BOARD OF DIRECTORS
SHRI ABHAY KANORIA, Chairman & Managing Director
SHRI UDDHAV KANORIA - President & Whole-time Director
SHRI SANAT SHIRALI
SHRI N. AHMEDALI
SMT. NEHA GADA
SHRI NIRBHAY KANORIA, Whole-time Director

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

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 96th Annual Report of the Company along with Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2019.

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	
	31.03.2019	31.03.2018
Sales and other income	12984	11241
Profit/(Loss) for the year before Depreciation	88	(1112)
Less: Depreciation	(173)	(179)
Profit/(Loss) before Tax	(85)	(1291)
Less: Provision for Taxation		
- Current	-	-
- Deferred	-	(167)
Profit/(Loss) after tax	(85)	(1124)
Total Other Comprehensive Income/(Loss) for the year, net of tax	35	16
Add: Balance brought forward from Profit & Loss Account	(313)	795
Amount available for appropriation	(383)	(313)

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. DIVIDEND

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

3. TRANSFER TO GENERAL RESERVE

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

4. FINANCIAL HIGHLIGHTS AND OPERATIONS

The consolidated Sales & Operating income during the year ended under review is Rs.12,984 lakhs as compared to Rs.11,241 lakhs of the previous year i.e. a growth of 15%.

In the year under review your Company launched two products in the neuropathy and dermatology segment. These products are well received by medical profession.

On the Exports front your Company is in the process of entering in Latin-American countries like El-Salvador, Honduras, Venezuela etc. and also in the process of registering the products.

5. BOARD OF DIRECTORS

i. Appointment / Re-appointment

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri. N Ahmedali, pursuant to Section 161 and other relevant provisions of Companies Act, 2013, be and is hereby appointed for the second term as Independent Non-executive Director at the 96th Annual General Meeting.

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

Further, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Shri. Shashikant N More has been appointed as the Nominee Director of the Company, in place of Shri. Pauly N. Sukumar.

ii. Cessation

Mr. U.G.Patel, Director of the Company for more than 3 decades, has expired on 20th August 2018. Board appreciated valuable services rendered by him during his tenure as Managing Director/ Director.

Mr. Pauly N Sukumar, ceased to be the Nominee Director with effect from 29th June 2018.

iii. Board Evaluation

The Board 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.

iv. Declaration by 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.

v. Meetings of the Board

Four (4) Board Meetings were held during the financial year ended March 2019 on 30th May 2018, 13th August 2018, 12th November 2018 and 9th February 2019. 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.

6. CORPORATE GOVERNANCE

Pursuant to Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof, the Corporate Governance is not applicable.

7. QUALITY

The quality function at AFDIL has been at the forefront of enabling delivery and support functions in differentiation, optimization and de-risking. Our quality and engineering departments drove change initiatives for productivity improvements.

8. 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. 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 I.***

9. Board Committees

The Company has following Committees of the Board:

a) Audit Committee;
b) Stakeholders Relationship Committee; and
c) Nomination and Remuneration Committee

The composition of each of the above Committees is as per the provisions of the Companies Act, 2013 and voluntary compliance under Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof. The policies framed by the Company is made available on the Company's Website.

The composition of the Committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Audit Committee

Composition of the Committee	**Highlights of duties, responsibilities and activities**
a) Shri.Abhay Kanoria b) Shri. N. Ahmedali c) Smt. Neha Gada	(i) All the recommendations made by the Audit Committee during the year were accepted by the Board. (ii) The Company has adopted the Whistle Blower mechanism for Directors and all employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Business Conduct and Ethics. In accordance with the listing requirements, the Company has formulated policies on Related Party Transactions and Material Subsidiaries. The policies, including the Whistle Blower Policy, are available on our website.

Nomination and Remuneration Committee

Composition of the Committee	**Highlights of duties, responsibilities and activities**
a) Shri. Abhay Kanoria b) Shri. N. Ahmedali c) Shri. Sanat Shirali	(i) The Committee oversees and administers executive compensation, operating under a written charter adopted by the Board of Directors. (ii) The Committee has designed and continuously reviews the compensation programme for Management and Senior Executives to align both short-term and long-term compensation with business objectives and to link compensation with the achievement of measurable performance goals. (iii)The Committee structures compen sation to ensure that it is competitive in the global markets in which the Company operates in order to attract and retain the best talent. In the future, the Committee plans to use a combination of stock options, restricted stock units and performance-based stocks to align senior employee compensation with shareholder value. The Nomination and Remuneration Committee has framed the Nomination and Remuneration policy.

Stakeholders Relationship Committee

Composition of the Committee	**Highlights of duties, responsibilities and activities**
a) Shri. N. Ahmedali b) Shri. Uddhav Kanoria	(i) The Committee reviews and ensures redressal of investor grievances. (ii) The Committee noted that all the grievances of the investors have been resolved during the year.

10. 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.

11. AUDITORS

a) Statutory Auditors:

In compliance with the Companies (Audit and Auditors) Rules 2014, M/s KAMG & Associates, Chartered Accountants (FRN: 311027E) 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.

The Auditors Report for the Financial Year 2018-19 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, Bengaluru (FRN: 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 2019-20.

c) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Swaroop S., C.P.No.9997, M/s Swaroop Suri and Associates, Practising Company Secretaries, have been appointed for conducting the Secretarial Audit for the year ended 31st March, 2019, and their report is annexed as ***Annexure II*** to this report.

d) Internal Auditors:

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

12. 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.

13. Link to policies on website

The following policies of the Company can be accessed in the link - ***http://www.afdil.com/investor-relations/***

(i) Code of Conduct.

(ii) Policy on related party transactions.

(iii) Policy on determining materiality of Events.

(iv) Policy on Director's appointment and remuneration.

14. 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 is included in the consolidated 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.

15. 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.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186 OF THE ACT

During the year the Company has not sanctioned any loans, given securities and made any investments as prescribed under Section 186 of the Companies Act, 2013.

17. DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) The financial statements have been prepared in conformity with the applicable Accounting Standards and requirements of the Companies Act, 2013, ("the Act") to the extent applicable to the Company; on the historical cost convention; as a going concern and on the accrual basis. There are no material departures in the adoption of the applicable Accounting Standards.

(ii) The Board of Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

(iii) The Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. The Board of Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(iv) The Board of Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(v) The financial statements have been audited by M/s KAMG & Associates, Chartered Accountants (FRN: 311027E), the Company's Auditors.

18. 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 III*** to the Report and forms a part of this Report.

19. 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 IV***.

20. PARTICULARS OF EMPLOYEES

The total number of employees of the company as on March 31, 2019 was 556 as against 602 as on March 31, 2018.

21. SECRETARIAL STANDARDS

The Company complied with all applicable Secretarial Standards

22. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to applicable provisions of Companies Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid and unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India after the completion of 7 years. Further according to the Rules, the shares on which the dividend has not been paid or claimed by the shareholders for 7 consecutive years or more shall be transferred to the demat account of the IEPF authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends of Rs.1,46,738/- (Rupees one lakh forty six thousand seven hundred thirty eight only). Further, corresponding shares shall be transferred as per the requirements of the IEPF Rules. The details are made available on our website.

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

The Company has a robust mechanism in place to redress complaints reported under it. The Company has complied with provisions relating to the constitution of Internal Complaints Committee. During the year ended 31st March 2019 no cases of sexual harassment were reported in your Company.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the Company.

25. GREEN INITIATIVES

Electronic copies of the Annual Report 2018-19 and the notice of the 96th 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.

26. CHANGES IN KEY MANAGERIAL PERSONS

Mr. Manish Jagnani, ceased to be Chief Financial Officer of the Company with effect from 31st December 2018 Mr. Harshwardhan Murarka was appointed as Chief Financial Officer with effect from 1st March 2019 and Mr. Kushal Jain has been appointed as Company Secretary with effect from 1st October 2018 in place of Mr. Aditya Jain, who ceased to be the Company Secretary from 18th May 2018.

27. ACKNOWLEDGEMENTS

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

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

On behalf of the Board

Mumbai,
17th May, 2019

ABHAY KANORIA
Chairman & Managing Director

ANNEXURE I 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 Arm's length transaction under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2019, 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	Shri. Abhay Kanoria/Smt. Pallavi Kanoria
2	Nature of contracts/ arrangements/ transaction	Payment of monthly rent for the Flat located at Bengaluru leased to the Company
3	Duration of the contracts/ arrangements/ transaction	Agreement renewed from 26.10.2018
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Rent Mr. Abhay Kanoria -Rs.10,16,186/- PA Rent Smt. Pallavi Kanoria- Rs.10,16,186/- PA
5	Date of approval by the Board	15.11.2015
6	Amount paid as advances, if any	Nil

On behalf of the Board

Mumbai
17th May 2019

ABHAY KANORIA
Chairman & Managing Director

ANNEXURE II TO THE DIRECTORS REPORT
FORM NO. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

{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
Bengaluru-560 010.
CIN: L24230KA1923PLC010205

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

(i) The Companies Act, 2013, (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and By-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations, as amended from time to time and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - **Not Applicable as the Company has not issued any shares during the year under review;**

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 as the Company has not issued any shares during the year under review;**

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable as the Company has not issued any shares during the year under review;**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable as the Company has not issued any shares during the year under review;**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not Applicable as the Company has not issued any shares during the year under review;**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable as the Company has not issued any shares during the year under review; and**

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. - **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

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

(i) Secretarial Standards 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;

I further report that:

(i) The Board of Directors of the Company is duly constituted with proper composition of Executive Directors, Non-Executive Directors and Independent Directors including Women Directors. 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.

(ii) 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.

(iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

(iv) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

(v) During the audit period the company has no major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013, having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

(vi) We further report that during the review period, no major action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. above have taken place.

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

For Swaroop Suri and Associates
Company Secretaries

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

Place: Bengaluru
Date: 15-05-2019

Annexure-A to Form No. MR-3

To,

The Members of

Anglo-French Drugs and Industries Limited

Bengaluru - 560 010.

CIN: L24230KA1923PLC010205

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

Management's Responsibility

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

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records standards and procedures followed by the Company with respect to secretarial compliances.
3. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. 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.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For Swaroop Suri and Associates
Company Secretaries

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

Place: Bengaluru
Date: 15-05-2019

ANNEXURE III 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 2019.

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:

1. Electricity	**Current Year**	**Previous Year**
a) Purchased:		
Units	1484910	1376425
Total Amount [₹ in Lakhs]	123	107
Rate/Unit [₹]	8.27	7.80
b) Own Generation:		
i) Through Diesel Generator		
Units	24112	13720
Units per Ltr. of Diesel Oil	2.23	2.30
Cost/Unit [₹]	31.20	25.99
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 Lakhs]	Nil	Nil
Average Rate [₹ per Ltr]	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 Lakhs]	Nil	Nil
b) Recurring [₹ in Lakhs]	23	20
c) Total [₹ in Lakhs]	23	20
d) Total R&D expenditure as a percentage of total turnover	0.18%	0.18%

<u>Technology absorption, adaptation and innovation</u>

1. Efforts in brief made towards technology absorption, adaptation and innovation — Regular absorption of updated technical information.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc. — Improved processes and operating efficiencies, cost reduction.

3. In case of imported technology (imports during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.
   a) Technology imported
   b) Year of Import
   c) Has technology been fully absorbed
   d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action.

   Not Applicable

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 lakhs)	:	122	123
	Total foreign exchange earned (₹ in lakhs)	:	993	565

On behalf of the Board

Mumbai
17th May 2019

ABHAY KANORIA
Chairman & Managing Director

AANNEXURE IV TO THE DIRECTORS REPORT
Form No. MGT-9
EXTRACT OF ANNUAL RETURN as on the Financial Year ended on 31st March 2019

[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, Bengaluru – 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, Bengaluru 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	Holding	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 1.4.2018				No. of Shares held at the end of the year 31.3.2019				% 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):-	**705395**	**-**	**705395**	**60.679**	**705395**	**-**	**705395**	**60.679**	**0**
(2) Foreign	0	0	0	0	0	0	0	0	0
a) NRIs - Individuals									
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)	705395	0	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**	0
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	56330	4300	60630	5.22	56510	4300	60810	5.23	0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders	-	-	-	-	-	-	-	-	-
holding nominal share capital upto Rs.2 lakhs	58620	124460	183080	15.75	61410	121690	183100	15.75	0.0
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	-	-	-	-	-	-	-	-	-
c) Others (specify) Resident Indians HUF	2870	0	2870	0.250	2670	0	2670	0.23	0.02
NRI non repatriable	375	0	375	0.030	375	0	375	0.030	0.00
Sub-total (B)(2):-	**118195**	**128760**	**246955**	**21.245**	**120965**	**125990**	**246955**	**21.245**	**0.00**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**328195**	**128910**	**457105**	**39.325**	**330965**	**126140**	**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)	**1033590**	**128910**	**1162500**	**100**	**1036360**	**126140**	**1162500**	**100**	

(ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 1.4.2018			Share holding at the end of the year 31.3.2019			% 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 (late)	2850	0.245	0	0	0	0	0
2	Binod Kumar Kanoria (HUF)	200	0.017	0	200	0.017	0	0
3	Prabhadevi Kanoria	600	0.052	0	3450	0.297	0	0.245
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 **1.4.2018**	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 year31.3.2019	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 1.4.2018				
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) 31.3.19				
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 year1.4.2018				
	Mr. U.G. Patel	200	0.02	200	0.02
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):	(200)	(0.02)	(200)	(0.02)
	At the End of the year 31.3.2019	0	0	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year – CC/TL 1.4.2018				
i) Principal Amount	2395	2086	NIL	4481
ii)Interest due but not paid	NIL	65	NIL	65
iii)Interest accrued but not due	18	Nil	NIL	18
Total (i+ii+iii)	2413	2151		4564
Change in Indebtedness during the financial year				
•Addition	79	2	NIL	81
•Reduction	(160)	-	NIL	(160)
Net Change	(81)	2	NIL	(79)
Indebtedness at the end of the financial year 31.3.2019				
i) Principal Amount	2309	2060	NIL	4369
ii) Interest due but not paid	NIL	93	NIL	93
iii) Interest accrued but not due	23	-	NIL	23
Total (i+ii+iii)	2332	2153	NIL	4485

