, 2017			
Bank overdrafts, bank loans, Cash credit	11.15	1,714	61%
April 1, 2016			
Bank overdrafts, bank loans, Cash credit	12.47	1,633	70%

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	
	Year Ended March 31, 2018	Year Ended March 31, 2017
*Interest rates - increase by 50 basis points (50 bps) **	12	9
*Interest rates - decrease by 50 basis Qints (50 bps) **	(12)	(9)

(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

Particulars	(Amounts in INR)
Loss allowance on April 1, 2016	129
Changes in loss allowance	-
Loss allowance on March 31, 2017	129
Changes in loss allowance	-
Loss allowance on March 31, 2018	129

(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-a-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:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Floating rate			
Cash credit/WCTL facility	325	40	172

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:

(₹ In Lakhs)

Particulars	Not later than 1 year	Between 1 and 5 year	Later than 5 years	Total
Non-derivatives				
March 31, 2018				
Borrowings	3,965	381	513	4,859
Trade payables	3,249			3,249
Security deposits	13		296	309
Other financial liabilities	879	4		883
Total non-derivative liabilities	**8,106**	**385**	**809**	**9,300**
March 31, 2017				
Borrowings	2,684	140	-	2,824
Trade payables	3,010	-	-	3,010
Security deposits	-		307	307
Other financial liabilities	741	4	-	745
Total non-derivative liabilities	**6,435**	**144**	**307**	**6,886**
April 1, 2016				
Borrowings	2,252	97	-	2,349
Trade payables	2,158	-	-	2,158
Security deposits	2	-	317	319
Other financial liabilities	454	4	-	458
Total non-derivative liabilities	**4,866**	**101**	**317**	**5,284**

38. 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:

(₹ In Lakhs)

	March 31, 2018	March 31, 2017	April 1, 2016
Net debt (net of cash and cash equivalents)	4,859	2,824	2,349
Total equity	465	1,573	1,544
Net debt to equity ratio	**1045%**	**180%**	**152%**

39 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. Upendra G. Patel
iv) Mr. N Ahmedali
v) Ms.Neha Rajen Gada
vi) Mr. Nirbhay Kanoria
vii) Mr. Pauly Sukumar Nuthakki
viii) Mr. Sanatkumar Shirali
ix) Mr. Manish J agnani (From 12th Feb, 2018)
x) Mr. Naveen Kumar Gupta (upto 11th Aug, 2017)
xi) Mr. Aditya Kumar Jain (From August, 2017)
xii) Mrs.Pallavi Kanoria (Wife of Mr Abhay Kanoria)
xiii) Mr. V B Haribhakti (upto 30th May, 2016)

B. 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

C. 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.

(b) Transactions with Related Parties for the year ended March 31, 2018

(₹ In Lakhs)

NATURE OF TRANSACTIONS	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	
	2018	2017	2018	2017	2018	2017
EXPENSES :						
(i) Rent Paid						
Sudarshan Services Ltd.	-	11				
Mr. Abhay Kanoria			10	11		
Mrs. Pallavi Kanoria			10	9		
ii) Receiving of Services - Administrative Commercial & Accounting service						
Sudarshan Services Ltd.	3	2				
iii) Interest Paid						
Sudarshan Services Ltd.	13	-		-		
iv) Remuneration Paid						
Mr. Abhay Kanoria	-	-	54	54		
Mr. Uddhav Kanoria	-	-	45	24		
Mr. Nirbhay Kanoria	-	-	34	5		
Mrs. Pallavi Kanoria			18	17		
Mr. Naveen Kumar Gupta	-	-	12	30		
Mr. Manish Jagnani			2	-		
Mr. Aditya Kumar Jain			2	-		
v) Director's Sitting fee						
Mr. Sanatkumar Shirali			0.5	0.5		
Ms. Neha Rajen Gada			0.7	0.5		
Mr. Upendra G. Patel			0.5	0.8		
Mr. N. Ahmedali			0.8	0.4		
Mr. V.B. Haribhakti			0	0.3		
Mr. Pauly Sukumar Nuthakki			0.2	0.3		
RECEIPTS:						
vi) Inter Corporate Deposit Received						
Sudarshan Services Ltd.	809	-		-		
Contribution of Gratuity Fund						
The Anglo French Drug Co. (ESTN) Ltd. Employee's Gratuity Fund					5	5
Refund of Gratuity						
The Anglo French Drug Co. (ESTN) Ltd. Employee's Gratuity Fund					32	32

