



# ANGLO-FRENCH DRUGS & INDUSTRIES LIMITED

7<sup>th</sup> September, 2020

To,  
The Listing Department  
Metropolitan Stock Exchange of India Ltd  
4<sup>th</sup> Floor, Vibgyor Towers, Plot No. C 62,  
G Block, Opp. Trident Hotel,  
Bandra Kurla Complex, Bandra (E),  
**MUMBAI - 400 098**

Dear Sir/Madam,

**Sub: Submission of Notice of 97<sup>th</sup> Annual General Meeting (AGM) and Annual Report for the financial year 2019-20**

Pursuant to the requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Notice of 97<sup>th</sup> Annual General Meeting (AGM) together with Annual report for the financial year 2019-20 which was sent on Saturday, i.e. 5<sup>th</sup> September, 2020 through electronic mode to all Members whose email addresses are registered with the Company/ Registrar & Transfer Agent/Depositories.

Further, the aforesaid notice and Annual report have also been uploaded on website of the Company at <https://www.afdil.com/investor-relations/>.

Please take the same on your records and oblige.

Thanking you,

Yours faithfully,  
**For Anglo-French Drugs & Industries Ltd**

**Deepa Ramachandran**  
Company Secretary & Compliance Officer



Place: Bengaluru

Encl: As above

**97<sup>th</sup>**

**ANNUAL  
REPORT**

**2019-20**



**Anglo-french Drugs & Industries Ltd.**



## Anglo-French Drugs & Industries Limited

No.41, 3rd Cross, V Block, Rajajinagar,  
Bengaluru – 560 010.  
CIN: L24230KA1923PLC010205  
Website: www.afdil.com

### NOTICE CONVENING ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **Ninety-Seventh (97th)** Annual General Meeting of the Members of Anglo-French Drugs & Industries Limited (“Company”) will be held on Tuesday, 29th September, 2020 at 4.30 p.m. at Plot No.4, Phase II, Peenya Industrial Area, Peenya, Bengaluru – 560058, Karnataka to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company, for the financial year ended 31st March 2020 together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Sanatkumar Shirali, (DIN: 05260386), who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS

##### 3. Ratification of appointment and remuneration of Cost Auditors of the Company for the Financial Year 2020-21.

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

**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to G.M. & Associates, Cost Accountants (Firm Registration No.000574) appointed by the Board as Cost Auditors of the Company, to conduct the audit of Cost records of the company for the Financial Year 2020-21 amounting to Rs.70,000/- (Rupees Seventy Thousand Only) per annum, plus taxes and reimbursement of out of pocket expenses in connection with the aforesaid audit is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary to give effect to this resolution.”

##### 4. Appointment of Mr. Rakesh Kanyadi, (DIN: 08532438) as Director of the Company

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

**RESOLVED THAT** Mr. Rakesh Kanyadi, (DIN:08532438), who was appointed by the Board of Directors on recommendation of the Nomination & Remuneration Committee as an Additional Director of the Company with effect from 13th August, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”), other applicable provisions and Articles of Association of the Company, and being eligible, offers himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Rakesh Kanyadi’s candidature for the office of the Director, be and is hereby appointed as a Non-executive, Non Independent Director of the Company, liable to retire by rotation, with effect from the date of this Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary to give effect to this resolution.”

##### 5. Re-appointment of Mr. Abhay Kanoria (DIN: 00108894) as Chairman & Managing Director of the Company :

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**.

**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and approval of Board of Directors of the Company at their meeting held on 12th February, 2020 and in accordance with the provisions of Section 196, 197, 198, 203 and other applicable provisions if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for time being in force) read with Schedule V of the Act and applicable provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time and subject to other sanctions/approvals as may be necessary, approval of the Members be and is hereby accorded for re-appointment of Mr. Abhay Kanoria (DIN:00108894), as Chairman & Managing Director of the Company for a period of 3 (Three) years w.e.f. 1st April 2020, on the terms and conditions including remuneration as given in the Explanatory Statement annexed to this Notice.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to alter, amend and vary the terms and conditions of the said re-appointment, remuneration and/or agreement in such manner and to such extent as may be agreed between the Board of Directors and Managing Director so as not to exceed the limits specified in Schedule V to the Act including any amendments thereto.

**RESOLVED FURTHER THAT** where in any financial year the Company has no profits or its profits are inadequate, the Company do pay to Mr. Abhay Kanoria remuneration as specified above by way of salary, perquisites and other allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule V to the Act (including any amendment or re-enactment(s) thereof).

**RESOLVED FURTHER THAT** Mr. Abhay Kanoria shall not be paid any sitting fees for attending the meeting of Board of Directors and / or any Committee thereof.



**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary to give effect to this resolution.”

**6. Re-appointment of Mr. Nirbhay Kanoria (DIN: 02558300) as Whole-time Director :**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**.

**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and approval of Board of Directors of the Company at their meeting held on 12th November, 2019 and in accordance with the provisions of Section 196, 197, 198, 203 and other applicable provisions if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for time being in force) read with Schedule V of the Act and applicable provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time and subject to other sanctions/approvals as may be necessary, approval of the Members be and is hereby accorded for re-appointment of Mr. Nirbhay Kanoria (DIN:02558300), as the Whole Time Director in the Company for a period of 3 (Three) years w.e.f. 1st February 2020, on the terms and conditions including remuneration as given in the Explanatory Statement annexed to this Notice.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to alter, amend and vary the terms and conditions of the said re-appointment, remuneration and/or agreement in such manner and to such extent as may be agreed between the Board of Directors and Executive Director so as not to exceed the limits specified in Schedule V to the Act including any amendments thereto.

**RESOLVED FURTHER THAT** where in any financial year the Company has no profits or its profits are inadequate, the Company do pay to Mr. Nirbhay Kanoria remuneration as specified above by way of salary, perquisites and other allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule V to the Act (including any amendment or re-enactment(s) thereof).

**RESOLVED FURTHER THAT** Mr. Nirbhay Kanoria shall not be paid any sitting fees for attending the meeting of Board of Directors and / or any Committee thereof.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary to give effect to this resolution.

**7. Appointment of Dr. Rajeshwar B Smarta, (DIN: 02835301) as an Independent Director, of the Company**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**.

**RESOLVED THAT** Dr. Rajeshwar B. Smarta (DIN: 02835301), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 13th August, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, and based on recommendation of the Nomination and Remuneration Committee and approval of Board of Directors, the appointment of Dr. Rajeshwar B. Smarta (DIN:02835301), who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 13th August, 2019 to 12th August, 2024 be and is hereby approved.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary to give effect to this resolution.”

By order of the Board of Directors

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

Bengaluru  
22nd June, 2020

**Deepa Ramachandran**  
Company Secretary

**Registered Office:**  
No.41, 3rd cross, V Block,  
Rajajinagar,  
Bengaluru 560 010.

**Notes:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, has permitted that Notice of the AGM along with the Annual Report 2019-20 be sent through electronic mode. In view of this, Notice along with Annual report is being sent only through electronic mode to those Members whose email addresses are registered with the Company or RTA or CDSL / NSDL ("Depositories"). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website <https://www.afdil.com/investor-relations/> and website of the Stock Exchange - MSEI Limited at [www.msei.in](http://www.msei.in)
2. The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act"), setting out material facts concerning the business under Item Nos. 3 to 7 set out above and details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, in respect of the Director seeking re-appointment at the Annual General Meeting (AGM) are annexed hereto.
3. IN TERMS OF SECTION 105 OF THE COMPANIES ACT, 2013 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER AND THE PROXY FORM, TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable. Members, Proxies and Authorized Representatives are requested to bring to the meeting the enclosed Attendance Slip duly completed and signed, mentioning therein details of their DP ID and Client ID/ Folio No.
5. Corporate Members intending to attend the AGM through their authorized representatives are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
6. Notice of the said Meeting alongwith Annual Report, Attendance Slip, Proxy Form and Route map for venue of the Meeting are being sent by electronic mode to all those members whose e-mail addresses are registered with the Company/RTA or Depositories for communication purposes unless any member has requested for a hard copy of the same. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website <https://www.afdil.com/investor-relations/>.
7. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Registrar & Transfer Agents M/s. Canbank Computer Services Limited, in case the shares are held by them in physical form.
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s.Canbank Computer Services Limited ("CCSL") for assistance in this regard.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to CCSL in case the shares are held by them in physical form.
10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or CCSL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
11. The Company has established the Electronic Connectivity with NSDL and CDSL to facilitate holding and transfer of shares in dematerialized form. The International Securities Identification Number (ISIN) allotted to the Company's equity is INE570E01016. The shareholders may get their holding into de-materialized form.
12. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
13. Relevant documents referred to in the Notice and the explanatory statement are open for inspection by the members at the Registered Office of the Company during the normal business hours on all working days (i.e., except Saturdays, Sundays and Public Holidays) up to the date of AGM. The aforesaid documents will also be available for inspection by the members at the meeting.
14. Members who wish to claim dividends, which remain unclaimed, are requested to either correspond with the Secretarial Department at the Company's Registered Office or the Company's Registrars and Share Transfer Agents M/s Canbank Computer Services Ltd.
15. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the Demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

**Statement of unclaimed Dividend for the previous years:**

Financial Year	Unclaimed amount as on 31.3.2020 (Amount in Rs.)	Due date/ date of transfer to Investor Education and Protection Fund
2012-13	95,455.00	14.12.2020



16. Members are requested to note that pursuant to Regulation 39 (4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and its amendments, the Company is required to transfer all the unclaimed shares into one folio in the name of “Unclaimed Suspense Account” and these shares are to be dematerialized and kept with Depository Participants. In compliance of the said Clause, the Company will take necessary steps with the shareholders and will initiate action to transfer the unclaimed shares into one folio in the name of “Unclaimed Suspense Account” and dematerialize in due course.
17. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 23rd September, 2020 to Tuesday, 29th September, 2020 (both days inclusive).
18. At the Ninety Fourth AGM held on September 21, 2017 the Members approved appointment of M/s. KAMG & Associates, Chartered Accountants, (FRN 311027E), AE-350, Salt Lake, Sector-1, Kolkata – 700064, as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Ninety Ninth AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the Ninety Seventh AGM.
19. The route map showing directions to reach the venue of the Ninety Seventh (97th) Annual General Meeting is annexed to this notice.
20. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, May 13, 2020 and May 5, 2020, the Company has provided a facility of casting the votes by the Members using an electronic voting system from a place other than venue of AGM (“remote e-Voting”) through the electronic voting service facility arranged by National Securities Depository Limited (NSDL).