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (April 2018 to March 2019)

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Shri Abhay Kanoria	Shri Uddhav Kanoria	Shri 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	19.49	15.66	12.30	47.45
	(c) Profits in lieu of salary under section 17 / (3) income tax Act, 1961	0.00	0.00	0.00	0.00
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 (A)	**49.48**	**38.15**	**29.39**	**117.02**
	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	20000	50000	20000	30000	120000
	•Commission					
	•Others, please specify					
	Total (1)	**20000**	**50000**	**20000**	**30000**	**120000**
2.	Other Non-Executive Directors	Mr.N Pauly Sukumar				
	•Fee for attending board / committee meetings	20000				20000
	•Commission					
	•Others, please specify					
	Total (2)	**20000**				**20000**
	Total (B)=(1+2)	**40000**	**50000**	**20000**	**30000**	**140000**
	Total Managerial Remuneration					140000
	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 18 to March 19)

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		Mr.Kushal Jain from:1.10.18 to 31.3.19	Mr. Harsh wardhan Murarka From:1.3.19	Mr. Aditya Kumar Jain Upto 18.5.2018	Mr. Manish Jagnani, Upto 31.12.2018	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.54	0.59	0.31	7.48	8.92
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961	0.31	0.16	0.00	2.33	2.80
	(c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission -as % of profit others, specify…	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total	**0.85**	**0.75**	**0.31**	**9.81**	**11.72**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

On behalf of the Board

Mumbai
17th May 2019

ABHAY KANORIA
Chairman & Managing Director

INDEPENDENT AUDITOR'S REPORT (STANDALONE)

TO THE MEMBERS OF ANGLO FRENCH DRUGS & INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Anglo French Drugs & Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

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

Emphasis of Matter

We draw attention to Notes 11 and 39(c) of the financial statements, on receivables from Viva Remedies, an overseas debtor and Anglo French Drugs and Industries PTE Ltd, Singapore (100% subsidiary of the Company), having outstanding balances of Rs 1,25,63,656.61 and Rs 1,35,17,054 which are more than three years and nine months old respectively. The matter relating to realization of the old outstanding balance with Viva Remedies is sub judice since 16th December, 2014.

In regard to the receivable from the overseas subsidiary, the Company has received an extension from the Banker for six months for realization of the balance of export proceeds outstanding (of USD 57,300 equivalent to INR 40 lakhs) from the expiry of nine months period of export realization in accordance with RBI Guidelines vide FEMA Notification No 23(R)/2015-RB dated 12.1.2016 read with C.20 of Master Directions No 16/205-16 dated 1.1.16. As per the aforementioned FEMA Notification the export value of goods are to be realised and repatriated to India within nine months from the date of export.

Of the aforesaid balance of Rs 1,35,17,054 outstanding, an amount of Rs 85,37,622 is outstanding for more than three years.

The Company considers both the above mentioned receivable balances good and realizable.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matter	Auditor's Response
Evaluation of uncertain indirect tax positions pertaining to pre-GST regime The Company has material uncertain service tax and sales tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	**Principal Audit Procedures** Reference may please be made to Annexure B to the Independent Auditor's Report wherein the disputed Service Tax and SalesTax /VAT amounting Rs 158 lakhs and Rs 154 lakhs respectively have been disclosed. The Service tax dispute (Rs 116 lakhs comprising Rs 81.90 and Rs 34.17 lakhs) is pending with CESTAT and for which Stay Order has been obtained dated 26-11-2010. The status has remained unchanged since that time with no further hearing date available. For the remaining Rs 42 lakhs, Order-in Original dated 8-2-2018 was received from CESTAT and there was a hearing on 4-10-2018 but the final Order is awaited. The Sales Tax/VAT dispute amounting Rs 154 lakhs is pending with the Joint Commissioner of Commercial Taxes (Appeals) mainly pertaining to non submission of statutory C Forms, F-Forms and is still in appeal stage without any settlement.

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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is.the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

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

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

For KAMG & ASSOCIATES
Chartered Accountants
(Firm's Registration Number 311027E)

Amitabha Niyogi
Partner
Membership Number 056720

Mumbai,
17th May, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Anglo French Drugs & Industries Limited of even date)

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

We have audited the internal financial controls over financial reporting of **ANGLO FRENCH DRUGS & INDUSTRIES LIMITED** ("the Company") as of March 31, 2019 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

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.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, except for the internal control system followed in the areas of inventory management such as periodic 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 the pre-GST period which are outstanding as on 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KAMG & ASSOCIATES
Chartered Accountants
(Firm's Registration Number 311027E)

Amitabha Niyogi
Partner
Membership Number 056720.

Mumbai,
17th May, 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Anglo French Drugs & Industries Limited of even date)

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

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

ii. As explained to us and 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 explanations given to us, the Company has neither granted nor taken any loans to and from 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 the clause 3 (iii) (b) and (c) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not given any loans to directors as mentioned in Section 185 of the Companies Act, 2013 and has not made any investments or given any guarantees and security as mentioned in Section 186 of the Companies Act, 2013. Accordingly, provisions of the clause 3 (iv) of the Order is 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 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. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty, Cess and other material statutory dues applicable to it.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Service Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Period	Amount in lacs	Name of the Assessing Authority
April 2006 to August 2008	82	CESTAT - Bengaluru
September 2008 to March 2009	34	CESTAT - Bengaluru
2011-12 to 2013-14	42	CESTAT - Bengaluru
Total	**158**	

Sales tax / VAT demands amounting to Rs 154 lacs against which the Company has preferred appeals.

Period		Name of the Assessing Authority
2002 - 2003	1	JCCT Appeals - Patna
2004 - 2005	8	JCCT Appeals - Patna
2005 - 2006	3	JCCT 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 and Dhar Pithampur
2011 - 2012	54	ACCT Mumbai
2014 - 2015	2	DCCT Bengaluru
2007 - 2008	2	Deputy Commissioner of Sales Tax Mumbai
Total	**154**	

viii. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, Bank or Government. The Company has not issued any debentures.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those were 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. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

For KAMG & ASSOCIATES
Chartered Accountants
(Firm's Registration Number 311027E)

Amitabha Niyogi
Partner
Membership Number 056720.

Mumbai,
17th May, 2019

BALANCE SHEET AS AT 31st MARCH 2019 (STANDALONE)

(₹ In lakhs)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	1,475	1,580
Intangible Assets	5	5	3
Financial Assets			
(i) Investments	6	11	14
(ii) Trade Receivables	7	-	-
(iii) Other Non-current Financial Assets	8	98	99
Other Non-current Assets	9	27	28
Total Non-Current Assets		**1,616**	**1,724**
Current Assets			
Inventories	10	3,981	4,065
Financial Assets			
(i) Trade Receivables	11	3,075	2,979
(ii) Cash and Cash Equivalents	12	21	168
(iii) other bank balances	13	65	72
(iv) Other current Financial Assets	14	88	72
Current Tax Asset (NET)	15	86	84
Other Current Assets	16	564	1536
Total Current Assets		**7,880**	**8,976**
Total Assets		**9,496**	**10,700**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	116	116
Other Equity	18	419	470
Total Equity		**535**	**586**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	19	734	894
(ii) Other Non-Current Financial Liabilities	20	309	300
Employee Benefit Obligations	21	105	57
Deferred Tax Liabilities - NET	22	-	-
Total Non-Current Liabilities		**1,148**	**1,251**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	23	3,797	3,789
(ii) Trade Payables	24	2,550	3,251
(iii) Other Current Financial Liabilities	25	997	1,068
Other Current Liabilities	26	426	700
Employee Benefit Obligations	21	43	55
Total Current Liabilities		**7,813**	**8,863**
Total Equity and Liabilities		**9,496**	**10,700**

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

Amitabha Niyogi
Partner
Membership Number 056720
Mumbai, 17th May, 2019

Harshwardhan Murarka
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019 (STANDALONE)

(₹ In lakhs)

Particulars	Notes	Year ended 31st March 2019	Year ended 31st March 2018
INCOME			
Revenue From Operations	27	12,899	11,141
Other Income	28	70	95
Total Income		**12,969**	**11,236**
Expenses :			
Cost of Materials Consumed	29	3,410	4,113
Purchases of Stock-in-Trade		2,812	2,312
Changes in Inventories of Finished Goods, Work-in Progress and Stock-in Trade	30	158	(138)
Employee Benefits Expense	31	2,348	2,386
Finance Costs	32	676	429
Depreciation and Amortization Expense	33	173	179
Other expenses	34	3,478	3,243
Total Expenses		**13,055**	**12,524**
Profit /(Loss) Before Exceptional Items and Tax		**(86)**	**(1,288)**
Exceptional Items - Profit /(Loss)		**-**	**-**
Profit /(Loss) before Tax		**(86)**	**(1,288)**
Tax Expense			
Current Tax	35	**-**	**-**
Deferred Tax	35	**-**	**(167)**
Profit /(Loss) For The Year		**(86)**	(1,121)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
- Remeasurement of Post-employment benefit obligations		37	21
- Change in equity instruments Fair value through other Comprehensive income		(2)	(4)
- Tax relating to these items			
i) Current Tax		-	-
ii) Deferred Tax		-	(1)
Total other Comprehensive Income/(Loss) for the year, net of tax		**35**	**16**
Total Comprehensive Income for the year		**(51)**	**(1,105)**
Earnings per equity share (in INR) (Face value INR 10)			
(1) Basic	45	(7.40)	(96.43)
(2) Diluted	45	(7.40)	(96.43)

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's Registration Number 311027E

For and on behalf of the Board of Directors

Amitabha Niyogi
Partner
Membership Number 056720
Mumbai, 17th May, 2019

Harshwardhan Murarka
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman &
Managing Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019 (STANDALONE)

(₹ in lacs)

	Year ended 31st March 2019	Year ended 31st March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Income Tax	(86)	(1,288)
Adjustment for		
Depreciations and amortisation expense	173	179
(Gain)/Loss on disposal of property, plant and equipment	5	3
Provisions Written Back	(29)	(53)
Interest income classified as investing cash flows	(9)	(2)
Finance costs	676	429
Change in operating assets and liabalities		
Increase / Decrease in trade receivables	(96)	20
Increase / Decrease in inventories	85	(506)
Increase / Decrease in other financial assets	(15)	49
Increase / Decrease in other non-current assets	-	(11)
Increase / Decrease in other current assets	972	(737)
Increase / Decrease in trade payables	(673)	299
Increase / Decrease in employee benefit obligations	73	39
Increase / Decrease in other financial liabalities	(64)	141
Increase / Decrease in other current liabalities	(274)	41
Cash generated from Operations	**738**	**(1,397)**
Income taxes paid (net of refund)	**(2)**	**(2)**
Net Cash in flow from operating activities	**736**	**(1,399)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(83)	(27)
Proceeds from sale of property, plant and equipment	9	4
Change in other bank balances	7	(31)
Interest received	10	3
Net Cash outflow from investing activities	**(57)**	**(51)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings:		
Term Loan	(153)	776
Cash Credit (net)	31	(152)
Others	(23)	1,358
Repayment of borrowings:		
Term Loan	(4)	80
Car Loan	2	(27)
Interest Paid	(676)	(429)
Unclaimed Dividends paid	(3)	(1)
Net cash inflow (outflow) from financing activities	(826)	1,605
Net increase (decrease) in cash and cash equivalents	(147)	155
Cash and cash equivalent at the begining of the year	168	13
Cash and cash equivalents at the end of the year	21	168

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

Amitabha Niyogi
Partner
Membership Number 056720
Mumbai, 17th May, 2019

For and on behalf of the Board of Directors

Harshwardhan Murarka
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019 (STANDALONE)

A. EQUITY SHARE CAPITAL

	(₹ in lacs)
As at April 1, 2017	116
Changes in equity share capital during the year	-
As at March 31, 2018	116
Changes in equity share capital during the year	-
As at March 31, 2019	116

B. OTHER EQUITY

(₹ in lacs)

	Reserves and Surplus				Other Comprehensive income	Total
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings (Surplus)		
Balance 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**
Balance as at April 1,2018	**43**	**70**	**549**	**(196)**	**4**	**470**
Profit for the year	-	-	-	(86)	-	(86)
Other comprehensive income for the year, net of tax	-	-	-	37	(2)	35
Total comprehensive income for the year	**-**	**-**	**-**	**(49)**	**(2)**	**(51)**
Balance as at March 31, 2019	**43**	**70**	**549**	**(245)**	**2**	**419**

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's Registration Number 311027E

For and on behalf of the Board of Directors

Amitabha Niyogi
Partner
Membership Number 056720
Mumbai, 17th May, 2019

Harshwardhan Murarka
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

ANGLO FRENCH DRUGS & INDUSTRIES LTD

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.

The Board of Directors approved the financial statements for the year ended March 31, 2019 and authorised for issue on May 17, 2019.

1
SIGNIFICANT ACCOUNTING POLICIES

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

(a) BASIS OF PREPARATION

(i) Compliance with Ind AS

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

The financial statements of year ended 31st March 2017, were 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.

(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 recognised in the period the same is determined.

(b) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. Historical Cost represents direct expenses incurred on acquisition of the assets and the share of indirect expenses relating to acquisition allocated in proportion to the direct cost involved. Consequent 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.