(c) Outstanding Balances as on March 31, 2018

(₹ In Lakhs)

NATURE OF TRANSACTIONS	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		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
PAYABLES :									
i) For Goods & Services									
Sudarshan Services Ltd.	3	1	1						
ii) Inter Coproate Deposit									
Sudarshan Services Ltd.	770	-	-						
LOANS & ADVANCES AND RECEIVABLES :									
iii) Security Deposit									
Mr. Abhay Kanoria	13	13	13						

40. Contingent liabilities

The group had contingent liabilities at March 31, 2018 in respect of :

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

(₹ In Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
a) Value Added Tax/Sales Tax	152	186	96
b) Income-tax	-	-	198
c) Service Tax/ Excise Duty	158	137	220

The Management believes that the outcome of the above will not have any material adverse effect on the financial position of the group.

(b) Guarantees :

i. Counter guarantees issued to banks and remaining outstanding INR 442 lacs (2017 – INR 565 lacs; 2016 – INR 514 lacs)

ii. Letter of credit opened and remaining outstanding INR 193 lacs (2017 – INR 9 lacs; 2016 – NIL).

41 Leases
(a) Non-cancellable operating leases
As a Lessee

The group has entered into operating lease arrangements primarily for office premises, godown and guest house for its employees. During the year, the group has recognised lease rent expense of INR 168 Lacs (2017: INR 138 lacs) related to such non-cancelable operating lease. The future minimum lease payments payable by the group taken under non-cancellable operating lease, are as under:-

(₹ In Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	161	161	145
Later than one year but not later than five years	569	624	635
Later than five years	16	122	272

42 (a)Details of Raw Materials Consumed

(₹ In Lakhs)

Description	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
PHARMACEUTICALS					
Calcium D Pantohenate IP	Kgs	74,393	682	30,881	843
Ascoric Acid	Kgs	20,694	914	101,686	522
Miscellaneous (None individually account for more than 10% of total consumption)		-	1,864	-	1,409
FURNISHING FABRICS					
Yarn	Kgs	-	-	6,218	12
			3,460		2,786

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

(₹ In Lakhs)

Description	Current Year		Previous Year	
	Amount	%	Amount	%
a) Raw & Packing Materials:				
Imported	9	-	-	-
Indigenous	3,451	100	2,786	100
	3,460	100	2,786	100
b) Stores and Spare Parts				
Imported	-	-	-	-
Indigenous	26	100	7	100
	26	100	7	100

(c) Purchase of Stock -in-Trade

(₹ In Lakhs)

Description	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
Formulations:					
a) Tablets	Million	194	1,003	139	921
b) Liquids	Bottles	4,255,385	396	5,804,438	672
c) Injections	Litres	79,247	121	63,863	155
d) Capsules	Million	36	386	56	624
e) Granules	Kgs	2,868	3	1,622	3
f) Powder	Kgs	110,437	116	40,985	50
g) Ointment	Kgs	48,712	241	63,445	387
h) Raw Materials	Kgs	-	-	-	-
i) Packing Materials	Kgs	-	-	-	-
j) Others	Nos.	618,890	46	579,528	71
k) Fabrics	Mtrs.	-	-	-	-
			2,312		2,883

(d) Value of Imports on CIF basis

(₹ In Lakhs)

Description	Current Year		Previous Year	
	USD	Rs. in Lacs	USD	Rs. in Lacs
i) Raw Materials		-		-
ii) Components and Spare Parts		-		-
Expenditure in Foreign Currency		123		170
F.O.B Value of Exports In Foreign Currency	916,240	593	1,051,167	705