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

**The remote e-voting period begins on Saturday, 26th September, 2020 at 09.00 A.M. IST and ends on Monday, 28th September, 2020 at 05.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.**

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

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

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

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

**Details on Step 1 is mentioned below:**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

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

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at [canbankrta@ccsl.co.in](mailto:canbankrta@ccsl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
    - In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card by email to [canbankrta@ccsl.co.in](mailto:canbankrta@ccsl.co.in) or [compliance@afdil.com](mailto:compliance@afdil.com).
    - In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to ([canbankrta@ccsl.co.in](mailto:canbankrta@ccsl.co.in)).
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### **Details on Step 2 is given below:**

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

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

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

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [info@swaroopsuri.com](mailto:info@swaroopsuri.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).



## 21. Other information:

- The remote e-voting period commences on Saturday, September 26, 2020 (9.00 a.m. IST) and ends on Monday, September 28, 2020 (5.00 p.m. IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date i.e. Tuesday, 22nd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- The facility for voting, either through electronic voting system or ballot paper shall also be made available at the meeting and Members attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right at the meeting.
- The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on cut-off date i.e. Tuesday, 22nd September, 2020.
- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting.
- Swaroop Suryanarayana, Practicing Company Secretary of M/s. Swaroop Suri & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as voting at the meeting, in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.afdil.com](http://www.afdil.com) immediately after the results are declared and the same shall be communicated to Metropolitan Stock Exchange of India Limited, where the shares of the Company are listed.
- Electronic Copy of the Annual report for 2019-20 is being sent inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form to all members whose email ids are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same.
- Members may also note that the Notice of the 97th AGM and the Annual Report FY 2019-20 will be available on website of the Company and Stock Exchange.

By order of the Board of Directors  
For **Anglo-French Drugs & Industries Ltd.**

Bengaluru  
22nd June, 2020

**Deepa Ramachandran**  
Company Secretary

### Registered Office:

No.41, 3rd cross, V Block,  
Rajajinagar,  
Bengaluru 560 010.

## ANNEXURE TO NOTICE

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

#### ITEM NO.3

On recommendation of the Audit Committee, the Board of Directors of the Company at their meeting held on 22nd June, 2020 approved the appointment of G.M. & Associates, Cost Accountants, (Firm registration no.000574) as Cost Auditor of the Company, to conduct the audit of Cost records relating to Pharmaceutical Formulations for the Financial Year 2020-21 at a remuneration of Rs.70,000/- (Rupees Seventy Thousand Only) per annum, plus taxes and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit.

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

The Board recommends the resolution in relation to ratification of remuneration of cost auditor set out in Item No.3 of the Notice for approval of the Members by way of an Ordinary resolution.



## ITEM NO.4

The Board of Directors based on the recommendation of Nomination and Remuneration Committee had appointed Mr. Rakesh Kanyadi (DIN: 08532438) as an Additional Director w.e.f 13th August, 2019. In terms of Section 161(1) of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Rakesh Kanyadi holds office as an Additional Director only up to the date of the forthcoming Annual General Meeting.

Mr. Rakesh Kanyadi (DIN: 08532438), being eligible has offered himself for appointment as a Director. The Company received a notice under Section 160 of the Companies Act, 2013, signifying their intention to propose the candidature of Mr. Rakesh Kanyadi for the office of Director of the Company. Mr. Rakesh Kanyadi, aged 47 years, is B.Pharm graduate with over 18 years of experience in Pharmaceutical Industry. He has experience in managing all aspects of plant operations and has worked with reputed Pharma companies in the past. He was instrumental in implementing new technology and management excellence at Sun Pharma. Mr. Rakesh Kanyadi currently heads the Plant & Stores functions at the Company's plant located in Peenya.

The other details of Mr. Rakesh Kanyadi in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. The Board of Directors is of the opinion that Mr. Rakesh Kanyadi's vast knowledge and varied experience will be of great value to the Company and therefore recommends the Resolution at Item No.4 of this Notice relating to his appointment as a Director, liable to retire by rotation as Ordinary Resolution for your approval. Except, Mr. Rakesh Kanyadi, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested or concerned in the Resolution at Item No.4 of the Notice.

## ITEM NO.5

Pursuant to the provisions of Sections 152, 196, 197, 203 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the Rules made thereunder and as recommended by the Nomination and Remuneration Committee of the Board, and subject to the approval of the shareholders, the Board of Directors at its meeting held on 12th February, 2020 re-appointed Mr. Abhay Kanoria (DIN: 00108894) as the Chairman & Managing Director of the Company with effect from 1st April, 2020 to 31st March, 2023 for a further term of 3 Years.

Mr. Abhay Kanoria, aged 64 years, is the Chairman & Managing Director of the Company. Mr. Abhay Kanoria is a B.Sc graduate with specialization in Chemistry and is a person with varied business interests and industry experience. Mr. Abhay Kanoria has been associated with the Company since 1986 and brings a rich experience in the Pharmaceutical industry for more than three decades. Additionally, he continues to advice the family business of textiles. Mr. Abhay Kanoria has promoted the Company since the time he was employed and has contributed significantly in developing the business of the Company and continues to guide the Company with new business strategies and ideas.

Mr. Abhay Kanoria was re-appointed as the Chairman & Managing Director by the shareholders at the 94th Annual General Meeting of the Company for a period of 3 years w.e.f. 1st April, 2017 to 31st March, 2020. The present tenure of Mr. Abhay Kanoria as the Chairman & Managing Director expired on 31st March, 2020.

His association with the Company as the Chairman & Managing Director reflected good performance and productivity of the Company. It is proposed to seek the Members' approval for the re-appointment of and remuneration payable to Mr. Abhay Kanoria (DIN: 00108894) as the Chairman & Managing Director of the Company in terms of the applicable provisions of the Act. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Abhay Kanoria are as under:

Period : Three years w.e.f 1st April, 2020 to 31st March, 2023

- a) Salary at the rate of Rs.2.75 lakhs per month
- b) Rent Free furnished accommodation or House Rent Allowance in lieu thereof, and other perquisites like reimbursement of expenditure incurred on Gas, Electricity, Power, Water and Furnishings.
- c) Use of office car with driver. Use of the car for private purposes to be billed by the Company to Shri. Abhay Kanoria.
- d) Contributions to Provident Fund, Gratuity Fund and Superannuation Scheme as per Rules of the Company.
- e) Coverage under Personal Accident Insurance as per Rules of the Company.
- f) Free Residential telephone excluding long distance personal calls.
- g) The re-imbusement of medical expenses for himself and family for domiciliary treatment up to a limit of Rs.15,000/- in a year and coverage under Company's MEDICLAIM policy with Insurance Company for self and family.
- h) Leave Travel Concession for self and family once a year, in accordance with the Rules of the Company.
- i) Earned leave as per the rules of the Company; encashment of un-availed leave at the end of the tenure.
- j) The Cost to the Company in respect of all perquisites shall not, together with the salary and commission exceed the limits, stipulated in Part II of Section II of Schedule V to the Companies Act, 2013 as existing or as may be amended from time to time.
- k) First Class Air or Air-conditioned/Executive Class Rail fares at his option for self, wife and dependant children to his home-town in India on termination of the Agreement.
- l) For the purpose of above ceiling following perquisites shall not be included;
  - Contributions to Provident Fund, Superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.



- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
  - Encashment of leave at the end of the tenure.
- m) Commission at the rate of 2% of the net profits of the Company.
- n) The Agreement may be terminated at any time by either party giving to the other six English Calendar month's previous notice in writing.

**Minimum Remuneration:** Notwithstanding anything herein, where in any financial year during the tenure of the Chairman & Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the requisite approvals, being obtained.

Mr. Abhay Kanoria will not be entitled to sitting fees for attending meetings of the Board of the Directors or any Committees thereof.

The terms and conditions set out for re-appointment and payment of remuneration may be altered and varied from time to time by the Board of Directors as it may, at its discretion deem fit within the overall ceiling fixed herein.

The Nomination and Remuneration Committee at its meeting held on 12th February, 2020 has already approved the remuneration payable to Mr. Abhay Kanoria as the Chairman & Managing Director of the Company.

In the case of non-availability or inadequacy of profits in any financial year of appointment the Company shall as per the provisions of Schedule V and subject to shareholder's approval at general meeting pay Managerial Remuneration to Mr. Abhay Kanoria as Chairman & Managing Director of the Company, in the manner and subject to the limits prescribed in Section II of Part II of Schedule V of the Companies Act, 2013.

Further, the Company has not made any default in repayment of any of its debts or interest payable thereon.

The details as per Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard on General Meetings of the above Director is provided in the Annexure to this Notice.