Depreciation methods, estimated useful lives and residual value

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

Derecognition

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

(c) INTANGIBLE ASSETS

Measurement at recognition:

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their actual useful lives or upto 6 years whichever is lower. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

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

Subsequent Expenditure:

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

Derecognition:

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

(d) FINANCIAL INSTRUMENTS

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

(i) FINANCIAL ASSETS:

(A) Classification:

The 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:

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

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 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 Intimated 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 :

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

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

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

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

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

(B) Export Incentive

Duty drawback is recognized at the time of exports and the benefits in respect of advance license received by the 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 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. Remeasurements 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 recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Provident Fund -

The 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

(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 recognised as an expense in line with the contractual term.

(i) FOREIGN CURRENCY TRANSLATION

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

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

(i) Presentation Currency

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

(ii) Transactions and balances

The foreign currency transactions are recorded at the exchange rate prevailing on the transaction date and balances receivablc/payable as at the year end arc 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 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 w'hich such deferred tax assets can be realised.

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

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

(k) EARNINGS PER SHARE

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

(l) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised if, as a result of a past event, the 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 financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(m) SEGMENT REPORTING

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

(n) RESEARCH & DEVELOPMENT

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

(o) INVENTORIES

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

(p) GOVERNMENT INCENTIVES

Government incentives that the 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 w'hen 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”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the new Ind AS and certain amendments to existing Ind ASs. They shall come into force on 1st April, 2019 and therefore, the group shall apply the same with effect from that date.

(a) New Indian Accounting Standard (Ind AS 116) “Leases”:

Ind AS 116 will replace the existing leases standard, Ind AS 17 “Leases” w.e.f. April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as prescribed in Ind AS 17. The effect on the Financial statements on adoption of Ind AS 116 is being evaluated by the group.

(b) Other Amendments:

Several other Indian Accounting Standards have been amended on various issues with effect from April 1, 2019. The following amendments are relevant to the group:

(i) Ind AS 12 “Income Taxes”- Income tax consequences of dividend and uncertainty over income tax treatments;

(ii) Ind AS 19 “Employee Benefits”- Accounting for plan amendment, curtailment or settlement;

(iii) Ind AS 109 “Financial Instruments”- Measurement of prepayment features with negative compensation in case of debt instruments;

None of these amendments are expected to have any material effect on the group's financial statements.

3. Significant estimates and judgements

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

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

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

i) Impairment of trade receivable:

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

ii) Post-employment benefits:

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

iii) Sales returns and rebates:

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

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

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

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

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

4. Property, Plant and Equipment

(₹ in lacs)

	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	Balance 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**	**195**	**178**	**1**	**372**	**1,581**

	Gross carrying amount				Accumulated Depreciation				Carrying Value
	As at April 01, 2018	Additions	Sales / Adjustments	Balance as at March 31, 2019	As at April 1, 2018	For the Year	Sales / Adjustments	Balance as at March 31, 2019	As at March 31, 2019
Freehold land	8	-	-	8	-	-	-	-	8
Buildings	782	23	-	805	64	32	-	96	709
Plant & equipment	653	4	-	657	90	46	-	136	521
Furniture & fittings	135	5	-	140	45	23	-	68	72
Vehicles	152	33	23	162	53	23	9	67	95
Office equipment	34	3	-	37	28	7	-	35	2
Computers	189	12	-	201	92	41	-	133	68
TOTAL	**1,953**	**80**	**23**	**2,010**	**372**	**172**	9	**535**	**1,475**

5. Intangible Assets

	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	Balance 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**

	Gross carrying amount				Accumulated Depreciation				Carrying Value
	As at April 01, 2018	Additions	Sales / Adjustments	Balance as at March 31, 2019	As at April 1, 2018	For the Year	Sales / Adjustments	Balance as at March 31, 2019	As at March 31, 2019
Trademarks	-	-	-	-	-	-	-	-	-
Computer Software	5	3	-	8	2	1	-	3	5
TOTAL	**5**	**3**	-	**8**	**2**	**1**	-	**3**	**5**

Notes to Accounts - Contd.

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
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 (2018-5,760) Equity shares of INR 10 each in Industrial Development Bank of India Limited	2	4
19,400 (2018 - 19,400) Equity shares of INR 10 each in Vijaya Bank	9	10
Note: The merger of Vijaya Bank & Dena Bank with Bank of Baroda as taken place which will be effective from 1st April, 2019		
(ii) Unquoted -		
In Subsidiary Companies (Equity investments at cost)		
50,000 (2018-50,000) Equity shares in Anglo French Drugs & Industries Pte Ltd. Singapore. wholly owned Subsidiary.	24	24
Less: Provision for diminution in the value of investment.	(24)	(24)
Total Investment in equity instruments	**11**	**14**
Total non-current investments	**11**	**14**
Aggregate amount of quoted investments	11	14
Market value of quoted investments	11	14
Aggregate amount of unquoted investments	24	24
Aggregate amount of impairment in the value of investment	(24)	(24)
7 **TRADE RECEIVABLES**		
Doubtful		
Receivables from related parties	-	-
Receivables other than from related parties	178	126
Less: Provision for doubtful debts	178	126
Total trade reeivables (non-current)	-	-
8 **OTHER NON-CURRENT FINANCIAL ASSETS**		
Security deposits	90	91
Fixed deposits with bank (with maturity period of more than 12 months)	8	8
Total other non-current financial assets	**98**	**99**
9 **OTHER NON-CURRENT ASSETS**		
Capital advances	-	-
Deferred rent expense for security deposit assets	24	25
Other deposits	3	3
Total other non-current assets	**27**	**28**

(₹ in lacs)

	As at March 31, 2019	As at March 31, 2018
10 **INVENTORIES**		
Raw materials	1,464	1,442
Packing materials	444	370
Work-in-progress	124	172
Finished goods**	1,343	1,453
Stores and spare parts *	606	628
Total Inventories	**3,981**	**4,065**
* includes Stock of samples and promotional items in the hands of sales representatives - Nil **Closing stock of Finished goods includes samples amounting to Rs. 87 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	173	272
Receivable from other than related parties	2,902	2,707
Note-Trade Receivables includes Receivable from Viva Remedies (FZC) amounting to Rs. 125.64 lakhs which is under sub judice since 16.12.2014		
Total trade receivables (current)	**3,075**	**2,979**
12 **CASH & CASH EQUIVALENTS**		
Balances with Banks		
- Current Accounts	19	165
Cash in hand	2	5
Total cash and cash equivalents	**21**	**168**
13 **OTHER BANK BALANCES**		
Fixed deposits maturing within 3-12 months	65	72
Total other bank balances	**65**	**72**
14 **OTHER CURRENT FINANCIAL ASSETS**		
Security Deposits		
Related Party	13	13
Security Deposits	75	59
Total other current financial assets	**88**	**72**
15 **CURRENT TAX ASSETS (NET)**		
Opening balance	65	64
Less: Tax payable for the year	-	-
Add: Taxes paid	2	1
Add / (Less): Refund / adjustment for earlier years	-	-
Closing balance	67	65
MAT credit entitlement	19	19
Total current tax assets (net)	**86**	**84**
16 **OTHER CURRENT ASSETS**		
Prepaid expenses	125	159
Deferred rent expense on security deposit given	11	8
Other advances	388	1,369
Others-Recovery Right Contract Assets	40	-
Total other current assets	**564**	**1,536**

Notes to Accounts - Contd.

(₹ in lacs)

17 EQUITY SHARE CAPITAL

	As at March 31, 2019	As at March 31, 2018
AUTHORISED 2,000,000 Equity Shares of INR 10 each (2018 - 2,000,000)	200	200
	200	**200**
ISSUED, SUBSCRIBED & FULLY PAID 1,162,500 Equity Shares of INR 10 each (2018 - 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**

(i) Reconciliation of equity share capital

	Number of Shares	Equity share capital (par value)
As at April 1, 2017	**11,62,500**	**116**
Change during the year	**-**	**-**
As at March 31, 2018	**11,62,500**	**116**
Change during the year	**-**	**-**
As at March 31, 2019	**11,62,500**	**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 2019		As at 31st March 2018	
	Number of Shares	% holding	Number of Shares	% holding
1) Abhay Kanoria Family Trust (Represented by Mr. Abhay Kanoria)	7,01,745	60.36	7,01,745	60.36
2) Life Insurance Corporation of India	90,000	7.74	90,000	7.74

18. OTHER EQUITY

	As at March 31, 2019	As at March 31, 2018
(a) RESERVES AND SURPLUS		
Capital Reserve	43	43
Securities Premium Reserve	70	70
General Reserve	549	549
Surplus / (Deficit) in Statement of Profit and Loss	(245)	(196)
	417	466
(b) OTHER RESERVES		
Fair Value through Other Comprehensive Income - Equity Instrument	2	4
Total Other equity	**419**	**470**

(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	(196)	905
Add. Profit / (Loss) during the year as per Statement of Profit & Loss	(86)	(1,121)
Other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment, benefit obligation, net of tax	37	20
Closing Balance	(245)	(196)
(b) OTHER RESERVE		
OTHER COMPREHENSIVE INCOME		
Opening Balance	4	8
Adjustments during the year		
- Remeasurments of Quoted equity shares	(2)	(4)
Closing Balance	2	4

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**
Socurities 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.

(Rupees in Lacs)

	As at March 31, 2019	As at March 31, 2018
19 NON-CURRENT BORROWINGS		
Term Loans from Banks		
Secured		
YES Bank	-	97
Car finance loans from banks	16	23
Term Loans from Other (NBFC)		
JM Financial Products Limited	718	774
Total Non - current borrowings	**734**	**894**
Current maturities of long-term debt (included in note 25)	153	157
Current maturities of car finance loan (included in note 25)	28	19

Notes to Accounts - Contd.

PARTICULARS OF 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 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 11.80%, 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	309	296
Other liabilities	-	4
Total other non-current financial liabilities	**309**	**300**

21. Employee benefit obligations **(₹ in lacs)**

	As at March 31, 2019			As at March 31, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total
Leave Encashment - Unfunded						
Present value of obligation	14	55	69	15	37	52
Gratuity - Funded						
Present value of obligation	296	-	296	241	-	241
Fair value of plan assets	217	-	217	201	-	201
Net Liability	79	-	79	40	-	40
Gratuity Liability	**29**	**50**	**79**	**20**	**20**	**40**
Total employee benefit obligations	**43**	**105**	**148**	**55**	**57**	**112**

(i) Defined benefit plans

a) Gratuity

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

b) Leave Encashment:

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, 2019	March 31, 2018
a) Supperannuation Fund	10	10
b) provident Fund	98	101

(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 lacs)

Particulars	Gratuity			Leave Encashment
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
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**
April 1, 2018	**241**	**201**	**40**	**72**
Current service cost	23	-	23	18
Prior Service cost	37	-	37	-
Interest expense/(Income)	18	15	3	5
Total amount recognised in profit or loss	**78**	**15**	**63**	**23**
Remeasurments				
Loss due to experience	(23)	-	(23)	(13)
Loss due to change in financial assumptions	-	-	-	(1)
Return on plan assets (greater)/less than discount rate	-	-	-	-
Total amount recognised in other comprehensive Income	**(23)**	**-**	**(23)**	**(14)**
Employer contributions	-	-	-	
Benefit payments	-	-	-	13
March 31, 2019	**296**	**216**	**80**	**68**

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

(₹ in lacs)

Particulars	March 31, 2019	March 31, 2018
Present value of funded obligations	296	241
Fair value of plan assets	216	201
Deficit of funded plan	**80**	**40**
Unfunded plans	68	72
Deficit of Employee Benefit plans	**148**	**112**

(iv) Post-Employment benefits

The significant actuarial assumptions were as follows:

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.75%	7.63%
Salary growth rate	6.00%	6.00%
Expected return on assets	7.75%	7.63%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal rate	5.00%	5.00%

Notes to Accounts - Contd.

(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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Gratuity						
Discount rate	1%	1%	(39)	(14)	(4)	16
Salary growth rate	1%	1%	(5)	14	(39)	(13)
Withdrawal rate	1%	1%	(20)	1	(26)	(1)
Leave Encashment						
Discount rate	1%	1%	(5)	(5)	6	6
Salary growth rate	1%	1%	5	2	(5)	(2)
Withdrawal rate	1%	1%	(1)	1	(1)	(1)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant 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, 2019		March 31, 2018	
	Amount in lacs	in %	Amount in lacs	in %
Investment funds with Kotak Gratuity Group Plan (UNI-107L010V05)	216	100%	201	100%
Total	**216**	**100%**	**201**	**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 totality 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, 2019 is 29 lakhs.

The weighted average duration of the defined benefit obligation is 12.63 years (March 31, 2018 - 13.43 years) in case of Gratuity and 16.63 years (March 31, 2018 - 13.13 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, 2019							
Gratuity	15	16	25	23	16	436	531
Leave encashment	5	4	4	6	6	138	163
Total	**20**	**20**	**29**	**29**	**22**	**574**	**694**
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**

(₹ In Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
22 DEFERRED TAX LIABILITIES - NET		
Deferred Tax Liabilites on account of :		
Depreciation	192	210
Processing fess of term loan	-	-
Total deferred tax liabilities (A)	**192**	**210**
Deferred Tax Assets on account of :		
Accrued expenses deductible on payment	5	2
Leave encashment and gratuity	13	3
Provision for debts, advances and investments	16	39
Fair valuation of security deposit Assets	-	-
Unabsorbed depreciation and carried forward business loss	383	360
Less : Deferred Tax Assets not recognised	225	194
Total deferred tax assets (B)	**192**	**210**
Deferred Tax (Assets) / Liabilities (Net - A - B)	**-**	**-**

In terms of accounting policy note 1(j) followed by the Company, deferred tax assets of Rs 225 lakhs (2018-Rs. 194) 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, 2017	**219**	**-**	**-**	**219**
Charged / (Credited):	-	-	-	-
- to profit and loss	(9)	-	-	(9)
- to other comprehensive income	-	-	-	-
As at March 31, 2018	**210**	**-**	**-**	**210**
Charged / (Credited):				
- to profit and loss	(18)	-	-	(18)
- to other comprehensive income	-	-	-	-
As at March 31, 2019	**192**	**-**	**-**	**192**

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, 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**
Charged / (Credited):							
- to profit and loss	3	(23)	-	10	23	31	(18)
- to other comprehensive income	-	-	-	-	-	-	-
As at March 31, 2019	**5**	**16**	**-**	**13**	**383**	**225**	**192**

Notes to Accounts - Contd.