43. The subsidiaryof the company 'Anglo French Drugs & Industries PTE. Limited Singapore (AFDIPL)' has incurred a net loss of Rs. 5 Lacs during the year ended 31st March, 2018 and, as of that date, AFDIPL current liabilities exceeded its current assets by Rs 116 Lacs and its total liabilities exceeded its total assets by Rs 122 Lacs. These factors indicate the existance of a material uncertainty which may cast significant doubt over the AFDIL's ability to continue as a going concern. However, as per the views of auditors of the subsidiary company, the ability of the Company to continue as a going concern is dependent on the undertaking of its immidiateand ultimate holding company. Holding Company has to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

In addition, if the AFDIPL were unable to contine 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, 2018.

44. Increase in cost of materials, restriction in increment of sale price (MRP) in relation to increment of manufacturing cost of product under non-scheduled formulation as prescribed by National List of Essential Medicine (NLEM) and overall reduction in sales volume has adversely affected the operating result of the Holding Company. The Holding Company has incurred loss before tax amounting to Rs.1,288/- Lacs during the year 2017-18 in the separate financial statement. The management of the Holding Company is working on the effectiveness of manufacturing cost as well as to increase sales volume for generating the operating surplus in near future.

45. Operating Segment

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

(₹ In Lakhs)

Particulars	March 31, 2018	March 31, 2017
Information about Geographical Areas:		
Revenue from customers		
In India	10,615	12,194
Outside India	512	640
Non-current assets		
In India	1,724	1,935
Outside India	-	-
Information about major customers		
Consolidated Revenue-exceeding 10% from each single customer	NIL	NIL

46. Earnings per Equity share

Particulars	March 31, 2018 INR	March 31, 2017 INR
(a) Basic earnings per share	(96,69)	3.44
(b) Diluted earnings per share	(96,69)	3.44

(c) Reconciliations of earnings used in calculating earnings per share

Particulars	March 31, 2018 INR	March 31, 2017 INR
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	(1,124)	40
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	(1,124)	40

(d) Weighted average number of shares used as the denominator

Particulars	March 31, 2018 No. of Shares	March 31, 2017 No. of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,162,500	1,162,500
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	1,162,500	1,162,500

47 Research and Development Expenses

(₹ In Lakhs)

For the period ended	March 31, 2018	March 31, 2017
Material Consumption	3	3
Laboratory consumption	-	11
Employee Benefits Expense	16	13
Others	1	1
	20	28

Notes to Accounts - Contd.

48 First-time adoption of Ind AS
Transition to Ind AS

These are the group's first financial statements prepared-in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (date of transition to Ind AS). In preparing its opening Ind AS balance sheet, the group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Exemptions and exceptions availed

A.1 Ind AS optional exemptions

(a) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption is also used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value, which has been considered as deemed cost.

A.2 Ind AS mandatory exceptions

(a) Estimates

Estimates made under Ind AS as at April 1, 2016 are consistent with the estimates as under previous GAAP.

(b) Classification and measurement of financial assets

Ind AS 101 requires that an entity should assess the classification of its financial assets on the basis of facts and circumstances exist on the date of transition. Accordingly, in its Opening Ind AS Balance Sheet, the group has classified all the financial assets on the basis of facts and circumstances that existed on the date of transition, i.e., April 1, 2016.

49. Reconciliation between previous GAAP and Ind AS :

I Reconciliation of total equity as at March 31, 2017 and April 1, 2016

(₹ In Lakhs)

Particulars	Notes	As at March 31, 2017	As at April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		1,550	1,530
Adjustments			
Fair valuation of equity investments	1	11	3
Fair valuation of security deposits paid	2	(1)	(1)
Processing Charges	3	1	1
Fair Valuation of Gratuity Liability	4	12	11
Tax effects of adjustments	5	-	-
Total adjustments		**23**	**14**
Total equity as per Ind AS		**1,573**	**1,544**

II. Reconciliation of total comprehensive income for the year ended March 31, 2017

(₹ In Lakhs)