**Nature of concern or interest of Directors:**

Mr. Abhay Kanoria, Chairman & Managing Director is deemed to be interested in this item of business since it relates to his re-appointment. Mr. Nirbhay Kanoria and Mr. Uddhav Kanoria are also deemed to be interested, being relatives of Mr. Abhay Kanoria. No other Director or Key Managerial Personnel or their relative is concerned or interested in this item of business.

The Board recommends the Resolution as set out in Item No.5 of the Notice for approval of the Members by way of a Special resolution.

**ITEM No.6**

Pursuant to the provisions of Sections 152, 196, 197, 203 and other applicable provisions, read with Schedule V of the Companies Act, 2013 and the Rules made thereunder and as recommended by the Nomination and Remuneration Committee of the Board, and subject to the approval of the shareholders, the Board of Directors at its meeting held on 12th November, 2019 re-appointed Mr. Nirbhay Kanoria (DIN: 02558300) as the Whole Time Director of the Company with effect from 1st February, 2020 to 31st January, 2023 for a further term of 3 Years.

Mr. Nirbhay Kanoria, aged 36 years, is the Whole-Time Director of the Company. He is a graduate in Business Administration and Arts with Marketing and Economics as main. He currently looks heads the Administration and Marketing Departments of the Company. Mr. Nirbhay Kanoria was appointed as the Whole Time Director by the shareholders at the 94th Annual General Meeting of the Company for a period of 3 years w.e.f. 1st February, 2017 to 31st January, 2020. His tenure as the Whole Time Director expired on 31st January, 2020.

His association with the Company as the Whole Time Director reflected good performance of the Company. It is proposed to seek the Members' approval for the re-appointment of and remuneration payable to Mr. Nirbhay Kanoria as the Whole-Time Director of the Company in terms of the applicable provisions of the Act. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Nirbhay Kanoria are as under:

Period : Three years w.e.f 1st February, 2020 to 31st January, 2023

- I. Salary at the rate of Rs.1,25,000/- per month.
- II. Perquisites and allowances:
  - a. Rent free accommodation or House Rent Allowance in lieu thereof, and other perquisites like reimbursement of expenditure incurred on Gas, Electricity, Power, Water and Furnishings.
  - b. Use of Company maintained car with driver. Use of the car for personal use to be billed to Shri. Nirbhay Kanoria.
  - c. Contributions to Provident Fund and Superannuation Scheme as per Rules of the Company and contribution to Gratuity Fund computed at half a month's salary for every completed year of Service.
  - d. Personal Accident Insurance, annual premium.
  - e. Free residential telephone facility excluding long distance personal calls.
  - f. The reimbursement of Medical expenses for himself and family on domiciliary treatment up to a limit as per Rules of the Company and coverage under Company's group MEDICLAIM policy with an Insurance Company for self and family.
  - g. Leave Travel Concession for self and family once a year, in accordance with the Rules of the Company.

- h. Leave as per the rules of the Company; encashment of un-availed earned leave at the end of tenure.
- i. For the purpose of computation of the said ceiling, contributions to the Provident Fund and Superannuation Scheme, to the extent these either singly or put together, are not taxable under the Income Tax Act, 1961, Gratuity and encashment of un-availed leave, shall not be included.
- j. The perquisites and allowances are to be valued as per the Income Tax Rules, wherever applicable and actual cost to the Company in other cases.
- III. The total remuneration payable by the Company including Salary, Perquisites and allowances and remuneration payable to him by other companies shall not exceed the limits stipulated in Schedule V to the Companies Act, 2013 as existing or as may be amended from time to time.
- IV. First Class Air or Air-conditioned/Executive Class Rail fares at his option for self to his home-town in India on termination of the Agreement.
- V. The Agreement may be terminated at any time by either party giving to the other six English Calendar months' prior notice in writing or salary in lieu thereof.

**Minimum Remuneration:** Notwithstanding anything herein, where in any financial year during the tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the requisite approvals, being obtained.

Mr. Nirbhay Kanoria will not be entitled to sitting fees for attending meetings of the Board of the Directors or any Committees thereof.

The terms and conditions set out for reappointment and payment of remuneration may be altered and varied from time to time by the Board of Directors as it may, at its discretion deem fit within the overall ceiling fixed herein.

The Nomination and Remuneration Committee at its meeting held on 12th November, 2019 has already approved the remuneration payable to Mr. Nirbhay Kanoria as Whole-time Director of the Company.

In the case of non-availability or inadequacy of profits in any financial year of appointment the Company shall as per the provisions of Schedule V and subject to shareholder's approval at general meeting pay Managerial Remuneration to Mr. Mr. Nirbhay Kanoria as Whole Time Director of the Company, in the manner and subject to the limits prescribed in Section II of Part II of Schedule V of the Companies Act, 2013.

Further, the Company has not made any default in repayment of any of its debts or interest payable thereon.

The details as per Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard on General Meetings of the above Director is provided in the Annexure to this Notice.

#### **Nature of concern or interest of Directors:**

Mr. Nirbhay Kanoria, Whole Time Director is deemed to be interested in this item of business since it relates to his re-appointment. Mr. Abhay Kanoria and Mr. Uddhav Kanoria are also deemed to be interested, being relatives of Mr. Nirbhay Kanoria. No other Director or Key Managerial Personnel or their relative is concerned or interested in this item of business.

The Board recommends the Resolution as set out in Item No.6 of the Notice for approval of the Members by way of a Special resolution.

#### **ITEM No.7**

Pursuant to the provisions of Section 161(1) of the Act and applicable rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Dr. Rajeshwar B. Smarta (DIN: 02835301), shall hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as a Director.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on 13th August, 2019 appointed Dr. Rajeshwar B. Smarta (DIN: 02835301), as an Additional Director (Independent) of the Company, not liable to retire by rotation, for a term of 5 years i.e. from 13th August, 2019 to 12th August, 2024, subject to approval of the Members.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing his candidature for the office of Director. The Company has received declaration from Dr. Rajeshwar B. Smarta to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, Dr. Rajeshwar B. Smarta fulfils the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as the Independent Director and he is independent of the management of the Company.

In accordance with the provisions of Companies Act, 2013 and SEBI Listing Regulations, no Public Company shall appoint or continue the directorship of a Non-executive director who has attained the age of 70 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment. It is therefore necessary to approve continuation of Dr. Smarta's directorship on the Board of Directors of the Company by way of a special resolution. The Board considers that his association would be of immense benefit to the Company as he brings rich experience in the Pharmaceutical industry and hence it is desirable to avail services of Dr. Rajeshwar B. Smarta as an Independent Director.

A brief profile of the Independent Director to be appointed is given below:

**Dr. Rajeshwar B. Smarta:** Dr. Rajeshwar B. Smarta brings a rich experience of more than three decades in the industry and has worked with various Pharma companies and is currently into the business of providing consultancy. Dr. Smarta regularly contributes and shares his thoughts and experiences in columns and articles which are published in business journals.



The details as per Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard on General Meetings of the above Director is provided in the Annexure to this Notice.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and SEBI Listing Regulations and other applicable Regulations, the appointment of Dr. Rajeshwar B. Smarta as Independent Director is being placed before the Members for their approval. The Board recommends the Special Resolution in relation to appointment of Dr. Rajeshwar B. Smarta as an Independent Director as set out at Item No.7 of this Notice.

**Nature of concern or interest of Directors:**

Dr. Rajeshwar B. Smarta is concerned or interested, in the Resolution relating to their own appointment. None of the other Directors and Key Managerial Personnel of the Company is in any way, concerned or interested, in the Resolution set out at Item No. 7 of the Notice.

By order of the Board of Directors  
For **Anglo-French Drugs & Industries Ltd.**

Bengaluru  
22nd June, 2020

**Deepa Ramachandran**  
Company Secretary

**Registered Office:**  
No.41, 3rd cross, V Block,  
Rajajinagar,  
Bengaluru 560 010.

## Anglo-French Drugs & Industries Limited

### DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT 97TH ANNUAL GENERAL MEETING :

Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial standards on General meetings are provided herein below:

Name of the Director	Mr. Sanatkumar Shirali	Mr. Rakesh Kanyadi	Mr. Abhay Kanoria	Mr. Nirbhay Kanoria	Dr. Rajeshwar B. Smarta
DIN	05260386	08532438	00108894	02558300	02835301
Age	69 years	47 years	64 years	36 years	75 years
Designation	Non-Executive Director	Non - Executive Director	Chairman and Managing Director	Whole Time Director	Independent Director
Date of first appointment on the Board	1st July, 2012	13th August, 2019	5th August, 1988	1st February, 2017	13th August, 2019
Qualifications	Bachelor of Science (Chemistry)	Bachelor in Pharmacy	Bachelor of Science	BA – Economics BBA –Marketing from The University of Texas at Austin	M.Sc., MMS, PhD, FRSA and CMC
Brief resume of the Director	Mr. Sanat Shirali has a dynamic career of over 4 decades in the Pharma industry. He has been highly successful in driving large scale revenue and profit gains as well as improving on organisational productivity and performance. He is well organised with a track record that demonstrates self-motivation, entrepreneurial ability, creativity, and initiative to achieve corporate goals.	Mr. Rakesh Kanyadi is a B . P h a r m graduate with over 18 years of experience in Pharmaceutical Industry. He has experience in managing all aspects of plant operations and has worked with reputed Pharma companies in the past.	Mr. Abhay Kanoria is a B.Sc graduate with specialization in Chemistry and is a person with varied business interests and industry experience. Mr. Abhay Kanoria has been associated with the Company since 1986 and brings a rich experience in the Pharmaceutical industry for more than three decades. Additionally, he continues to advice the family business of textiles.	Mr. Nirbhay Kanoria is a graduate in Business administration and Arts with Marketing and Economics as main and has been associated with the Company for over 11 years. He presently heading the Administration and Marketing Departments of the Company.	Dr. Rajeshwar B. Smarta is a pioneer and thought leader who has visionary ideas and projects for National and Global clients in Pharmaceuticals, Nutraceuticals and Wellness. He has also pioneered in bringing Video-based Skills Development-Rx and Interact packages in Pharmaceutical selling and marketing. Honorary Secretary in HADSA (Health Foods and Dietary Supplements Association) he is developing nascent Nutraceutical industry.
Experience and expertise in specific functional area	Sales and Marketing	Plant Operations – Technical	General Administration in Pharmaceuticals & Textile Industry	Sales, Marketing & HR	Marketing, Branding, & Business Consultancy
Shareholding in the Company	NIL	NIL	NIL	NIL	NIL
Details of remuneration last drawn (FY 2019-20)	Only sitting fees is paid.	Rs. 12.96 lacs	Rs. 49.48 lacs	Rs. 29.39 lacs	Only sitting fees is paid.
Directorship held in others bodies corporate as on 31st March,2020	NONE	NONE	1. Broach Textile Mills Ltd. - Managing Director. 2. Radha Kesari Spinning Mills Ltd. 3. Sudarshan Exports Ltd. 4. Aakruti Investments Ltd. 5. Ekta Tie-up Pvt. Ltd.	AFD Pharma Pvt. Ltd.	1. Interlink Marketing Consultancy Pvt. Ltd. 2. Integrall Media Pvt. Ltd. 3.Sampoorna Empowerment Foundation