(Rupees in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
23		
CURRENT BORROWINGS		
SECURED		
Cash Credit from Banks		
HDFC Bank	738	682
YES Bank	855	532
Packing Credit facility from Banks		
YES Bank	-	348
Short term loan from others		
Working Capital Loan from National Small Industries Corporation Ltd (NSICL)	143	141
UNSECURED		
Inter Corporate Deposit		
Related Party	722	770
Others	1,339	1,316
Total Current borrowing	**3,797**	**3,789**

PARTICULARS OF BORROWINGS :

a) Security :

(i) Cash credit facilities are secured by way of hypothecation of all stock of inventories, book debts and other current assets of the company, both present and future, ranking pari passu. The Company has charge on land, building and plant & Machinery for the cash credit facility availed from HDFC Bank and Yes Bank.

(ii) Working capital loan from National Small Industries Corporation Ltd is secured by bank guarantee.

b) Terms of repayment and Interest rate :

(i)Cash Credit from HDFC Bank and YES Bank carry interest at the rate of 12.25% and 12.10% respectively.

(ii) Working Capital Loan from National Small Industries Corporation Ltd carries interest at the rate of 11.50%.

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

Notes to Accounts - Contd.

(Rupees in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
24		
TRADE PAYABLES		
Trade payables	2,550	3,248
Trade payables to related parties	-	3
Total trade payables	**2,550**	**3,251**
Classification as required by MSME Act		
Total outstanding dues of Micro Enterprises and Small Enterprises*	39	
Total outstanding dues of creditors other than Micro Enterprises and small Enterprises	2,511	3,251
Total trade payables	**2,550**	**3,251**
* 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.		
The company has not provided interest for the dues outstanding for the specified period of few parties since such cases are under dispute.		
25. OTHER CURRENT FINANCIAL LIABILITIES		
Current maturities of long term debt	153	157
Current maturities of car loan	28	19
Unclaimed dividend	2	5
Security deposits	-	13
Others:		
- Other payables	814	874
Total current financial liabilities	**997**	**1,068**
26 OTHER CURRENT LIABILITIES		
Advance from customers	7	7
Statutory and other dues	41	315
Liabilities related to employees	169	103
Other liabilities	128	275
Others-Refund Contract Liability	81	
Total other current liabilities	**426**	**700**

(Rupees in Lacs)

	Year ended March 31, 2019	Year ended March 31, 2018
27 REVENUE FROM OPERATIONS		
a) Sale of products (including excise duty)	12,828	11,103
Pharmaceutical / fabrics		
b) Other operating income		
Sale of scrap	9	5
Excise duty recovered on operating income	8	4
Conversion charges / income from job work	20	21
Miscellaneous - operating income	5	-
Commission received.	-	4
Export duty credit / duty drawback	29	4
Total revenue from operations	**12,899**	**11,141**
28. OTHER INCOME		
Interest income	8	7
Interest on others	9	2
Provisions / Liabilities written back	29	53
Insurance claim local	4	24
Miscellaneous income - non operating	1	9
Foregn Exdhange Rate (Loss) / Gain	19	-
Total other income	**70**	**95**

Notes to Accounts - Contd.

(₹ In Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
29 COST OF MATERIALS CONSUMED		
a) Raw Material Consumed		
Opening Stock	1,442	1,213
Purchase	2,696	3,690
	4138	4,903
Less: Sales	-	-
Less: Closing Stock	1,464	1,442
Raw Material Consumed	**2,674**	**3,461**
b) Packing Material Consumed		
Opening Stock	370	331
Purchases	810	691
	1,180	1,022
Less: Sales	-	-
Less: Closing Stock	444	370
Packing Material Consumed	**736**	**652**
Total Cost of material consumed	**3,410**	**4,113**
30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE		
Opening Inventories of :		
Finished Goods	1,453	1,379
Work in Progress	172	108
	1,625	**1,487**
Closing Inventories of :		
Finished Goods	1,343	1,453
Work in Progress	124	172
	1,467	**1,625**
Total changes in inventories of finished goods, work in progress and stock-in-trade	**158**	**(138)**
31 EMPLOYEE BENEFITS EXPENSES		
Salaries & wages	2,009	2,094
Contribution to provident and other Funds	184	152
Staff Welfare expenses	155	140
Total employee benefits expense	**2,348**	**2,386**
32 FINANCE COSTS		
Interest Expense on borrowing from banks and others	**676**	**429**
Total finance costs	**676**	**429**
33. DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of property, plant and equipment	**172**	**178**
Amortisation of intangible assets	**1**	**1**
Total depreciation and amortisation expense	**173**	**179**

(₹ In Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
34. OTHER EXPENSES		
a) Operating, administrative & other expenses		
Consumption of stores and spares	**68**	**26**
Rent	**184**	**176**
Rates & taxes	**37**	**21**
Sales tax	**28**	**62**
Excise duty	**-**	**77**
Repairs & maintenance :-		
Building	**9**	**12**
Plant & machinery	**93**	**88**
Others	**13**	**16**
Insurance charges	**9**	**19**
Electricity & water	**20**	**23**
Factory power & fuel	**158**	**134**
Job-work charges- manufacturing service charges	**62**	**91**
Tour & travelling expenses	**798**	**749**
Vehicle running & maintenance	**50**	**53**
Coveyance expenses	**8**	**7**
Legal & professional fee	**106**	**85**
Membership fee & subscription	**42**	**49**
Office & general expenses	**81**	**88**
Postage and telegram	**12**	**12**
Bank charges	**24**	**23**
Printing & stationary	**22**	**17**
Charity & donations	**3**	**-**
Foreign exchange rate fluctuation on expenses	**-**	**13**
Festival & celebration expenses	**2**	**2**
Security expenses	**25**	**25**
Telephone & telex charges	**41**	**42**
Laboratory expenses	**4**	**5**
Directors fee	**1**	**3**
Trade marks	**9**	**9**
Loss on sale of assets	**5**	**3**
Auditors remuneration [refer note 34(a)]	**6**	**9**
(b) Selling & distribution expenses		
Selling expenses	**7**	**7**
Advertisement & publicity	**2**	**-**
Business promotion expenses	**922**	**642**
Bad debt written off	**-**	**5**
Provision for doubtful debts	**52**	**-**
Clearing, forwarding & freight	**149**	**173**
Rebates & discount allowed	**121**	**162**
Insurance expenses - goods - in - transit	**7**	**-**
Handling expenses	**5**	**4**
Clearing & forwarding agents commission	**293**	**311**
Total other expenses	**3,478**	**3,243**
34. (a) Details of Auditors' remuneration		
Audit fee	3	4
Tax audit fee	-	1
For other services such as certification	3	4
Total auditors remuneration	**6**	**9**

Notes to Accounts - Contd.

(₹ In Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
35 TAX EXPENSE		
(a) Current Tax		
Tax on profits for the year		-
Adjustments for prior periods	-	-
Total Income Tax	**-**	**-**
(b) Deferred tax		
Decrease (increase) in deferred tax assets	18	(158)
(Decrease) increase in deferred tax liabilities	(18)	(9)
	-	(167)
Less : Recognised in OCI	-	-
Total deferred tax expense / (benefit)	**-**	**(167)**
Total tax expense	**-**	**(167)**
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before income tax expense	(86)	(1,288)
Tax at the rate of 30.900% (2016-30.900%)	**-**	**-**
Adjustments related to property, plant and equipments:		
Adjustment on account of depreciable assets	(18)	(9)
Unabsorbed business loss	**(21)**	**(166)**
Tax effect of amounts which are not deductible in calculating taxable income:		
Provision for debts, advances and investments	16	1
Adjustment in 43B (on payment basis)	23	7
	-	(167)
Income tax adjustments (since income tax payable undet MAT - u / s 115JB)	-	-
Tax payable under MAT - u/s 115JB		-
Income tax expense as per Income Tax	**-**	**(167)**

FAIR VALUE MEASUREMENTS

Financial instruments by category

(₹ In Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial assets				
Investments				
- Equity instruments	11		14	
Fixed Deposits		8		8
Trade Receivables		3,075		2,979
Cash and cash equivalents		21		168
Other Bank Balance		65		72
Security Deposits		178		163
Total financial assets	**11**	**3,347**	**14**	**3,390**
Financial liabilities				
Borrowings		4,712		4,859
Security deposits		309		309
Trade payables		2,550		3,251
Capital creditors		-		-
Unclaimed Dividend		2		5
Others		814		878
Total financial liabilities	**-**	**8,387**	**-**	**9,302**

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

Particulars	As at March 31, 2019	As at March 31, 2018
	Level 1	Level 1
Financial Assets at FVOCI		
Investment in equity shares		
Industrial Development Bank of India Limited	2	4
Vijaya Bank	9	10
Total financial assets at FVOCI	**11**	**14**

(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:

Level1 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, 2019		
US Dollar (USD)	480	-
Net exposure to foreign currency risk	**480**	**-**
March 31, 2018		
US Dollar (USD)	514	-
Net exposure to foreign currency risk	**514**	**-**

Notes to Accounts - Contd.

Note: Trade Receivables in USD includes 35000 USD amounting to Rs 25 lakhs, against which Foreign Currency Forward contract has been taken at exchange rate of Rs 71.31.

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, 2019	March 31, 2018
USD sensitivity		
INR / USD Increases by 5% (March 31, 2018 - 5%)	24	26
INR / USD Increases by 5% (March 31, 2018 - 5%)	(24)	(26)
* Holding all other variables constant		

(ii) Interest rate risk

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

(₹ In Lakhs)

Particulars	March 31, 2019	March 31, 2018
Variable rate borrowings	1,593	2,332
Fixed rate borrowings	3,119	2,527
Total borrowings	**4,712**	**4,859**

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, 2019			
Bank overdrafts, bank loans, Cash credit	12.17	1,593	34%
March 31, 2018			
Bank overdrafts, bank loans, Cash credit	11.23	2,332	48%

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, 2019	March 31, 2018
Interest rates - increase by 50 basis points (50 bps)*	8	12
Interest rates - increase by 50 basis points (50 bps)*	(8)	(12)

(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

Particulars	(Amounts in INR)
Loss allowance on March 31, 2017	**126**
Changes in loss allowance	-
Loss allowance on March 31, 2018	**126**
Changes in Loss allowance	52
Loss allowance on March 31,2019	**178**

(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, 2019	March 31, 2018
Floating rate	**246**	**325**
Cash Credit/ WCTL Facility		

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 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, 2019				
Borrowings	3,978	221	513	4,712
Trade payables	2,550			2,550
Security deposits	-		309	309
Other financial liabilities	816	-		816
Total non-derivative liabilities	**7,344**	**221**	**822**	**8,387**
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**

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:

(₹ In Lakhs)

	March 31, 2019	March 31,2018
Net debt (not cash and cash equivalents)	4,712	4,859
Total equity	535	586
Net debt to equity ratio	**881%**	**829%**

Notes to Accounts - Contd.

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 (upto 20th August 2018)
iv) Mr. N. Ahmedali
v) Ms. Neha Rajen Gada
vi) Mr. Nirbhay Kanoria
vii) Mr. Pauly Sukumar Nuthakki (upto 29th June 2018)
viii) Mr. Sanathkumar Shirali
ix) Mr. Manish Jagnani (upto 31st December2018)
x) Mr. Adithya Kumar Jain (upto 18th May 2018)
xi) Mrs. Pallavi Kanoria (Wife of Mr. Abhay Kanoria)
xii) Mr. Harshwardhan Murarka (From 1st March 2019)
xiii) Mr. Kushal Jain (From 1st October 2018)

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 Services Ltd.

39 RELATED PARTY TRANSACTIONS

(b) Transactions with Related Parties for the year ended March 31, 2019

(₹ In Lacs)

NATURE OF TRANSACTIONS	Subsidiaries		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel / Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2019	2018	2019	2018	2019	2018	2019	2018
EXPENSES:								
(i) Rent paid								
Mr. Abhay Kanoria					10	10		
Mrs. Pallavi Kanoria					10	10		
(ii) Receiving of Services - Administrative, Commercial & Accounting service								
Sudarshan Services Ltd.			-	3				
(iii) Interest Paid								
Sudarshan Services Ltd.			78	13		-		
(iv) Remuneration Paid								
Mr. Abhay Kanoria			-	-	54	54		
Mr. Abhay Uddhav Kanoria			-	-	45	45		
Mr. Nirbay Kanoria			-	-	34	34		
Mrs. Pallavi Kanoria			-	-	18	18		
Mr. Naveen Kumar Gupta			-	-	-	12		
Mr. Manish Jagnani			-	-	10	2		
Mr. Aditya Kumar Jain			-	-	0.3	2		
Mr. Kushal Jain			-	-	0.91	-		
Mr. Harshwrdhan Muraka			-	-	0.79	-		
(v) Director's Sitting Fees								
Mr. Sanatkumar Shirali					0.2	0.5		
Ms. Neha Rajen Gada					0.3	0.7		
Mr. Upendra G. Patel					0.2	0.5		
Mr. N. Ahmedali					0.5	0.8		
Mr. Pauly Sukumar Nuthakki					0.2	0.2		

Notes to Accounts - Contd.