Particulars	Notes	March 31, 2017
Profit after tax as per previous GAAP		20
Adjustments		
Fair valuation of security deposits paid	2	(2)
Processing Charges on Borrowings	3	(1)
Fair Valuation of Gratuity Liability	4	2
Remeasurement of Post-employment benefit obligations (Net of Tax)	6	21
Total adjustments		**20**
Profit after tax as per Ind AS		**40**
Other comprehensive income (Net of Tax)	1 & 6	(11)
Total comprehensive income as per Ind AS		**29**

III) Impact of Ind AS adoption on cash flow statement for the year ended March 31, 2017

(₹ In Lakhs)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	(39)	(60)	(99)
Net cash flow from investing activities	(83)	23	(60)
Net cash flow from financing activities	110	34	144
Others (unrealised forex gain / loss)	(34)		
Net increase / (decrease) in cash and cash equivalents	(46)	(3)	(15)
Cash and cash equivalents as at April 1, 2016	98	-	29
Cash and cash equivalents as at March 31, 2017	52	-	14
The impact in cash flow statement are due to adjustments explained below.			

1 **Fair valuation of equity investments**

The group holds investment in Equity Shares of entities other than subsidiaries, associate and joint venture. Under previous GAAP such investments were measured at cost less provision for other than temporary nature diminution in the value of investment.

Under Ind AS, these investments has been measured at fair value. The group has categorised these investments as fair value through other Comprehensive Income (FVOCI) and any changes in fair value of those investment has been recognised in the statement of profit and loss.

2.	**Fair valuation of security deposits paid**
	Under the previous GAAP, interest free lease security deposits assets (that are refundable in cash on completion of the contract term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value at initial recognition and subsequently at amortised cost. Accordingly, The group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.
3.	**Processing Charges on Borrowings**
	Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facilities will be drawn down. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of facilities to which it relates. Ind AS 109 requires transaction cost incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowings as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit and loss as and when incurred. Accordingly borrowing as on the date of transition have been reduced with a corresponding adjustment to retained earnings.
4.	**Fair Valuation of Gratuity Liability**
	Adjustments made in the gratuity liability as on the date of transition i.e. April 1, 2016 as well as March 31, 2017 as per the requirement of Ind AS.
5.	**Tax effects of adjustments**
	Additional deferred tax asset/ (liability) has been recognised corresponding to the adjustments to retained earnings/ profit or loss as a result of Ind AS Implementation.
6.	**Remeasurement of Post-employment benefit obligations (Net of Tax)**
	Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. Accordingly, loss on remeasurements of post-employment benefit obligation has been reclassified to the Other Comprehensive Income for the period.

50. Intersects in other entity:

Subsidiary

The group's subsidiary as at March 31, 2018 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, 2018	As at March 31, 2017	As at April 1, 2016	
Anglo French Drugs & Industries Pte. Ltd.	Singapore	100	100	100	Trading in pharmaceutical products.

For KAMG & ASSOCIATES
Chartered Accountants
Firm Registration Number 311027E

For and on behalf of the Board of Directors

Arpit Parasmal Shah
Partner
Membership Number 180949
Mumbai, 30th May, 2018

Manish Jagnani
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

51 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 Lacs.

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 65.0441 / US$)
6	Share capital	25
7	Reserves & surplus	(147)
8	Total assets	154
9	Total Liabilities	276
10	Investments	-
11	Turnover	85
12	Profit before taxation	(5)
13	Provision for taxation	-
14	Profit after taxation	(5)
15	Proposed Dividend	-
16	% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations : None
2. Names of subsidiaries which have been liquidated or sold during the year : None

52. Additional information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary.

(₹ In Lakhs)

Name of entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit of 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
Parent								
Anglo French Drugs & Industries Ltd.	165.81%	771	83.27%	(936)	100.00%	16	83.03%	(920)
Subsidiaries								
Indian	-	-	-	-	-	-	-	-
Foreign								
Anglo French Drugs & Industries Ltd.	65.81%	(306)	16.73%	(188)	0.00%	-	16.97%	(188)

53. The previous year figures have been regrouped / rearranged wherever necessary to make it comparable with the current year.