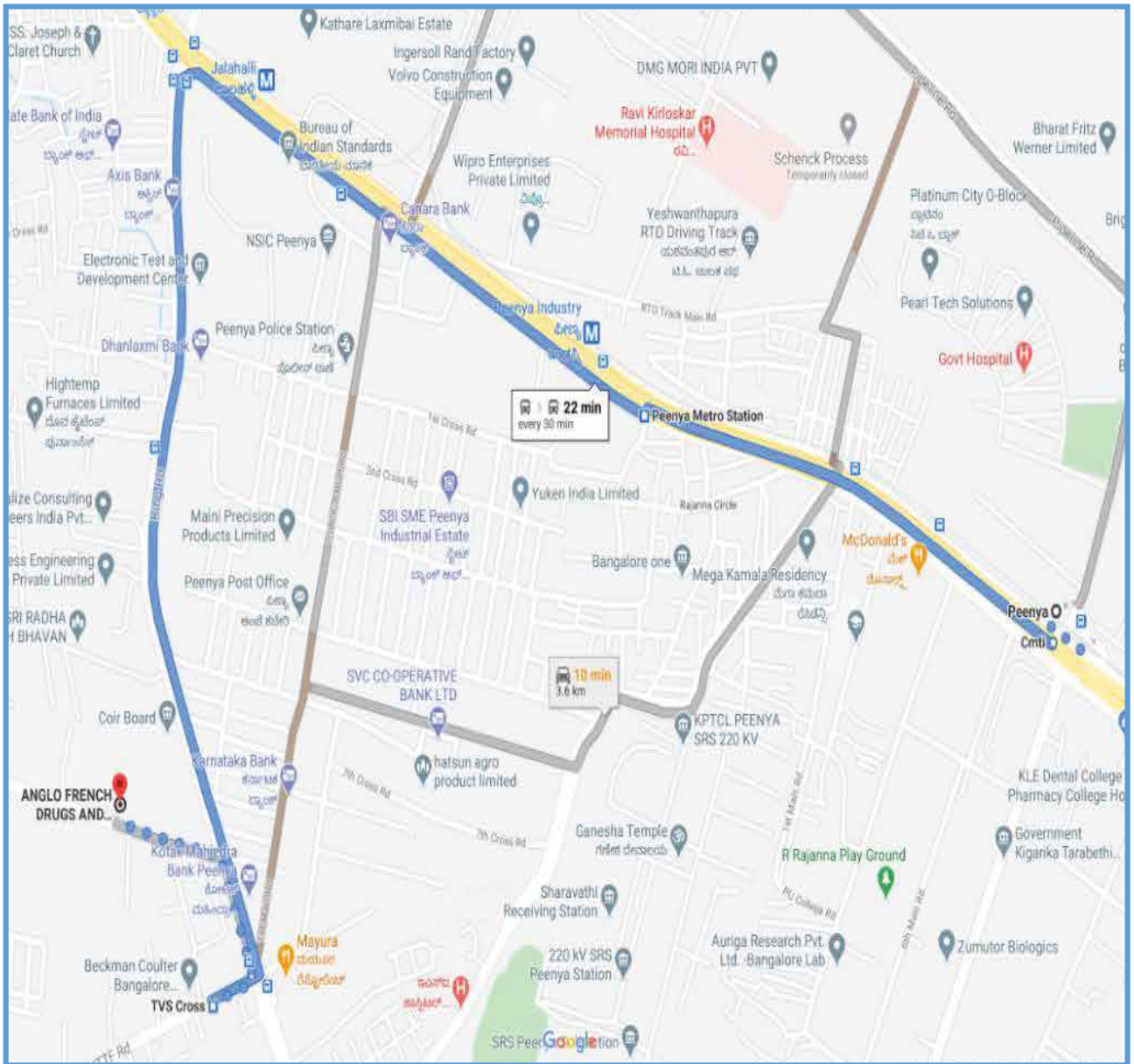
**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT 97TH ANNUAL GENERAL MEETING :**

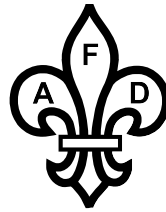
Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial standards on General meetings are provided herein below:

<b>Name of the Director</b>	<b>Mr. Sanatkumar Shirali</b>	<b>Mr. Rakesh Kanyadi</b>	<b>Mr. Abhay Kanoria</b>	<b>Mr. Nirbhay Kanoria</b>	<b>Dr. Rajeshwar B. Smarta</b>
Membership/ chairmanship of Committees of other companies as on 31st March, 2020	NONE	NONE	NONE	NONE	NONE
Inter-se relationship with other director and Key managerial personnel	NONE	NONE	Mr. Abhay Kanoria is the father of Mr. Nirbhay Kanoria.	Mr. Nirbhay Kanoria is the son of Mr. Abhay Kanoria.	NONE
Number of Board meetings attended during the year	2	4	4	4	4
Remuneration last drawn and to be paid	NA	NA	Please refer Item no.5 of Explanatory Statement.	Please refer Item no.6 of Explanatory Statement.	NA
Terms & conditions of re-appointment/ variation of remuneration	Appointed as a Director liable to retire by rotation	Please refer Item no. 4 of Explanatory Statement.	Please refer Item no.5 of Explanatory Statement.	Please refer Item no.6 of Explanatory Statement.	Please refer Item no.7 of Explanatory Statement.

Route Map for Annual General Meeting Venue

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





**ANGLO-FRENCH DRUGS & INDUSTRIES LIMITED**

**CIN: L24230KA1923PLC010205**

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

**Email ID: [compliance@afdil.com](mailto:compliance@afdil.com) Website: [www.afdil.com](http://www.afdil.com)**

**ATTENDANCE SLIP**

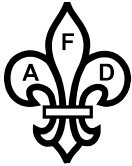
I hereby record my presence at the Ninety Seventh (97th) Annual General Meeting held on Tuesday, 29th September 2020 at 4.30 PM at Plot No.4, Peenya Industrial Area, Phase II, Peenya, Bengaluru - 560058.

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

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

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





## ANGLO-FRENCH DRUGS & INDUSTRIES LIMITED

CIN: L24230KA1923PLC010205

Registered Office: No.41, 3rd Cross, V Block, Rajajinagar, Bengaluru – 560010

Email ID: [compliance@afdil.com](mailto:compliance@afdil.com) Website: [www.afdil.com](http://www.afdil.com)

### PROXY FORM

(Form No.MGT-11)

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

CIN	<b>L24230KA1923PLC010205</b>
Name of the Company	<b>Anglo-French Drugs &amp; Industries Ltd.</b>
Registered Office	<b>No.41, 3rd Cross, V Block, Rajajinagar, Bengaluru -560 010</b>
Name of the Member(s):	
Registered Address:	
E-mail ID :	
Folio No./Client ID or DP ID :	

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

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

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

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

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Tuesday at 4.30 pm at Plot No.4, Peenya Industrial Area, Phase II, Peenya, Bengaluru - 560058, and at any adjournment thereof in respect of such resolutions as are indicated below:



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

Resolution No.	Description	I assent to the resolution	I dissent to the resolution
1.	To receive, consider and adopt the Audited Financial Statements (including Audited consolidated Financial Statements) of the Company, for the financial year ended 31st March 2020 together with the Report of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Shri. Sanatkumar Shirali, (DIN: 05260386), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Ratification of appointment and remuneration of Cost Auditors of the Company for the Financial Year 2020-21.		
4.	Appointment of Mr. Rakesh Kanyadi, (DIN: 08532438) as Director of the Company.		
5.	Re-appointment of Mr. Abhay Kanoria (DIN: 00108894) as Chairman & Managing Director of the Company.		
6.	Re-appointment of Mr. Nirbhay Kanoria (DIN: 02558300) as Whole-time Director of the Company and fixing his remuneration.		
7.	Appointment of Dr. Rajeshwar B Smarta, (DIN: 02835301) as an Independent Director, of the Company.		

Signed this \_\_\_\_ Day of September 2020.