(₹ In Lacs)

NATURE OF TRANSACTIONS	Subsidiaries		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel / Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2019	2018	2019	2018	2019	2018	2019	2018
INCOME:								
i) Sale of Pharmaceutical Products								
Anglo-French Drugs & Industries PTE Ltd.	38	80						
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							31	32

(c) Outstanding Balances as on March 31, 2019

(₹ In Lacs)

NATURE OF TRANSACTIONS	Subsidiaries		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel / Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2019	2018	2019	2018	2019	2018	2019	2018
PAYABLES:								
i) For Goods & Services								
Sudarshan Services Ltd.	-	-	-	3				
ii) Inter Corporate Deposit								
Sudarshan Services Ltd.			722	770				
LOANS & ADVANCES AND RECEIVABLES:								
iii) For Goods & &Services								
Anglo-French Drugs & Industries Pte Ltd	173	268						
(Refer Note 1 below)								
iv)Reimbursement of expenses								
Anglo-French Drugs & Industries Pte Ltd	7	4						
v) Security Deposit								
Mr. Abhay Kanoria			13	13				

Note 1 - Out of Rs 173 Lakhs is outstanding for more than nine months which includes a balance of Rs 85 lakhs outstanding for more than 3 years.

40 Contingent Liabilities

The Company had contingent liabilities at March 31, 2019 in respect of :

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

(₹ In Lacs)

Particulars	March 31, 2019	March 31, 2018
a) Value Added Tax / Sales Tax	154	152
b) Service Tax / Excise Duty	158	158

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 469 lacs (2018-INR 442 lacs)

ii. Letter of credit opened and remaining outstanding INR 15 lacs (2018-INR193 lacs)

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 175 Lacs (2018: INR 168 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 Lacs)

Particulars	March 31, 2019	March 31, 2018
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	164	161
Later than one year but not later than five years	196	569
Later than five years	-	16

42 (a) Details of Raw Materials Consumed

(₹ In Lacs)

Description	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
PHARMACEUTICALS					
Calcium D Pantohenate IP	Kgs	3,920	124	20,694	914
Ascoric Acid	Kgs	61,267	477	74,393	682
Miscellaneous (None individually account for more than 10% of total consumption)		-	2,114	-	1,864
			2,715		**3,460**

Notes to Accounts - Contd.

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

(₹ In Lacs)

Description	Current Year		Previous Year	
	Amount	%	Amount	%
a) Raw Materials				
Imported	-	-	9	0
Indigenous	2,715	100	3,451	100
	2,715	100	3,460	100
b) Stores and Spare Parts				
Imported	-	-	-	-
Indigenous	40	100	26	100
	40	100	26	100

(c) Purchase of Stock - in-Trade

(₹ In Lacs)

Description	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
FORMULATIONS:					
a) Tablets	Million	262	949	194	1,003
b) Liquids	Bottles	57,48,054	631	42,55,385	396
c) Injections	Litres	1,35,546	261	79,247	121
d) Capsules	Million	85	574	36	386
e) Granules	Kgs	2,184	3	2,868	3
f) Powder	Kgs	1,41,443	129	1,10,437	116
g) Ointment	Kgs	42,080	243	48,712	241
h) Raw Materials	Kgs	-	-	-	-
i) Picking Materials	Kgs	-	-	-	-
j) Others	Nos.	2,95,186	22	6,18,890	46
			2,812		**2,312**

(d) Value of Imports on CIF basis

(₹ In Lacs)

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		122		123
F.O.B. Value of Exports				
In Foreign Currency	13,80,407	947	9,16,240	593

43 Company's investments 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.Though AFDIPL has incurred a net profit of Rs.1 lac during the year ended 31st March, 2019 but it has incurred losses for the last year and has accumulated negative reserves to the tune of Rs 166 lakhs as on 31st March, 2019 and, as of that date, AFDIPL current liabilities exceeded its current assets by Rs 135 lacs and its total liabilities exceeded its total assets by Rs 141 lacs. These factors raise 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 173 lacs which is outstanding as an 31st March, 2019.

44 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.

45 Earnings per Equity share

Particulars	March 31, 2019 INR	March 31, 2018 INR
(a) Basic earnings per share	(7.40)	(96.43)
(b) Diluted earnings per share	(7.40)	(96.43)

(c) Reconciliations of earnings used in calculating earnings per share (₹ In Lacs)

Particulars	March 31, 2019 INR (in Lacs)	March 31, 2018 INR (in Lacs)
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(86)	(1,121)
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	(86)	(1,121)

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

Particulars	March 31, 2019 Number of Shares	March 31, 2018 Number of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	11,62,500	11,62,500
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.	11,62,500	11,62,500

46 Research and Development Expenses (₹ In Lacs)

For the period ended	March 31, 2019	March 31, 2018
Material Consumption	1	3
Laboratory consumption	3	-
Employee Benefits Expense	18	16
Others	1	1
	23	**20**

47 Revenue Recognition as per Ind AS 115

i The Company derives revenues primarily from sale of pharmaceutical products and scrap from its contracts with customers. The revenues have been disclosed in Note No.27 "Revenue from Operations"

ii The disaggregation of revenues is as under:

(₹ In Lacs)

Nature	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contracts with customers		
Revenues from sale of goods	12908	11026
Revenues from sale of scrap (Other operating income)	9	5
	12,917	11,031

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

(₹ In Lacs)

Nature	Year ended March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2018
	Domestic	Exports(including Deemed Exports)	Domestic	Exports
Revenue from contracts with customers				
Revenues from sale of goods	11608	1,300	10,250	776
Revenues from sale of scrap (Other operating income)	9	-	5	-
	11,617	1,300	10,255	776

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

Nature	Amount(Rs in lacs)		
Particulars	Receivables	Contract Assets	Contract Liabilities
Balance as at the beginning of the year	2,979	-	-
Additions	96	40	81
Adjustments	-	-	-
Balance as at the end of the year	3,075	40	81

The revenue of Rs.NIL lacs has been recognised from the carried forward contract liabilities balance as at the beginning of the year.

v The revenue from contracts with customers for the year includes variable consideration (discounts & rebates) of Rs. 121 lacs, which has been deducted from the transaction price. The company uses expected value method in measuring the variable consideration. There were no constraints in estimating variable consideration.

vi The revenue from contracts with customers for the year also include the impact of customers' right to return the goods of Rs. 81 lacs. The same has been deducted from the transaction price. The corresponding cost of materials to be returned to the company amounting to Rs 40 lacs has been adjusted with cost of consumption. The corresponding refund liability and right to recover an asset have been recognised in the financial statements.

For KAMG & ASSOCIATES
Chartered Accountants
Firm's Registration Number 311027E

For and on behalf of the Board of Directors

Amitabha Niyogi
Partner
Membership Number 056720
Mumbai, 17th May, 2019

Harshwardhan Murarka
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
ANGLO FRENCH DRUGS AND INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Anglo French Drugs and Industries Limited ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Notes 11 and 39(c) of the financial statements, on receivables from Viva Remedies, an overseas debtor and Anglo French Drugs and Industries PTE Ltd, Singapore (100% subsidiary of the Company), having outstanding balances of Rs 1,25,63,656.61 and Rs 1,35,17,054 which are more than three years and nine months old respectively. The matter relating to realization of the old outstanding balance with Viva Remedies is *subjudice* since 16th December, 2014.

In regard to the receivable from the overseas subsidiary, the Company has received an extension from the Banker for six months for realization of the balance of export proceeds outstanding (of USD 57,300 equivalent to INR 40 lakhs) from the expiry of nine months period of export realization in accordance with RBI Guidelines vide FEMA Notification No 23(R)/2015-RB dated 12.1.2016 read with C.20 of Master Directions No 16/205-16 dated 1.1.16. As per the aforementioned FEMA Notification the export value of goods are to be realised and repatriated to India within nine months from the date of export.

Of the aforesaid balance of Rs. 1,35,17,054 outstanding, an amount of Rs. 85, 37,622 is outstanding for more than three years.

The Company considers both the abovementioned receivable balances good and realizable.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matter	Auditor's Response
Evaluation of uncertain indirect tax positions pertaining to pre-GST regime The Company has material uncertain service tax and sales tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	**Principal Audit Procedures** Reference may please be made to Annexure B to the Independent Auditor's Report wherein the disputed Service Tax and SalesTax /VAT amounting Rs 158 lakhs and Rs 154 lakhs respectively have been disclosed. The Service tax dispute (Rs 116 lakhs comprising Rs 81.90 and Rs 34.17 lakhs) is pending with CESTAT and for which Stay Order has been obtained dated 26-11-2010 and the status has remained unchanged since that time with no further hearing date available. For the remaining Rs 42 lakhs Order-in Original dated 8-2-2010 was received from CESTAT and there was a hearing on 4-10-2018 but the final Order is awaited. The Sales Tax/VAT dispute amounting Rs 154 lakhs is pending with the Joint Commissioner of Commercial Taxes (Appeals) mainly pertaining to non submission of statutory C Forms, F-forms and is still in appeal stage without any settlement.

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

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Other Matters

i) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs.56 Lacs as at

31st March, 2019, total revenues of Rs.55 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 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 profit of Rs. 1 Lac during the year ended 31st March, 2019 with an accumulated loss of Rs 166 lakhs as on that date and, as of that date, AFDIPL current liabilities exceeded its current assets by Rs 135 Lacs and its total liabilities exceeded its total assets by Rs 141 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) Trade receivable includes Rs.125.64 Lacs as on 31st March 2019 outstanding for a period of more than three years from Viva Remedies, which is sub judice since 16-12-2014, which in the opinion of the Holding Company is good and recoverable from Viva Remedies.

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 Section 143(3) of the Act, based on our audit we report that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

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

For KAMG & ASSOCIATES
Chartered Accountants
(Firm's Registration Number 311027E)

Amitabha Niyogi
Partner
Membership Number 056720.

Mumbai,
17th May, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Anglo French Drugs & Industries Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of ANGLO FRENCH DRUGS AND INDUSTRIES LIMITED (hereinafter referred to as "Company") except the subsidiary company, ANGLOFRENCH DRUGS & INDUSTRIES PTE LTD which is not audited by us.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the 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 Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, except for the internal control system followed in the areas of inventory management such as periodic 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 the pre-GST period which are outstanding as on 31st March, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Reporting on Internal Financial Controls over financial reporting is not applicable to subsidiary incorporated outside India.

For KAMG & ASSOCIATES
Chartered Accountants
(Firm's Registration Number 311027E)

Amitabha Niyogi
Partner
Membership Number 056720.

Mumbai,
17th May, 2019

Balance Sheet as at March 31, 2019 (Consolidated)

(₹ In Lakhs)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	4	1,475	1,580
INTANGIBLE ASSETS	5	5	3
FINANCIAL ASSETS			
(i) Investments	6	11	14
(ii) Trade Receivables	7	-	-
(iii) Other Non-Current Financial Assets	8	98	99
OTHER NON CURRENT ASSETS	9	27	28
TOTAL NON-CURRENT ASSETS		**1,616**	**1,724**
CURRENT ASSETS			
INVENTORIES	10	3,981	4,065
FINANCIAL ASSETS			
(i) Trade Receivables	11	2,950	2,832
(ii) Cash and Cash Equivalents	12	22	197
(iii) Other Bank Balances	13	65	72
(iv) Other Current Financial Assets	14	88	72
CURRENT TAX ASSET (NET)	15	86	84
OTHER CURRENT ASSETS	16	565	1,536
TOTAL CURRENT ASSETS		**7,757**	**8,858**
TOTAL ASSETS		**9,373**	**10,582**
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	17	116	116
OTHER EQUITY	18	279	349
TOTAL EQUITY		**395**	**465**
LIABILITIES			
NON-CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
(i) Borrowings	19	**734**	**894**
(ii) Other Non-Current Financial Liabilities	20	**309**	**300**
EMPLOYEE BENEFIT OBLIGATIONS	21	105	57
DEFERRED TAX LIABILITIES - NET	22	-	-
TOTAL NON-CURRENT LIABILITIES		**1,148**	**1,251**
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
(i) Borrowings	23	3,797	3,789
(ii) Trade Payables	24	2,564	3,249
(iii) Other Current Financial Liabilities	25	997	1,068
OTHER CURRENT LIABILITIES	26	429	705
EMPLOYEE BENEFIT OBLIGATIONS	21	43	55
TOTAL CURRENT LIABILITIES		**7,830**	**8,866**
TOTAL EQUITY AND LLABILITIES		**9,373**	**10,582**

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

Amitabha Niyogi
Partner
Membership Number 056720
Mumbai, 17th May, 2019

Harshwardhan Murarka
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

Statement of Profit and Loss for the year ended March 31, 2019 (Consolidated)

(Rupees in Lacs)