Affix Revenue  
Stamp of not less  
than Rs. 1/-

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

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

**Notes:**

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

## Board of Directors:

Mr. Abhay Kanoria  
Mr. Uddhav Kanoria  
Mr. Nirbhay Kanoria  
Mr. Sanatkumar Manjunath Shirali  
Mr. Nalagath Ahmedali  
Mrs. Neha Gada  
Mr. Shashikant N More  
Dr. Rajeshwar B Smarta  
Mr. Rakesh P Kanyadi

Chairman & Managing Director  
President & Whole-time Director  
Whole-time Director  
Non - Executive Director  
Independent Director  
Independent Director  
Nominee Director  
Additional Independent Director (w.e.f 13.08.2019)  
Additional Non- Executive Director (w.e.f 13.08.2019)

## Chief Financial Officer

Mr. Harshwardhan Murarka

## Company Secretary

Mrs. Deepa Ramachandran

## Statutory Auditors

KAMG & Associates  
Chartered Accountants

## Bankers

HDFC Bank Limited  
YES Bank Limited

## Registered Office

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

## Factory/Plant Address

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

## Stock Exchange

Metropolitan Stock Exchange of India Ltd (MSEI)

## Registrars & Share Transfer Agents

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

Contents	Page No.
Board's Report	02
Management Discussion and Analysis Report	20
Independent Auditor's Report on Financial Statement	21
Balance Sheet	26
Statement of Profit and Loss	27
Cash Flow Statement	28
Notes to Financial Statements	30
Consolidated Financial Statements	60



## BOARD'S REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 97th Annual Report of the Company along with Audited Financial Statements for the year ended 31st March 2020. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### 1. FINANCIAL SUMMARY AND RESULTS

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

₹ in Lakhs

PARTICULARS	YEAR ENDED	
	31.03.2020	31.03.2019
Revenue and other income	13173	12984
Profit/(Loss) for the year before Depreciation	620	88
Less: Depreciation	(254)	(173)
Profit/(Loss) before Tax	366	(85)
Less: Provision for Taxation		
- Current	(55)	-
- Deferred		
Profit/(Loss) after tax	311	(85)
Total Other Comprehensive Income/(Loss) for the year, net of tax	(24)	35
TOTAL	287	(50)
Add: Balance brought forward from Profit & Loss Account	(363)	(313)
Closing Balance	(76)	(363)

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

### 2. SHARE CAPITAL

The paid up share capital of the Company as at 31st March, 2020 is Rs. 1,16,25,000/- (₹ One Crore Sixteen Lakhs Twenty-Five Thousand Only) comprising of 11,62,500 equity shares of Rs.10/- (₹ Ten Only) each. During the year under review, the Company has not issued any shares.

### 3. DIVIDEND

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

### 4. FINANCIAL HIGHLIGHTS AND OPERATIONS

The consolidated sales & operating income during the year under review is Rs. 131.73 Crores as compared to Rs.129.84 Crores of the Previous Year 2019-20. The impact of lockdown due to the COVID pandemic in the last half of March had a severe impact on sales including domestic and exports. It is estimated that the top line was reduced

by Rs.500 lacs and the profit before tax by Rs. 250 lacs as all expenses were already incurred by the time lockdown happened.

Because of this, the growth towards the end of the year was merely 1%. The Company's focus was on profitability rather than turnover. At the same time, the cost of inputs were controlled by about 4% sales compared to the previous year. The Company strictly monitored all other expenses, rising by only 2% over the last year. It was able to reduce the costs by about 9%. The Company aims to continue the same approach in the coming years as well."

During the year under review, your Company launched two new products in the respiratory segment and one in nutraceuticals. In the coming months and year, the Management is planning to introduce 6 new products in the nutraceuticals, neuro and healthcare space.

The COVID-19 pandemic has affected the world like no other calamity, natural or man-made in the past. It is impossible to foresee what the further impact will be in the forthcoming times and when normalcy will return. Estimates vary from September to next June 2021. What is certain is that there will be a "new" normal, the contours of which are impossible to define. Speaking of healthcare your Directors are of the opinion that general healthcare like nutraceuticals, particularly immunity boosting; and mental health medication will find good demand. Electives like cosmetological, optional surgery including dental may be postponed. The Board claims this with all humility that it may well be proved wrong.

### 5. DIRECTORS & KEY MANAGERIAL PERSONNEL

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

As on 31st March, 2020, the Company had 9 (Nine) Directors details of which are as under:

Sr. No.	Composition Mix	
1	Chairman & Managing Director	1 (One)
2	Whole-Time Director	2 (Two)
3	Non-Executive Director	2 (Two)
4	* Independent Director	3 (Two)
5	Nominee Director	1 (One)

\* Out of the Independent Directors, the Company does have 1 Woman Director on the Board of the Company.

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

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

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the financial year ended 31st March, 2020 except for payment of sitting fees and reimbursement of expenses incurred in the discharge of their duties.

### A. Appointment/Re-appointment:

Mr. Shashikant N More, (DIN: 05260386) was appointed as Nominee Director of the Company on the Board of the Company with effect from 17th May 2019.

Dr. Rajeshwar B. Smarta (DIN: 02835301) was appointed as an Additional Independent Director on the Board of the Company with effect from 13th August, 2019 and holds office up to the conclusion of ensuing Annual General Meeting of the Company. The Company has received necessary declarations from Dr. Rajeshwar B Smarta under Section 149 (7) and other applicable provisions of the Act that he meets the criteria of independence laid down in the Act and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations"). Dr. Rajeshwar B Smarta is not related to any Director on the Board of the Company. A brief profile and other details as required under the Act, Secretarial Standard -2 and Listing Regulations, of Directors proposed to be appointed is annexed to the notice convening the Annual General Meeting.

A Special Resolution seeking his appointment as Independent Director is being placed before the members for approval.

Mr. Rakesh P Kanyadi (DIN: 08532438) was appointed as an Additional Non-Executive Director on the Board of the Company with effect from 13th August, 2019 and holds office up to the conclusion of ensuing Annual General Meeting of the Company. The Company has received necessary declarations from Mr.Rakesh P Kanyadi including his consent to act as a Director as required under Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and Listing Regulations.

A Resolution seeking his appointment as Non-Executive Director is being placed before the members for approval.

Mrs. Deepa Ramachandran has been appointed as Company Secretary with effect from 13th August, 2019 in place of Mr. Kushal Jain, who ceased to be the Company Secretary from 13th August, 2019.

The Board of Directors at their meeting held on 12th November, 2019 as recommended by Nomination and Remuneration Committee considered and approved the re-appointment of Mr. Uddhav Kanoria (DIN: 00108909) as the Whole-time Director in the Company for a period of 3 (three) years upto 9th August, 2021. The said re-appointment and the terms and conditions of re-appointment including remuneration payable to Mr. Uddhav Kanoria was approved by the Members of the Company by passing a resolution to this effect through Postal Ballot. The resolution passed by the Members through Postal Ballot exercise was completed on 28th December, 2019.

As the tenure of Mr. Nirbhay Kanoria (DIN: 02558300) was coming to an end on 31st January, 2020, the Board of Directors after taking into account the recommendation of the Nomination and Remuneration Committee at their meeting held on 12th November, 2019 considered and approved re-appointment of Mr. Nirbhay Kanoria as the Whole-time Director in the Company for a further period of 3 (three) years w.e.f. 1st February, 2020. The re-appointment of Mr. Nirbhay Kanoria is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. A brief profile and other details as required under the Act, Secretarial Standard-2 and SEBI Listing Regulations 2015 of Mr. Nirbhay Kanoria proposed to be re-appointed is annexed to the notice convening the Annual General Meeting.

As the tenure of Mr. Abhay Kanoria (DIN: 00108894) was coming to an end on 31st March, 2020, the Board of Directors after taking into account the recommendation of the

Nomination and Remuneration Committee at their meeting held on 12th February, 2020 considered and approved re-appointment of Mr. Abhay Kanoria as the Chairman & Managing Director in the Company for a further period of 3 (three) years w.e.f. 1st April, 2020. The re-appointment of Mr. Abhay Kanoria is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. A brief profile and other details as required under the Act, Secretarial Standard-2 and SEBI Listing Regulations 2015 of Mr. Abhay Kanoria proposed to be re-appointed is annexed to the notice convening the Annual General Meeting.

In accordance with the provisions of the Section 152(6)(e) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sanat Shirali retires by rotation and being eligible has offered himself for re-appointment.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on 31st March, 2020 are:

- Mr. Abhay Kanoria – Chairman & Managing Director;
- Mr. Uddhav Kanoria – Whole-time Director
- Mr. Nirbhay Kanoria - Whole-time Director
- Mr. Harshwardhan Murarka – Chief Financial Officer
- Mrs. Deepa Ramachandran – Company Secretary

### B. Declaration by Independent Directors

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

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

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

Pursuant to Section 134(3) of the Companies Act, 2013, the nomination and remuneration policy of the Company which lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, KMP and other employees was amended and adopted by the Board of Directors at their meeting held on 12th November, 2019. The Policy is available on the website of the Company at <http://www.afdil.com/wp-content/uploads/2017/03/Policy-for-selection-and-Appointment-of-Directors-and-their-remuneration.pdf>

### D. Code of Conduct:

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

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

In line with the Corporate Governance Guidelines of the Company, annual performance evaluation was conducted for all Board Members, for Individual Director including



Independent Directors, its Committees and Chairman of the Board. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations.

In a separate meeting of Independent Directors held on 12th February, 2020 performance of Non-Independent directors, performance of the Board as a whole and performance of the Chairperson of the Company was evaluated.

## 7. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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

## 8. MEETINGS OF BOARD AND COMMITTEES

### A. BOARD MEETINGS:

Four (4) Board Meetings were held during the financial year 2019-20. The dates on which the Board Meetings were held are as follows:

17 <sup>th</sup> May, 2019	13 <sup>th</sup> August, 2019	12 <sup>th</sup> November, 2019	12 <sup>th</sup> February, 2020
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In addition to the Board meetings, one (1) Circular Resolution was passed during the year in compliance with Section 175 of the Companies Act, 2013, Articles of Association and Secretarial Standard -1.

Proper notices were given and the proceedings were properly recorded and signed in the Minutes Book as required by the Articles of Association of the Company and the Companies Act, 2013. The maximum interval between both the two meetings did not exceed 120 days as prescribed in the Companies Act, 2013.

The necessary quorum was present at all the meetings. As per the Secretarial Standard, draft minutes and signed minutes of the Meeting are circulated within the prescribed time.

### B. COMMITTEE MEETINGS

The Company has following Statutory Committees of the Board:

- i. Audit Committee;
- ii Stakeholders Relationship Committee; and
- iii. Nomination and Remuneration Committee

The composition of each of the above Committees is as per the provisions of the Companies Act, 2013 and Rules framed there under.

The policies framed by the Company is made available on the Company's Website.

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

#### I. Audit Committee:

The Audit Committee of the Company is constituted in accordance with Section 177 of the Companies Act, 2013. As on 31st March, 2020 the Audit Committee comprised of 3 Directors, 2 of whom are Independent Directors.

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

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

The composition of the Audit Committee as at 31st March, 2020 and the details of meetings attended by the Members during the FY 2019-20 are given below:

Composition of Audit Committee and Attendance during the FY 2019-20			
Name of Members	Category	No. of Committee Meetings held and attended during the FY 2019-20	
		Held	Attended
Mr. N. Ahmedali (Chairman)	Independent, Non-Executive	3	3
Mrs. Neha Gada	Independent, Non-Executive	3	2
Mr. Abhay Kanoria	Executive	3	3

During the year 2019-20, three (3) Audit Committee meetings were held on

17th May, 2019	12th November, 2019	12th February, 2020
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The gap between two meetings did not exceed one hundred and twenty days. The Company Secretary acts as the Secretary of the Committee.

#### II. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company is constituted in accordance with Section 178 of the Companies Act, 2013. As on 31st March, 2020 the Nomination and Remuneration Committee comprised of 4 Directors, 3 of whom were Non-executive and 2 of the 3 Non-executive directors are Independent.

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

- To formulate criteria for determining qualifications, positive attributes and independence of a Director;
- Recommend to the Board the appointment/ re-appointment of Directors and Key Managerial Personnel;

## Anglo-French Drugs & Industries Limited

- Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.
- Overall familiarisation programmes with Directors;
- Recommend to the Board the Remuneration policy for Directors, executive team or Key Managerial Personnel as well as rest of the employees.

Composition of Nomination & Remuneration Committee and Attendance during the FY 2019-20			
Name of Members	Category	No. of Committee Meetings held and attended during the FY 2019-20	
		Held	Attended
Mr. N. Ahmedali (Chairman)	Independent, Non-Executive	4	4
Mr. Abhay Kanoria	Executive	4	4
Mr. Sanat Shirali	Non-Executive	4	2
** Dr. R.B. Smarta	Independent, Non-Executive	4	2

\*\* Dr. R.B. Smarta was inducted and appointed as Member of the Committee w.e.f. 12th November, 2019.

During the year 2019-20, four (4) Nomination and Remuneration Committee meetings were held on

17 <sup>th</sup> May, 2019	13 <sup>th</sup> August, 2019	12 <sup>th</sup> November, 2019	12 <sup>th</sup> February, 2020

The Company Secretary acts as the Secretary of the Committee. The Nomination and Remuneration policy is placed on website of the Company.

### III. Stakeholder's Relationship Committee:

The Stakeholder's Relationship Committee of the Company is constituted in accordance with Section 178 of the Companies Act, 2013. As on 31st March, 2020 the Stakeholder's Relationship Committee comprised of 4 Directors, 2 of whom are Non-Executive Directors.

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

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

Name of Members	Category
Mr. N. Ahmedali	Independent, Non-Executive
Mr. Uddhav Kanoria	Executive
** Mr. Nirbhay Kanoria	Executive
** Sanat Shirali	Non-Executive

\*\* Mr. Nirbhay Kanoria and Mr. Sanat Shirali were inducted and appointed as Members of the Committee w.e.f. 12th February, 2020.

During the year under review, one meeting of Stakeholders' Relationship Committee was held on 12th February, 2020. Except Mr. Uddhav Kanoria, all the members of the

Committee attended the meeting. The Company Secretary acts as the Secretary of the Committee.

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

Mrs. Deepa Ramachandran  
Company Secretary and Compliance Officer  
Anglo-French Drugs & Industries Ltd  
No.41, 3rd Cross, V Block, SSI Area,  
Rajajinagar, Bengaluru- 560010  
Email id for correspondence: [compliance@afdil.com](mailto:compliance@afdil.com)

### IV. General Body Meetings:

Annual General Meeting – The 96th Annual General Meeting of the Company was held on 13th August, 2019.

During the year, the Company conducted the postal ballot exercise in compliance with Sections 108, 110 and other applicable provisions of the Act and Rules made thereunder and Regulation 44 of the SEBI Listing Regulations. The results of the postal ballot exercise were also displayed on the website of the Company [www.afdil.com](http://www.afdil.com) besides being communicated to the Metropolitan Stock Exchange of India Ltd. (MSEI). The last date i.e 28th December, 2019 specified by the Company for receipt of duly completed Postal Ballot forms for e-voting is deemed to be the date of passing of the resolution.

### 9. DIRECTORS' RESPONSIBILITY STATEMENT

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

- 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.
- 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.
- 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.
- 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.
- The financial statements have been audited by M/s KAMG & Associates, Chartered Accountants (FRN311027E), the Company's Auditors.

### 10. AUDITORS

#### a) Statutory Auditors:

In compliance with the Companies (Audit and Auditors) Rules 2014, M/s KAMG & Associates, Chartered



Accountants (FRN311027E) has been appointed as the Statutory Auditors of the Company, till the conclusion of 99th Annual General Meeting of Company i.e. for the F.Y-2021-22, as approved by the Members.

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes to Accounts for the year ended 31st March, 2020 are self-explanatory and therefore do not call for any further comments under Section 134 of the Companies Act, 2013 as it does not contain any qualification, reservation or adverse remark. The Auditors report is enclosed with the financial statement in this Annual Report.

**b) Cost Auditors:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and as per the Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Board, on the recommendation of the Audit Committee, at its meeting held on 22nd June, 2020, has approved the appointment of G.M. & Associates, Cost Accountants, Bengaluru (Firm Registration No.000574) as the Cost Auditors of the Company to conduct cost audit of the accounts maintained by the Company, in respect of the Formulations products for the Financial Year 2020-21.

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

**c) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors on the recommendation of the Audit Committee, at its meeting held on 22nd June, 2020, have appointed M/s Swaroop Suri & Associates, Practising Company Secretaries, for conducting the Secretarial Audit of the Company for the Financial year 2020-21.

The Secretarial Audit report issued by M/s. Swaroop Suri & Associates, Practising Company Secretary for the Financial year ended 31st March, 2020 is annexed as **Annexure III** to this report. The audit report does not contain any adverse remark or qualifications.

**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 for FY 2019-20.

**11. SUBSIDIARIES**

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

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, [www.afdil.com](http://www.afdil.com)

**12. CORPORATE GOVERNANCE**

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

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

The Company has established a vigil mechanism/framed a whistle blower policy. The policy enables the employees and other stakeholders to report to the management instances

of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No personnel has been denied access to the Audit Committee. The provisions of this policy are in line with the provisions of Section 177 (9) of Companies Act, 2013. The policy is available on the website of the company at [www.afdil.com](http://www.afdil.com)

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

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

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

- The orderly and efficient conduct of its business,
- Safeguarding of its assets,
- The prevention and detection of frauds and errors,
- The accuracy and completeness of the accounting records and
- The timely preparation of reliable financial information.

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.

**15. 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.

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

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

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

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

The Company has formulated a Related Party Transactions Policy which is available on the website of the Company at <http://www.afdil.com/wp-content/uploads/2018/05/related-party-transactions-policy.pdf>.



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

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

## 18. PARTICULARS OF EMPLOYEES AND REMUNERATION

The total number of employees of the company as on 31st March, 2020 was 532 as against 556 as on 31st March, 2019.

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

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

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

## 19. DEPOSITS FROM PUBLIC

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

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

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

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

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

## 22. RISK MANAGEMENT POLICY

The Company has implemented a risk management policy for the Company including identification therein of elements of risk, if any, and the same has been inserted in the website of the Company. The policy is available on the website of the Company at <http://www.afdil.com/wp-content/uploads/2018/05/risk-management-policy.pdf>

## 23. COMPLIANCE WITH SECRETARIAL STANDARDS

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

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

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

## 25. 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 V**.

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

Pursuant to applicable provisions of Companies Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid and unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India after the completion of 7 years. Further according to the Rules, the shares on which the dividend has not been paid or claimed by the shareholders for 7 consecutive years or more shall be transferred to the demat account of the IEPF authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends of Rs.92,121/- (₹ Ninety Two Thousand One Hundred and Twenty One Only). Further, corresponding shares shall be transferred as per the requirements of the IEPF rules. The details are made available on our website.