Particulars	Note	Year Ended March 31, 2019	Year Ended March 31, 2018
INCOME			
REVENUE FROM OPERATIONS	27	12,914	11,140
OTHER INCOME	28	70	101
TOTAL INCOME		**12,984**	**11,241**
EXPENSES			
COST OF MATERIALS CONSUMED	29	3,410	4,113
PURCHASES OF STOCK-IN-TRADE		2,812	2,312
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	30	158	(138)
EMPLOYEE BENEFITS EXPENSE	31	2,348	2,386
FINANCE COSTS	32	676	429
DEPRECIATION AND AMORTISATION EXPENSE	33	173	179
OTHER EXPENSES	34	3,492	3,251
TOTAL EXPENSES		**13,069**	**12,532**
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		**(85)**	**(1,291)**
EXCEPTIONAL ITEMS - PROFIT / (LOSS)			-
PROFIT/(LOSS) BEFORE TAX		**(85)**	**(1,291)**
TAX EXPENSE			
CURRENT TAX	35	-	-
DEFERRED TAX	35	-	(167)
PROFIT/ (LOSS) FOR THE YEAR		**(85)**	**(1,124)**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
- Remeasurement of Post-employment benetit obligations		37	21
- Change in equity instruments- Fair value through Other Comprehensive Income		(2)	(4)
- Tax relating to these items			
1) Current Tax		-	-
2) Deferred Tax		-	(1)
Total Other Comprehensive Income/ (Loss) for the year, net of tax		**35**	**16**
Total Comprehensive Income for the year		**(50)**	**(1,108)**
Earnings per equity share (in INR) (Face value INR 10)			
(1) Basic	45	(7.31)	(96.69)
(2) Diluted	45	(7.31)	(96.69)

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

Amitabha Niyogi
Partner
Membership Number 056720
Mumbai, 17th May, 2019

Harshwardhan Murarka
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman &
Managing Director

Statement of cash flows for the year ended March 31, 2019 (Consolidated)

(₹ In Lakhs)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Cash flow from operating activities		
Profit / (Loss) before income tax	(85)	(1,291)
Adjustments for		
Depreciation and amortisation expense	173	179
(Gain)/loss on disposal of property, plant and equipment	5	3
Provisions Written Back	(29)	(59)
Interest income classified as investing cash flows	(9)	(2)
Finance costs	676	429
Change in operating assets and liabilities		
(Increase) /Decrease in trade receivables	(138)	66
(Increase) /Decrease in inventories	84	(506)
(Increase)/ Decrease in other financial assets	(15)	49
(Increase)/ Decrease in other non-current assets	1	(11)
(Increase)/Decrease in other current assets	971	(737)
Increase/ (Decrease) in trade payables	(657)	297
Increase/ (Decrease) in employee benefit obligations	73	39
Increase/ (Decrease) in other financial liabilities	(64)	141
Increase/ (Decrease) in other current liabilities	(276)	34
Cash generated from operations	**710**	**(1,369)**
Income taxes paid (net of refund)	(2)	(2)
Net cash inflow from operating activities	**708**	**(1,371)**
Cash flows from investing activities		
Payments for property, plant and equipment	(83)	(27)
Proceeds from sale of property, plant and equipment	9	4
Changes in Other bank balances	7	(31)
Interest received	10	3
Net cash outflow from investing activities	**(57)**	**(51)**
Cash flows from financing activities		
Proceeds from borrowings:		
Term Loan	(153)	776
Cash Credit (net)	31	(152)
Others	(23)	1,358
Repayment of borrowings:		
Term Loan	(4)	80
Car Loan	2	(27)
Interest paid	(676)	(429)
Unclaimed Dividends paid	(3)	(1)
Net cash inflow (outflow) from Financing activities	**(826)**	**1,605**
Net increase (decrease) in cash and cash equivalents	**(175)**	**183**
Cash and cash equivalents at the beginning of the year	197	14
Cash and cash equivalents at the end of the year	**22**	**197**

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

Amitabha Niyogi
Partner
Membership Number 056720
Mumbai, 17th May, 2019

Harshwardhan Murarka
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

Statement of changes in equity for the year ended March 31, 2019

A. Equity share capital

	(Rupees in Lacs)
As at April 1, 2017	**116**
Changes in equity share capital during the year	-
As at March 31, 2018	**116**
Changes in equity share capital during the year	-
As at March 31, 2019	**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, 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**
Balance as at April 1, 2018	**43**	**70**	**549**	**(337)**	**4**	**329**
Profit for the year	-	-	-	(85)	-	(85)
Other Comprehensive Income for the year, net of tax	-	-	-	37	(2)	35
Total Comprehensive Income for the year	**-**	**-**	**-**	**(48)**	**(2)**	**(50)**
Balance as at March 31, 2019	**43**	**70**	**549**	**(385)**	**2**	**279**

The accompanying notes form an integral part of the Financial Statements

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

For KAMG & ASSOCIATES
Chartered Accountants
Firm's Registration Number 311027E

For and on behalf of the Board of Directors

Amitabha Niyogi
Partner
Membership Number 056720
Mumbai, 17th May, 2019

Harshwardhan Murarka
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman &
Managing Director

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 Board of Directors approved the financial statements for the year ended March 31, 2019 and authorised for issue on May 17, 2019.

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

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 Anglo French Drugs & Industries Limited. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) BASIS OF PREPARATION

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

– equity investments in entities other than subsidiary, joint ventures and associate which are measured at fair value;

– Certain financial assets and liabilities that are measured at fair value;

– defined benefit plans – plan assets measured at fair value.

(iii) Use of estimates

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

(b) PRINCIPLES OF CONSOLIDATION

Subsidiary

Subsidiary is an entity over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the group. It is deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(c) PROPERTY, PLANT AND EQUIPMENT

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

Depreciation methods, estimated useful lives and residual value

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

Derecognition

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

(d) INTANGIBLE ASSETS

Measurement at recognition:

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their actual useful lives or upto 6 years whichever is lower. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

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

Subsequent Expenditure:

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

Derecognition:

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

(e) FINANCIAL INSTRUMENTS

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

(i) FINANCIAL ASSETS:

(A) Classification:

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

(B) Initial recognition and measurement:

A financial asset is classified as measured at

— Amortised Cost;

— FVOCI — debt instruments;

— FVOCI - equity investment; or — FVTPL

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

Debt instruments:

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

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

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

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

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

Equity investment:

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

(C) Derecognition:

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

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

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

(D) Impairment:

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

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

(b) Trade receivables

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

Trade receivables which do not contain a significant financing component.

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the group determines whether there has been a significant increase in credit risk.

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

(ii) FINANCIAL LIABILITIES:

(A) Classification:

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

(B) Initial recognition and measurement:

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

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

(C) Derecognition:

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

(iii) OFFSETTING FINANCIAL INSTRUMENT:

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

(iv) INCOME RECOGNITION:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(f) CASH AND CASH EQUIVALENTS

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

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

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

(g) REVENUE RECOGNITION

(A) Sale of goods

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

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

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

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

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

(B) Export Incentive

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

(C) Interest Income

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

(D) Dividend Income

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

(h) EMPLOYEE BENEFITS

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

(i) Short-term obligations

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

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

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

(ii) Post-employment obligations

The group operates the following post-employment schemes:

Gratuity obligations –

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

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

Provident Fund –

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

Superannuation Fund -

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

(i) LEASES

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

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

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

(i) Presentation Currency

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

(ii) Transactions and balances

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

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

(k) TAXES ON INCOME

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

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

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

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

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

(l) EARNINGS PER SHARE

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

(m) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

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

(n) SEGMENT REPORTING

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

(o) RESEARCH & DEVELOPMENT

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

(p) INVENTORIES

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

(q) GOVERNMENT INCENTIVES

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

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

2 New standards/amendments that are not yet effective and have not been early adopted:

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the new Ind AS and certain amendments to existing Ind ASs. They shall come into force on 1stApril, 2019 and therefore, the company shall apply the same with effect from that date.

(a) New Indian Accounting Standard (Ind AS 116) "Leases":

Ind AS 116 will replace the existing leases standard, Ind AS 17 "Leases" w.e.f. April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as prescribed in Ind AS 17. The effect on the Financial statements on adoption of Ind AS 116 is being evaluated by the Company.

(b) Other Amendments:

Several other Indian Accounting Standards have been amended on various issues with effect from April 1, 2019. The following amendments are relevant to the company:

(i) Ind AS 12 "Income Taxes"- Income tax consequences of dividend and uncertainty over income tax treatments;

(ii) Ind AS 19 "Employee Benefits"- Accounting for plan amendment, curtailment or settlement;

(iii) Ind AS 109 "Financial Instruments"- Measurement of prepayment features with negative compensation in case of debt instruments;

None of these amendments are expected to have any material effect on the Company's financial statements.

3 Significant estimates and judgements

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

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

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

i) Impairment of trade receivable:

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

ii) Post-employment benefits:

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

iii) Sales returns and rebates:

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

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

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

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

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

4 Property, Plant and Equipment

(₹ In Lakhs)

	Gross carrying amount				Accumulated Depreciation				Carrying value As at March 31, 2018
	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	
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**

	Gross carrying amount				Accumulated Depreciation				Carrying value As at March 31, 2019
	as at April 1, 2018	Additions	Sales / Adjustments	Balance as at March 31, 2019	As at April 1, 2018	For the Year	Sales / Adjustments	As at March 31, 2019	
Freehold land	8	-	-	8	-	-	-	-	8
Buildings	782	23	-	805	64	32	-	96	709
Plant & equipment	653	4	-	657	90	46	-	136	521
Furniture & Fittings	135	5	-	140	45	23	-	68	72
Vehicles	152	33	23	162	53	23	9	67	95
Office equipment	34	3	-	37	28	7	-	35	2
Computers	189	12	-	201	92	41	-	133	68
TOTAL	**1,953**	**80**	**23**	**2,010**	**373**	**172**	**9**	**535**	**1,475**

5 Intangible Assets

(₹ In Lakhs)

	Gross carrying amount				Accumulated Depreciation				Carrying value As at March 31, 2018
	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	
Trademarks	-	-	-	-	-	-	-	-	-
Computer Software	5	-	-	5	1	1	-	2	3
TOTAL	**5**	**-**	**-**	**5**	**1**	**1**	**-**	**2**	**3**

	Gross carrying amount				Accumulated Depreciation				Carrying value As at March 31, 2019
	as at April 1, 2018	Additions	Sales / Adjustments	Balance as at March 31, 2019	As at April 1, 2018	For the Year	Sales / Adjustments	As at March 31, 2019	
Trademarks	-	-	-	-	-	-	-	-	-
Computer Software	5	3	-	8	2	1	-	3	5
TOTAL	**5**	**3**	**-**	**8**	**2**	**1**	**-**	**3**	**5**

(₹ In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
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 (2018- 5,760) Equity shares of INR 10 each in Industrial Development Bank of India Limited	2	4
19,400 (2018- 19,400) Equity shares of INR 10 each in Vijaya Bank	9	10
Note-The merger of Vijaya Bank and Dena Bank with Bank of Baroda has taken place which will be effective from 1st Apr 2019.		
Total Investment in equity instruments	**11**	**14**
Total non-current investments	**11**	**14**
Aggregate amount of quoted investments	11	14
Market value of quoted investments	11	14
7 TRADE RECEIVABLES		
Doubtful		
Receivables from related parties	-	-
Receivables other than from related parties	198	126
Less: Provision for doubtful debts	198	126
Total trade receivables (non-current)	-	-
8 OTHER NON-CURRENT FINANCIAL ASSETS		
Security deposits	90	91
Fixed deposits with bank (with maturity period of more than 12 months)	8	8
Total other non-current financial assets	**98**	**99**
9 OTHER NON-CURRENT ASSETS		
Capital advances	-	-
Deferred rent expense for security deposit assets	24	25
Other deposits	3	3
Total other non-current assets	**27**	**28**

(₹ In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
10 INVENTORIES		
Raw materials	1,464	1,442
Packing materials	444	370
Work-in-progress	124	172
Finished goods**	1,343	1,453
Stores and spare parts *	606	628
Less:Provision for inventories	-	-
Total inventories	**3,981**	**4,065**
* includes Stock of samples and promotional items in the hands of sales representatives Rs NIL lakhs		
**Closing stock of Finished goods includes samples amounting to Rs. 87 lakhs, which are not meant for sale.		
Raw materials & Packing materials are valued at weighted Average method , WIP & Finished Goods at Standard Price and stores and spares at cost.		
11 TRADE RECEIVABLES		
Unsecured, considered good		
Receivable from related parties	-	-
Receivable from other than related parties	2,950	2,832
Total/trade receivables (current)	**2,950**	**2,832**
12 CASH & CASH EQUIVALENTS		
Balances with Banks		
- Current Accounts	20	194
Cash in hand	2	3
Stamps in hand	-	-
Total cash and cash equivalents	**22**	**197**
13 OTHER BANK BALANCES		
Fixed deposits maturing within 3 - 12 months	65	72
Margin money	-	-
Total other bank balances	**65**	**72**
14 OTHER CURRENT FINANCIAL ASSETS		
Security Deposits		
Related Party	13	13
Security deposits	75	59
Total other current financial assets	**88**	**72**
15 CURRENT TAX ASSETS (NET)		
Opening balance	65	64
Less: Tax payable for the year	-	-
Add: Taxes paid	2	1
Add/ (Less): Refund/ adjustment for earlier years	-	-
Closing balance	67	65
MAT credit entitlement	19	19
Total current tax assets (net)	**86**	**84**
16 OTHER CURRENT ASSETS		
Prepaid expenses	126	159
Deferred rent expense on security deposit given	11	8
Other advances	388	1,369
Others-Recovery Right Contract Assets	40	
Total other current assets	**565**	**1,536**

17 EQUITY SHARE CAPITAL

(₹ In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
AUTHORISED		
2,000,000 Equity Shares of INR 10 each (2018- 2,000,000)	200	200
	200	**200**
ISSUED, SUBSCRIBED & FULLY PAID		
1,162,500 Equity Shares of INR 10 each (2018-1,162,500) Of the above 704,000 Equity Shares are issued by way of Bonus Shares by capitalisation of General Reserve	116	116
	116	**116**