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

The Company has a robust mechanism in place to redress complaints reported under it. The Company has in place a policy for prevention, prohibition and redressal of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. Further, the Company has also constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, where employees can register and redress complaints pertaining to sexual harassment. Appropriate reporting mechanisms are in place for ensuring protection against sexual harassment and the right to work with dignity. During the year ended 31st March, 2020, no cases of sexual harassment were reported in your Company.

## 28. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The disclosure as per Section 135 and Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the Company.

## 29. GREEN INITIATIVES

Electronic copies of the Annual Report 2019-20 and the notice of the 97th Annual General Meeting are sent to all members whose e-mail addresses are registered with the Company/Depository Participants.

## 30. ACKNOWLEDGEMENTS

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

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

On behalf of the Board

Bengaluru  
22nd June, 2020

**ABHAY KANORIA**  
Chairman & Managing Director  
(DIN: 00108894)

**ANNEXURE I****FORM NO. AOC -2**

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were not at arm's length basis.

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

Sr. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Mr. Abhay Kanoria/Mrs. Pallavi Kanoria
2	Nature of contracts/ arrangements/ transaction	Payment of monthly rent for the Flat located at Bengaluru leased to the Company
3	Duration of the contracts/ arrangements/ transaction	Agreement renewed from 18.07.2019
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Rent paid to Mr. Abhay Kanoria –Rs. 10, 71, 303/-P.A. Rent paid to Mrs. Pallavi Kanoria- Rs. 10, 71, 303/- P.A.
5	Date of approval by the Board	15.11.2015
6	Amount paid as advances, if any	Nil

On behalf of the Board of Directors

Bengaluru  
June 22, 2020

**ABHAY KANORIA**  
Chairman & Managing Director

**ANNEXURE II**

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

Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2019-20 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial year 2019-20.

Name of the Director and Key Managerial Personnel	Designation	Ratio of remuneration of each Director to median remuneration of employees	Increase/(Decrease) in remuneration in FY 2019-20
<b>DIRECTORS:</b>			
Mr. Abhay Kanoria	Chairman & Managing Director	18.67	0.0%
Mr. Uddhav Kanoria	Whole-Time Director	14.39	0.0%
Mr. Nirbhay Kanoria	Whole-Time Director	11.09	0.0%
Mr. Rakesh Parmeshwar Kanyadi	Non-Executive Director	6.83	Nil
Mr. Sanat Shirali	Non-Executive Director	0.22	Nil
Mr. N. Ahmedali	Independent Director	0.49	Nil
Mr. Shashikant More	Nominee Director	0.11	Nil
Dr. R.B. Smarta	Independent Director	0.22	Nil
Mrs. Neha Gada	Independent Director	0.15	Nil
<b>KEY MANAGERIAL PERSONNEL</b>			
Mr. Harshwardhan Murarka	Chief Financial Officer	4.31	-----
Mrs. Deepa Ramachandran	Company Secretary	NA	-----*

Remuneration does not include commission for the financial year 2019-20.

Mr. Rakesh Kanyadi (DIN: 08532438 ) was appointed as a Non-Executive Director w.e.f 13th August, 2019.

There is no change in remuneration paid to Nominee Directors.

Mrs. Deepa Ramachandran was appointed as Company Secretary w.e.f 13th August, 2019 and hence the remuneration received in FY 2019-20 is not comparable with previous year and therefore the percentage is not stated.

## Notes:

1. Details of remuneration paid to the Mr. Rakesh Kanyadi, Non-Executive Director during the FY 2019-20 is provided in the table above. Mr. Rakesh Kanyadi was appointed as Director w.e.f 13th August, 2019.
2. The Independent Directors are paid only Sitting Fees for attending the Board /Committee Meetings.
3. For the purpose of calculation of median remuneration, employees who have worked for part of the year were not considered.
4. The percentage increase in the median remuneration of employees in the financial year was 7.6 %. For said calculation, employees who have worked for part of the year in FY 2019-20 were not considered to ensure comparability.
5. The number of permanent employees on the rolls of Company as on 31st March, 2020 was 532.
6. The average annual increase in the salaries of the employees during the year was 8.3 % whereas increase in managerial remuneration for the year was NIL.
7. Affirmation that the remuneration is as per the remuneration policy of the Company. The Company affirms remuneration is as per the remuneration policy of the Company.

## ANNEXURE III

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,

The Members of

Anglo-French Drugs and Industries Limited

CIN: L24230KA1923PLC010205

Bengaluru

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2020 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 2020 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, 2018; - **Not Applicable as the Company has not issued any shares during the year under review;**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014; - **Not Applicable as the Company has not issued any shares during the year under review;**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2018; - **Not Applicable as the Company has not issued any debentures 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, 2018; - **Not Applicable as the Company has not issued any shares during the year under review; and**

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

- (vi) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (vii) Employees State Insurance Act, 1948
- (viii) Environment Protection Act, 1986 and other applicable environmental laws
- (ix) Indian Contract Act, 1872
- (x) Income Tax Act, 1961, Goods and Service Tax Act, 2017 and other related laws
- (xi) Payment of Bonus Act, 1965
- (xii) Payment of Gratuity Act, 1972 and such other applicable labour laws.
- (xiii) Trade Marks Act, 1999

Further, the sectoral laws applicable to the company were as under:

- (i) The Drugs and Cosmetics Act, 1940
- (ii) The Narcotic Drugs and Psychotropic Substances Act, 1985
- (iii) The Drugs Price Control Order, 2013
- (iv) The Factories Act, 1948
- (v) The Air (Prevention and Control of Pollution) Act, 1981 and relevant rules.
- (vi) The Water (Prevention and Control of Pollution) Act, 1974 and relevant rules.
- (vii) The Environment (Protection) Act, 1986 and relevant rules.
- (viii) Bio-Medical Waste (Management and Handling) Rules, 1998.
- (ix) Chemical Accidents (Emergency Planning Preparedness and Response) Rules, 1996.
- (x) Hazardous Waste (Management & Handling) Rules, 2008.

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, Committee meetings and Postal Ballot. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (iv) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (v) During the audit period the company has no major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013, having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
- (vi) We further report that during the review period, 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

Place: Bengaluru  
Date: 20-06-2020  
UDIN: **F008977B000385749**

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

ANNEXURE-A TO MR-3

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

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

**Management's Responsibility**

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

**Auditor's Responsibility**

2. 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

Place: Bengaluru  
Date: 20-06-2020

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

**ANNEXURE IV**

The Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March 2020.

**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.
- d) Total energy consumption and energy consumption per unit of production.

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.

Please refer **Form A** hereunder.



**FORM A**  
[See Rule 2]

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

**A. Power and Fuel consumption:**

		Current Year	Previous year
<b>1. Electricity</b>			
(a) Purchased:			
Units		1396772	1484910
Total Amount [₹ in Lacs]		122	123
Rate/Unit [₹]		8.71	8.27
(b) Own Generation:			
i. Through Diesel Generator			
Units		23924	24112
Units per Ltr. of Diesel Oil		2.28	2.23
Cost/Unit [₹]		29.98	31.20
ii Through Steam Turbine/Generator			
Units			
Units per Ltr. of Fuel Oil/Gas		Nil	Nil
Cost/Unit [₹]			
<b>2. Coal</b>			
Quantity (tonnes)			
Total Cost (₹)		Nil	Nil
<b>3. Furnace Oil</b>		<b>Current Year</b>	<b>Previous Year</b>
Quantity (Kilts)		Nil	Nil
Total Amount [₹ in 'Lacs]		Nil	Nil
Average Rate [₹ per Ltrs]		Nil	Nil
<b>4. Others/Internal generation</b>			
Quantity			
Total Cost		Nil	Nil
Rate/Unit			

**B. Consumption per unit of Production**

**Particulars**

Products (with details)  
Units  
Electricity  
Furnace Oil  
Coal  
Others



**Standard [if any]**

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

**B. TECHNOLOGY ABSORPTION:**

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

FORM B

[See Rule 2]

Form for disclosure of particulars with respect to Technology Absorption:

Research and Development [R&D].		
1. Specific areas in which R&D carried out by the Company.	Formulations:	
	Development of new formulations, new dosage forms, substitution of imports by indigenous materials, improvement in process and stability of products.	
2. Benefits derived as a result of the above R&D	Launching of new products, increase in shelf life and reduction in costs.	
3. Future plan of action	Continuous development of new formulations.	
4. Expenditure on R & D	Current Year	Previous Year
a) Capital [ ₹ in Lacs]	Nil	Nil
b) Recurring [₹ in 'Lacs]	33	23
c) Total [₹ in 'Lacs]	33	23
d) Total R&D expenditure as a percentage of total turnover	0.25%	0.18%
<b>Technology absorption, adaptation and innovation</b>		
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 eg: product improvement, cost reduction, product development, import substitution, etc.	Improved processes and operating efficiencies, cost reduction.	
3. In case of imported technology (imports during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.	Not Applicable	
a) Technology imported		
b) Year of Import		
c) Has technology been fully absorbed		
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.		