(i) Reconciliation of equity share capital

	Number of Shares	Equity share capital (per value)
As at April 1, 2017	**11,62,500**	**116**
Change during the year	-	-
As at March 31, 2018	**11,62,500**	**116**
Change during the year	-	-
As at March 31, 2019	**11,62,500**	**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, 2019		As at March 31, 2018	
	Number of Shares	% holding	Number of Shares	% holding
(1) Abhay Kanoria Family Trust. Represented by Mr. Abhay Kanoria	7,01,745	60.36	7,01,745	60.36
(2) Life Insurance Coporation of India	90,000	7.74	90,000	7.74

18 OTHER EQUITY (₹ In lacs)

	As at March 31, 2019	As at March 31, 2018
(a) RESERVES AND SURPLUS		
CAPITAL RESERVE	43	43
SECURITIES PREMIUM RESERVE	70	70
GENERAL RESERVE	549	549
SURPLUS/ (DEFICIT) IN STATEMENT OF PROFIT AND LOSS	(385)	(317)
	277	**345**
(b) OTHER RESERVES		
Fair Value through Other Comprehensive Income- Equity Instrument	2	4
Total other equity	**279**	**349**

(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	(337)	787
Add: Profit / (Loss) during the year as per Statement of Profit & Loss	(85)	(1,124)
Other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	37	20
Closing Balance	**(385)**	**(317)**
(b) OTHER RESERVE		
OTHER COMPREHENSIVE INCOME		
Opening Balance	**4**	8
Adjustments during the year		
- Remeasurements of quoted equity shares	(2)	(4)
Closing Balance	2	4

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 lacs)

	As at March 31, 2019	As at March 31, 2018
19 NON-CURRENT BORROWINGS		
Term Loans from Banks .		
Secured		
YES Bank		97
Car finance loans from banks	16	23
Term Loans from Others (NBFC)		
JM Financial Products Limited	718	774
Total Non-current borrowings	**734**	**894**
Current maturities of long-term debt (included in note 25)	153	157
Current maturities of car finance loan (included in note 25)	28	19
Total		

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 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 11.80%, 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	309	296
Other liabilities		4
Total other non-current financial liabilities	**309**	**300**

21 Employee Benefit Obligation

(₹ In lacs)

	As at March 31, 2019			As at March 31, 2018		
	Current	Non - Current	Total	Current	Non - Current	Total
Leave Encashment - Unfunded						
Present value of obligation	14	55	69	15	37	52
Gratuity - Funded						
Present value of obligation	296	-	296	241	-	241
Fair value of plan assets	217	-	217	201	-	201
Net Liability	79	-	79	40	-	40
Gratuity Liability	**29**	**50**	**79**	**20**	**20**	**40**
Total employee benefit obligations	43	105	148	55	57	112

(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 lacs)

Particulars	March 31, 2019	March 31, 2018
a) Supperannuation Fund	10	10
b) Provident Fund	98	101

(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 lacs)

Particulars	Gratuity			Leave Encashment
	Present value of obligation	Fair value of plan assets	Net Amount	Present value of obligation
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**
April 1, 2018	**241**	**201**	**40**	**72**
Current service cost	23		**23**	**18**
Prior service cost	37		**37**	
Interest expense/(income)	18	15	**3**	**5**
Total amount recognised in profit or loss	**78**	**15**	**63**	**23**
Remeasurements				
Loss due to experience	(23)		(23)	(13)
Loss due to change in financial assumptions				(1)
Return on plan assets (greater)/ less than discount rate				
Total amount recognised in other comprehensive income	**(23)**		**(23)**	**(14)**
Employer contributions	-	-	-	
Benefit payments				13
March 31, 2019	**296**	**216**	**80**	**68**

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

(₹ In lacs)

Particulars	March 31, 2019	March 31, 2018
Present value of funded obligations	296	241
Fair value of plan assets	216	201
Deficit of funded plan	**80**	**40**
Unfunded plans	68	72
Deficit of Employee Benefit Plans	**148**	**112**

iv) Post-Employment benefits `

The significant actuarial assumptions were as follows:

(₹ In lacs)

Particulars		March 31, 2019	March 31, 2018
Discount rate		7.75%	7.63%
Salary growth rate		6.00%	6.00%
Expected return on assets		7.75%	7.63%
Mortality		Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal rate		5.00%	5.00%

(v) Sensitivity analysis

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

(₹ In lacs)

Particulars	Change in assumption		Impact on defined benefit obligation			
			Increase by 1 %		Decrease by 1 %	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Gratuity						
Discount rate	1%	1%	(39)	(14)	(4)	16
Salary growth rate	1%	1%	(5)	14	(39)	(13)
Withdrawal rate	1%	1%	(20)	1	(26)	(1)
Leave Encashment						
Discount rate	1%	1%	**(5)**	**(5)**	**6**	**6**
Salary growth rate	1%	1%	**5**	**2**	**(5)**	**(2)**
Withdrawal rate	1%	1%	**(1)**	**1**	**(1)**	**(1)**

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

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

(₹ In lacs)

Particulars	March 31, 2019		March 31, 2018	
	Amount in lacs	in %	Amount in lacs	in %
Investment funds with Kotak Gratuity Group Plan (UNI-107L010V05)	216	100%	201	100%
Total	**216**	**100%**	**201**	**100%**

The group pays contribution to Kotak Gratuity Group Plan (UNI-1o7L010Vo5), 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 Groupwise 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, 2019 is 29 lakhs.

The weighted average duration of the defined benefit obligation is 12.63 years (March 31, 2018 - 13.43 years) in case of Gratuity and 16.63 years (March 31, 2018 13.13 years) in case of Leave encashment in all the three years. The expected maturity analysis of undiscounted gratuity and leave encashment is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	Beyond 5 years	Total
March 31, 2019							
Gratuity	15	16	25	23	16	436	531
Leave encashment	5	4	4	6	6	138	163
Total	20	20	29	22	22	574	694
March 31, 2018							
Gratuity	19	12	13	17	15	165	241
Leave encashment	6	4	4	3	4	51	72
Total	25	16	20	20	19	216	313

(₹ In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
22 DEFERRED TAX LIABILITIES - NET		
Deferred Tax Liabilities on account of :		
Depreciation	192	210
Processing fees of term loan	-	-
Total deferred tax liabilities (A)	**192**	**210**
Deferred Tax Assets on account of :		
Accrued expenses deductible on payment	5	2
Leave encashment and gratuity	13	3
Provision for debts, advances and investments	16	39
Fair valuation of security deposit-Assets	-	-
Unabsorbed depreciation and carried forward business loss	383	360
Less: Deferred Tax Assets not recognised	225	194
Total deferred tax assets (B)	**192**	**210**
Deferred Tax (Assetsz/Liabilities (Net - A-B)	**-**	**-**

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, 2017	**219**	**-**	**-**	**219**
Charged/(Credited):				
to profit and loss	(9)	-	-	(9)
to other comprehensive income	-	-	-	-
As at March 31, 2018	210	**-**	**-**	**210**
Charged/(Credited):				
to profit and loss	(18)	-	-	(18)
to other comprehensive income	-	-	-	-
As at March 31, 2019	**192**	**-**	**-**	**192**

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, 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**
Charged/(Credited):							
to profit and loss	3	(23)	-	10	23	31	(18)
to other comprehensive income	-	-	-	-	-	-	-
As at March 31, 2019	**5**	**16**	**-**	**13**	**383**	**225**	**192**

(₹ In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
23		
CURRENT BORROWINGS		
SECURED		
Cash Credit from Banks		
HDFC Bank	738	682
YES Bank	855	532
Packing Credit facility from Banks		
YES Bank	-	348
Short term loan from others		
Working Capital Loan from National Small Industries Coporation Ltd.	143	141
UNSECURED		
Inter Corporate Deposit		
Related Party	722	**770**
Others	1,339	**1,316**
Total Current borrowing	**3,797**	**3,789**

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 12.10% respectively

(ii) Working Capital Loan from National Small Industries Corporation Ltd carries interest at the rate of 11.50%

(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 lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
24 TRADE PAYABLES		
Trade payables	2,564	3,246
Trade payables to related parties	-	3
Total trade payables	**2,564**	**3,249**
Classification as required by MSME Act		
Total outstanding dues of Micro Enterprises and Small Enterprises*	39	
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,525	3,249
Total trade payables	**2,564**	**3,249**
* 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.		
The company has not provided interest for the dues outstanding for the specified period of few parties since such cases are under dispute.		
25 OTHER CURRENT FINANCIAL LIABILITIES		
Current maturities of long term debt	153	157
Current maturities of car loan	28	19
Unclaimed dividend	2	5
Security deposits	-	13
Others		
- Other payables	814	874
Total current financial liabilities	**997**	**1,068**
26 OTHER CURRENT LIABILITIES		
Advance from customers	7	7
Statutory and other dues	41	315
Liabilities related to employees	169	103
Other liabilities	131	280
Others-Refund Contract Liability	81	
Total other current liabilities	**429**	**705**

(₹ In lacs)

Particulars	year ended March 31, 2019	year ended March 31,2018
27 REVENUE FROM OPERATIONS		
a) Sale of products (including excise duty)		
Pharmaceutical / fabrics	12,843	11,102
b) Other operating income		
Sale of scrap	9	5
Excise duty recovered on operating income	8	4
Conversion charges / income from job work	20	21
Miscellaneous - operating income	5	-
Commission received	-	4
Export duty credit/duty drawback	29	4
Total revenue from operations	**12,914**	**11,140**
28 OTHER INCOME		
Interest income	8	7
Interest on others	9	2
Provisions/ Liabilities written back	29	59
Insurance claim local	4	24
Miscellaneous income -non operating	1	9
Foreign Exchange Gain	19	
Total other income	**70**	**101**
29 COST OF MATERIALS CONSUMED		
a) Raw Material Consumed		
Opening Stock	1,442	1,213
Purchases	2,696	3,690
	4,138	4,903
Less : Sales	-	-
Less : Closing Stock	1,464	1,442
Raw Material Consumed	2,674	3,461
b) Packing Material Consumed		
Opening Stock	370	331
Purchases	810	691
	1,180	1,022
Less: Sales	-	-
Less : Closing Stock	444	370
Packing Material Consumed	736	652
Total cost of material consumed	**3,410**	**4,113**
30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE		
Opening Inventories of :		
Finished Goods	1,453	1,379
Work in Progress	172	108
	1,625	1,487
Closing Inventories of :		
Finished Goods	1,343	1,453
Work in Progress	124	172
	1,467	1,625
Total changes in Inventories of finished goods, work in progress and stock-in-trade	**158**	**(138)**
31 EMPLOYEE BENEFITS EXPENSES		
Salaries &: wages	2,009	2,094
Contribution to provident and other Funds	184	152
Staff welfare expenses	155	140
Total employee benefits expense	**2,348**	**2,386**

(₹ In lacs)

Particulars	year ended March 31, 2019	year ended March 31,2018
32 FINANCE COSTS		
Interest Expense		
on borrowing from banks and others	676	429
Total finance costs	**676**	**429**
33 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment	172	178
Amortisation of intangible assets	1	1
Total depreciation and amortisation expense	**173**	**179**
34 OTHER EXPENSES		
(a) Operating, administrative & other expenses		
Consumptiom of stores and spares	68	26
Rent	184	176
Rates & taxes	37	21
Sales tax	28	62
Excise duty	-	77
Repairs & maintenance		
Building	9	12
Plant & machinery	93	88
Others	13	16
Insurance charges	9	19
Electricity & water	20	23
Factory power & fuel	158	134
Job-work charges- manufacturing service charges	62	91
Tour & travelling expenses	798	749
Vehicle running & maintenance	50	53
Conveyance expenses	8	7
Legal & professional fee	107	90
Membership fee & subscription	42	49
Office & general expenses	81	88
Postage and telegram	12	12
Bank charges	25	23
Printing & stationary	22	17
Charity & donations	3	-
Foreign exchange rate fluctuation on expenses	8	13
Festival & celebration expenses	2	2
Security expenses	25	25
Telephone & telex charges	41	42
Laboratory expenses	4	5
Directors fee	1	3
Trade marks	9	9
Loss on sale of assets	5	3
Auditors remuneration [refer note 34(3)]	10	12
(b) Selling & distribution expenses		
Selling expenses	7	7
Advertisement & publicity	2	-
Business promotion expenses	922	642
Bad debt written off	-	5
Provision for doubtful debts	52	-
Clearing, forwarding & freight	149	173
Rebates & discount allowed	121	162
Insurance expenses- goods-in-transit	7	-
Handling expenses	5	4
Clearing & forwarding agents commission	293	311
Total other expenses	**3,492**	**3,251**
34 (a) Details of Auditors' remuneration		
Audit fee	7	7
Tax audit fee	-	1
For other services such as certification	3	4
Total auditors remuneration	**10**	**12**

(₹ In lacs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
35 TAX EXPENSE		
(a) Current tax		
Tax on profits for the year	-	-
Adjustments for prior periods	-	-
Total income tax	-	-
(b) Deferred tax		
Decrease (increase) in deferred tax assets	18	(158)
(Decrease) increase in deferred tax liabilities	(18)	(9)
	-	(167)
Less : Recognised in OCI	-	-
Total deferred tax expense/ (benefit)	-	(167)
Total tax expense	**-**	**(167)**
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before income tax expense	(85)	(1291)
Tax at the rate of 30.900% (2016 - 30.900%)	**-**	**-**
Adjustments related to property, plant and equipments:		
Adjustment on account of depreciable assets	(18)	(9)
Unabsorbed business loss	**(21)**	**(166)**
Tax effect of amounts which are not deductible in calculating taxable income:		
Provision for debts, advances and investments	16	1
Adjustment in 43B (on payment basis)	23	7
	-	(167)
Income tax adjustments (since income tax payable undet MAT - u/s 115JB)	-	-
Tax payable under MAT - u/s 115JB	-	-
Profit of subsidiary - exempted	-	-
Income tax expense as per Income Tax	-	(167)

36 FAIR VALUE MEASUREMENTS

Financial instruments by category

(₹ In lacs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	FVOCI	Amortised Cost	FVOCI	Amortised Cost
Financial assets ;				
Investments				
- Equity instruments	11		14	
Fixed Deposits		8		8
Trade Receivables		2,950		2,832
Cash and cash equivalents		22		197
Other Bank Balance		65		72
Security deposits		178		163
Total financial assets	**11**	**3,223**	**14**	**3,272**
Financial liabilities				
Borrowings		4,712		4,859
Security deposits		309		309
Trade payables		2,564		3,249
Capital creditors		-		-
Unclaimed Dividend		2		5
Others		814		878
Total financial liabilities	**-**	**8,401**	**-**	**9,300**

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

(₹ In lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
	Level 1	Level 1
Financial Assets at FVOCI		
Investment in equity shares		
Industrial Development Bank of India Limited	2	4
Viiaya Bank	9	10
Total financial assets at FVOCI	**11**	**14**

(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 enominated 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 lacs)

Currency	Receivables	Payables
March 31, 2019		
US Dollar (USD)	296	-
Net exposure to foreign currency risk	**296**	**-**
March 31, 2018		
US Dollar (USD)	250	-
Net exposure to foreign currency risk	**250**	**-**

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, 2019	March 31, 2018
USD sensitivity		
INR/ USD Increases by 5% (March 31, 2018 - 5%)	15	13
INR/USD Decreases by 5% (March 31, 2018 - 5%)	(15)	(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 lacs)

Particulars	March 31, 2019	March 31, 2018
Variable rate borrowings	2,315	2,332
Fixed rate borrowings	2,397	2,527
Total borrowings	**4,712**	**4,859**

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, 2019			
Bank overdrafts, bank loans, Cash credit	12.17	1,593	34%
March 31, 2018			
Bank overdrafts, bank loans, Cash credit	11.23	2,332	48%

Sensitivity

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

(₹ In lacs)

Particulars	Impact on profit after tax	
	March 31, 2019	March 31, 2018
Interest rates - increase by 50 basis points (50 bps) *	8	12
Interest rates - decriase by 50 basis points (50 bps) *	(8)	(12)

(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, 2017	**126**
Changes in loss allowance	-
Loss allowance on March 31, 2018	**126**
Changes in loss allowance -	72
Loss allowance on March 31, 2019	**198**

(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, 2019	March 31, 2018
Floating rate		
Cash credit/WCTL facility	246	325

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 gr0up'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 lacs)

Particulars	Not later than 1 year	Between 1 and 5 year	Later than 5 years	Total
Non-derivatives				
March 31, 2019				
Borrowings	3,978	221	513	4,712
Trade payables	2,550			2,550
Security deposits	-		309	309
Other financial liabilities	816	-		816
Total non-derivative liabilities	**7,344**	**221**	**822**	**8,387**
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**

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 lacs)

	March 31, 2019	March 31, 2018
Net debt (net of cash and cash equivalents)	4,712	4,859
Total equity	395	465
Net debt to equity ratio	**1193%**	**1045%**

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 (upto 20th August 2018)
iv) Mr. N Ahmedali
v) Ms.Neha Rajen Gada
vi) Mr. Nirbhay Kanoria
vii) Mr. Pauly Sukumar Nuthakki (upto 29th June 2018)
viii) Mr. Sanatkumar Shirali
ix) Mr. Manish Jagnani (upto 31st December 2018)
x) Mr. Aditya Kumar Jain (upto 18th May 2018)
xi) Mrs.Pallavi Kanoria (Wife of Mr Abhay Kanoria)
xii) Mr. Harshwardhan Murarka (From 1st March 2019)
xiii) Mr. Kushal Jain (From 1st October 2018)

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 Kye 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 Services Ltd.

(₹ In lacs)

(b) Transactions with Related Parties for the year ended March 31, 2019

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	
	2019	2018	2019	2018	2019	2018
EXPENSES :						
(i) Rent Paid						
Mr. Abhay Kanoria			10	10		
Mrs. Pallavi Kanoria			10	10		
ii) Receiving of Services - Administrative Commercial & Accounting service						
Sudarshan Services Ltd.	-	3				
iii) Interest Paid						
Sudarshan Services Ltd.	78	13		-		
iv) Remuneration Paid						
Mr. Abhay Kanoria	-	-	54	54		
Mr. Uddhav Kanoria	-	-	45	45		
Mr. Nirbhay Kanoria	-	-	34	34		
Mrs. Pallavi Kanoria			18	18		
Mr. Naveen Kumar Gupta			-	12		
Mr. Manish Jagnani			10	2		
Mr. Aditya Kumar Jain			0.3	2		
Mr. Kushal Jain			0.9	0		
Mr. Harshwardhan Murarka			0.8	0		
v) Director's Sitting fee						
Mr. Sanatkumar Shirali			0.2	0.5		
Ms. Neha Rajen Gada			0.3	0.7		
Mr. Upendra G. Patel			0.2	0.5		
Mr. N. Ahmedali			0.5	0.8		
Mr. Pauly Sukumar Nuthakki			0.2	0.2		
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					31	32

(c) Outstanding Balances as on March 31, 2019

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	
	2019	2018	2019	2018	2019	2018
PAYABLES :						
i) For Goods & Services						
Sudarshan Services Ltd.	-	3				
ii) Inter Corporate Deposit						
Sudarshan Services Ltd.	722	770				
LOANS & ADVANCES AND RECEIVABLES :						
iii) Security Deposit						
Mr. Abhay Kanoria	13	13				

40. Contingent liabilities

The group had contingent liabilities at March 31, 2019 in respect of :

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

(₹ In lacs)

Particulars	March 31, 2019	March 31, 2018
a) Value Added Tax/Sales Tax	154	152
b) Income-tax	-	-
d) Service Tax/ Excise Duty	158	158

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 469 lacs (2018 - INR 442 lacs).
ii. Letter of credit opened and remaining outstanding INR INR 15 lacs (2018 - INR 193 lacs).

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 for its employees. During the year, the group has recognized lease rent expense of INR175 lakhs (2018: INR 168 lakhs) 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 lacs)

Particulars	March 31, 2019	March 31, 2018
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	164	161
Later than one year but not later than five years	196	569
Later than five years	-	16

42 (a)Details of Raw Materials Consumed

(₹ In lacs)

Description	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
PHARMACEUTICALS					
Calcium D Pantohenate IP	Kgs	3,920	124	20,694	914
Ascoric Acid	Kgs	61,267	477	74,393	682
Miscellaneous (None individually account for more than 10% of total consumption)		-	2,114	-	1,864
			2,715		3,460

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

(₹ In lacs)

Description	Current Year		Previous Year	
	Amount	%	Amount	%
a) Raw Materials:				
Imported	-	-	9	-
Indigenous	2,715	100	3,451	100
	2,715	100	3,460	100
b) Stores and Spare Parts				
Imported	-	-	-	-
Indigenous	40	100	26	100
	40	100	26	100

(c) Purchase of Stock -in-Trade

(₹ In lacs)

Description	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
Formulations:					
a) Tablets	Million	262	949	194	1,003
b) Liquids	Bottles	57,48,054	631	42,55,385	396
c) Injections	Litres	1,35,546	261	79,247	121
d) Capsules	Million	85	574	36	386
e) Granules	Kgs	2,184	3	2,868	3
f) Powder	Kgs	1,41,443	129	1,10,437	116
g) Ointment	Kgs	42,080	243	48,712	241
h) Raw Materials	Kgs	-	-	-	-
i) Packing Materials	Kgs	-	-	-	
j) Others	Nos.	2,95,186	22	6,18,890	46
			2,812		2,312

(d) Value of Imports on CIF basis

(₹ In lacs)

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		122		123
F.O.B Value of Exports In Foreign Currency	13,80,407	947	9,16,240	593

43. Though the- subsidiary of the company Anglo French Drugs & Industries PTE. Limited Singapore (AFDIPL) has incurred a net profit of Rs. 1 lakh during the year ended 31st March, 2019, but it has incurred losses for the last year and has accumulated negative reserves to the tune of Rs 166 lakhs as on 31st March, 2019 and, as of that date, AFDIPL current liabilities exceeded its current assets by Rs 135 lakhs and its total liabilities exceeded its total assets by Rs 141 lakhs. 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 immidiate 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.

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, 2019.

44. Operating Segment

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

(₹ In lacs)

Particulars	March 31, 2019	March 31, 2018
Information about Geographical Areas:		
Revenue from customers		
In India	11,967	10,615
Outside India	909	512
Non-current assets		
In India	1,616	1,724
Outside India	-	-
Information about major customers		
Consolidated Revenue-exceeding 10% from each single customer	NIL	NIL

45. Earnings per Equity share

Particulars	March 31, 2019 INR	March 31, 2018 INR
(a) Basic earnings per share	(7.31)	(96.69)
(b) Diluted earnings per share	(7.31)	(96.69)

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

Particulars	March 31, 2019 INR	March 31, 2018 INR
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	(85)	(1,124)
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	(85)	(1,124)

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

For the Period ended	March 31, 2019 Number of shares	March 31, 2018 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	11,62,500	11,62,500
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	11,62,500	11,62,500

46. Research and Development Expenses

(₹ In lacs)

Particulars	March 31, 2019	March 31, 2018
Material Consumption	1	3
Laboratory consumption	3	0
Employee Benefits Expense	18	16
Others	1	1
	23	20

47 Revenue Recognition as per Ind AS 115

i The Group derives revenues primarily from sale of pharmaceutical products and scrap from its contracts with customers. The revenues have been disclosed in Note No.27 “Revenue from Operations”

ii The disaggregation of revenues is as under:

(₹ In lacs)

Nature	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contracts with customers		
Revenues from sale of goods	12908	11026
Revenues from sale of scrap (Other operating income)	9	5
	12,917	11,031

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

(₹ In lacs)

Nature	Year ended March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2018
	Domestic	Exports(including Deemed Exports)	Domestic	Exports
Revenue from contracts with customers				
Revenues from sale of goods	11608	1,300	10,250	776
Revenues from sale of scrap (Other operating income)	9	-	5	-
	11,617	1,300	10,255	776

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

Nature	Amount (₹ in lakhs)		
Particulars	Receivables	Contract Assets	Contract Liabilities
Balance as at the beginning of the year	2,979	-	-
Additions	96	40	81
Adjustments	-	-	-
Balance as at the end of the year	3,075	40	81

The revenue of Rs.NIL lakhs has been recognised from the carried forward contract liabilities balance as at the beginning of the year.

v The revenue from contracts with customers for the year includes variable consideration (discounts & rebates) of Rs. 121 lakhs, which has been deducted from the transaction price. The group uses expected value method in measuring the variable consideration. There were no constraints in estimating variable consideration.

vi The revenue from contracts with customers for the year also include the impact of customers' right to return the goods of Rs. 81 lakhs. The same has been deducted from the transaction price. The corresponding cost of materials to be returned to the group amounting to Rs 40 lakhs has been adjusted with cost of consumption. The corresponding refund liability and right to recover an asset have been recognised in the financial statements.

48 Adoption of FRS 109 Financial Instruments

The financial statements of the subsidiary of the company, Anglo French Drugs & Industries PTE LTD., have been drawn up in accordance with Singapore Financial Reporting Standards(SFRS)

The subsidiary company has applied FRS 109 wef 01.04.2018 as a result of which an allowance of USD 28357 equivalent to Rs. 19,61,495 , has been created against Trade Receivables appearing as on 01.04.2018. Therefore an adjustment of Rs 20 lakhs has been done from Retained Earnings as on 01.04.2018 to give effect of the allowance made against Trade Receivables.

The balance of Surplus/Defecit in Consolidated Statement of Profit & Loss as on 01.04.2018 has been reinstated from (317 lakhs) to (337 lakhs) to give effect of 20 lakhs of allowance against Trade Receivables on the date of initial application i.e. 01.04.2018.(Note 18(iv))

49 Interests in other entity

Subsidiary

The group's subsidiary as at March 31, 2019 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.

Nature of entity	Place of business/ country of incorporation	Ownership interest held by the group		Principal activities
		As at March 31, 2019	As at March 31, 2018	
Anglo French Drugs & Industries Pte. Ltd.	Singapore	100	100	Trading in pharmaceutical products

The financial statements of the subsidiary are presented in United States Dollar(USD),which is its functional currency.
For the purpose of consolidation, the financial statements are converted into INR from USD.

For KAMG & ASSOCIATES
Chartered Accountants
Firm's Registration Number 311027E

For and on behalf of the Board of Directors

Amitabha Niyogi
Partner
Membership Number 056720
Mumbai, 17th May, 2019

Harshwardhan Murarka
Chief Financial Officer

N. Ahmedali
Director

Abhay Kanoria
Chairman & Managing Director

50 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 69.14 / US$)
6	Share capital	25
7	Reserves & surplus	(166)
8	Total assets	56
9	Total Liabilities	197
10	Investments	-
11	Turnover	55
12	Profit before taxation	1
13	Provision for taxation	-
14	Profit after taxation	1
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

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

(₹ In lacs)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated net assets	Amount	As % of Consolidated Proft or Loss	Amount	As % of Consolidated Proft or Loss	Amount	As % of Consolidated Proft or Loss	Amount
1	2	3	4	5	6	7	8	9
Parent								
Anglo French Drugs & Industries Ltd.	135.44%	535	101.18%	(86)	100.00%	35	102.00%	(51)
Subsidiaries								
Indian	-	-	-	-	-	-	-	-
Foreign								
Anglo French Drugs & Industries Pte Ltd.	-35.44%	(141)	-1.18%	1	0.00%	-	-2.00%	1

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