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.	Continuous efforts are made to increase exports and develop new export markets	
	Current Year	Previous Year
b) Total foreign exchange used (₹ in lacs) :	79	122
Total foreign exchange earned (₹ in lacs) :	847	993

On behalf of the Board of Directors

Bengaluru  
June 22, 2020

**ABHAY KANORIA**  
Chairman & Managing Director



**ANNEXURE V**  
**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN as on the Financial Year ended on 31.3.2020**

*[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:**

1.	CIN:	<b>L24230KA1923PLC010205</b>
2.	Registration Date	<b>01/02/1923</b>
3.	Name of the Company	<b>Anglo-French Drugs &amp; Industries Ltd.</b>
4.	Category / Sub-Category of the Company :	<b>Company Limited by Shares/ Indian Non-Government Company</b>
5.	Address of the Registered office and contact details :	<b>No.41, 3rd Cross, V Block, SSI Area, Rajajinagar, Bengaluru – 560010, Karnataka, India  Tel No. 080-2315 6757, Fax No. 080 2338 9963</b>
6.	Whether listed Company :	<b>Yes – Listed on Metropolitan Stock Exchange of India Ltd.</b>
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any :	<b>Canbank Computer Services Limited, J.P. Royale, 1st Floor, #218, 2nd Main Sampige Road, Malleswaram, Bengaluru 560 003  Tel No.080-23469661/62</b>

**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:-

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

<b>Sr. No.</b>	<b>NAME AND ADDRESS OF THE COMPANY</b>	<b>CIN/GLN</b>	<b>HOLDING/ SUBSIDIARY/ ASSOCIATE</b>	<b>% of shares held</b>	<b>Applicable Section</b>
1.	Anglo-French Drugs & Industries Pte Ltd, Singapore	201309075E	Wholly- Owned Subsidiary	100%	2 (87) (ii)



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 (As on 1st April, 2019)				No. of Shares held at the end of the year (As on 31st March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	3,650	-	3,650	0.31%	3,650	-	3,650	0.31%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other - Trusts	7,01,745	-	7,01,745	60.37%	7,02,205	-	7,02,205	60.40%	0.04%
<b>Sub Total (A) (1)</b>	<b>7,05,395</b>	<b>-</b>	<b>7,05,395</b>	<b>60.68%</b>	<b>7,05,855</b>	<b>-</b>	<b>7,05,855</b>	<b>60.72%</b>	<b>0.04%</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Banks/FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL SHAREHOLDING OF PROMOTER (A) = (A) (1) + (A) (2)</b>	<b>7,05,395</b>	<b>-</b>	<b>7,05,395</b>	<b>60.68%</b>	<b>7,05,855</b>	<b>-</b>	<b>7,05,855</b>	<b>60.72%</b>	<b>0.04%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	150	150	0.01%	-	150	150	0.01%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Fund	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	2,10,000	-	2,10,000	18.06%	2,10,000	-	2,10,000	18.06%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	<b>2,10,000</b>	<b>150</b>	<b>2,10,150</b>	<b>18.08%</b>	<b>2,10,000</b>	<b>150</b>	<b>2,10,150</b>	<b>18.08%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	56,510	4,300	60,810	5.23%	56510	3900	60,410	5.20%	-0.03%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	61,410	1,21,690	1,83,100	15.75%	61440	84860	1,46,300	12.58%	-3.17%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians	375	-	375	0.03%	425	0	425	0.04%	0.01%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Investor Education and Protection Fund	-	-	-	0.00%	36,690	-	36,690	3.16%	0.00%



Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2019)				No. of Shares held at the end of the year (As on 31st March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Hindu Undivided Family	2,670	-	2,670	0.23%	2670	0	2,670	0.23%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	<b>1,20,965</b>	<b>1,25,990</b>	<b>2,46,955</b>	<b>21.24%</b>	<b>1,57,735</b>	<b>88,760</b>	<b>2,46,495</b>	<b>21.20%</b>	<b>-0.19%</b>
<b>TOTAL PUBLIC SHAREHOLDING (B) = (B) (1) + (B) (2)</b>	<b>3,30,965</b>	<b>1,26,140</b>	<b>4,57,105</b>	<b>39.32%</b>	<b>3,67,735</b>	<b>88,910</b>	<b>4,56,645</b>	<b>39.28%</b>	<b>-0.10%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	<b>0.00%</b>	-	-	-	<b>0.00%</b>	<b>0.00%</b>
<b>Grand Total (A+B+C)</b>	<b>10,36,360</b>	<b>1,26,140</b>	<b>11,62,500</b>	<b>100.00%</b>	<b>10,73,590</b>	<b>88,910</b>	<b>11,62,500</b>	<b>100.00%</b>	<b>-0.04%</b>

ii) Shareholding of Promoters

Sr. No.	Share holder's Name	Shareholding at the beginning of the year 1.4.2019			Shareholding at the end of the year 31.3.2020			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbe red to total shares	
1	Binod Kumar Kanoria(HUF)	200	0.017	0	200	0.017	0	0
2	Prabhadevi Kanoria	3450	0.297	0	3450	0.297	0	0
3	Abhay Kanoria (Trustee of Abhay Kanoria Family Trust)	701745	60.365	0	702205	60.405	0	0.04
	<b>Total</b>	<b>705395</b>	<b>60.679</b>	<b>0</b>	<b>705855</b>	<b>60.719</b>	<b>0</b>	<b>(0.04)</b>

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

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 1.4.2019	705395	60.679	705395	60.679
Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	0	0		
No. of Shares transferred on 18.4.2019			200	0.017
No. of Shares transferred on 30.6.2019			260	0.022
At the End of the year 31.3.2020			705855	60.719

## Anglo-French Drugs & Industries Limited

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (As on 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year (as on 01.04.2019)				
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):	<b>There is no increase/decrease in shareholding during the year</b>			
	At the End of the year (or on the date of separation, if separated during the year) (as on 31.03.2020)				
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	Investor Education and Protection Fund	0	0	36690	3.16
7	Padmanabh Trading (P) Ltd.	4200	0.36	4200	0.36
8	Jyotsna Jitendra Desai	3950	0.34	3950	0.34
9	Thakkar Bina J	3650	0.31	3650	0.31
10	Trendsetter Investments Pvt. Ltd.	2350	0.20	2350	0.20

### v) Shareholding of Directors and Key Managerial Personnel:

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
<b>For each of the Directors &amp; KMP</b>				
At the beginning of the year 1.4.2019	0	0	0	0
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):				
At the End of the year 31.3.2020	0	0	0	0



## V. INDEBTEDNESS

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

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year – CC/TL</b>				
<b>01.04.2019 – 31.03.2020</b>				
i) Principal Amount	2309	2060	NIL	4369
ii) Interest due but not paid	NIL	93	NIL	93
iii) Interest accrued but not due	23	0	NIL	23
<b>Total (i+ii+iii)</b>	<b>2332</b>	<b>2153</b>	<b>NIL</b>	<b>4485</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	-259.97	-79.07	NIL	-339.04
· Reduction			NIL	
<b>Net Change</b>	<b>-259.97</b>	<b>-79.07</b>	<b>NIL</b>	<b>-339.04</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2063.85	1922	NIL	3985.85
ii) Interest due but not paid	0	151.93	NIL	151.93
iii) Interest accrued but not due	8.18	0	NIL	8.18
<b>Total (i+ii+iii)</b>	<b>2072.03</b>	<b>2073.93</b>	<b>NIL</b>	<b>4145.96</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (April 2019 to March 2020)

(Rs. In Lakhs)

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Abhay Kanoria	Mr. Uddhav Kanoria	Mr. Nirbhay Kanoria	
		Managing Director	Whole-time Director	Whole-time Director	
1.	Gross salary				
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29.99	22.49	17.09	69.57
	Value of perquisites u/s 17(2) Income-tax Act, 1961	19.49	15.66	12.30	47.45
	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	Nil	Nil	Nil	Nil
	- as % of profit				
	- others, specify...				
5.	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>49.48</b>	<b>38.15</b>	<b>29.39</b>	<b>117.02</b>
	Ceiling as per the Act, per annum	84.00	84.00	84.00	

**B. Remuneration to other directors:**

Sr. no.	Particulars of Remuneration	Name of Directors			Total Amount (Rs. In lacs)
		Fee for attending Board Committee meetings	Commission	Others, please specify	
<b>1.</b>	<b>Independent Directors</b>				
	Mr. N. Ahmedali	1.30	--	--	
	Mrs. Neha Gada	0.40	--	--	
	Dr. R.B. Smarta	0.60	--	--	
	<b>Sub-Total (B1)</b>	<b>2.30</b>	<b>--</b>	<b>--</b>	<b>2.30</b>
<b>2.</b>	<b>Non-Executive Directors</b>				
	Mr. Sanat Shirali	0.60	--	--	--
	* Mr. Shashikant More (Nominee Director)	0.30	--	--	--
	** Mr. Rakesh Kanyadi	--	--	12.36	--
	<b>Sub-Total (B2)</b>	<b>0.90</b>	<b>--</b>	<b>12.96</b>	<b>13.86</b>
	<b>Total (B) = (B1+B2)</b>	<b>3.20</b>	<b>--</b>	<b>12.96</b>	<b>16.16</b>
	<b>Total Managerial Remuneration (A+B)</b>				<b>133.18</b>
	<b>Overall Ceiling as per the Act- Per meeting</b>	<b>1 lakh</b>	<b>1 lakh</b>	<b>1 lakh</b>	

\* Mr. Shashikant More was appointed as Nominee Director w.e.f 17th May, 2019.

\*\*Mr. Rakesh Kanyadi was appointed as a Non-Executive Director w.e.f 13th August, 2019 and draws remuneration from the Company.

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

(April 19 to March 20) (Rs.in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Harsh wardhan Murarka (Chief Financial Officer)	Mrs. Deepa Ramachandran (Company Secretary) From: 13.08.2019	Mr. Kushal Jain (Company Secretary) Upto 13.08.2019	Total
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.15	3.56	0.40	17.40
	b) Value of perquisites u/s	4.59	1.13	0.25	11.04
	c) 17(2) Income-tax Act, 1961				
	d) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	Nil	Nil		Nil
3.	Sweat Equity	Nil	Nil		Nil
4.	Commission as % of profit Others, specify...	Nil	Nil		Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>10.74</b>	<b>4.69</b>	<b>0.65</b>	<b>28.44</b>

**VII. Penalties / Punishment/ Compounding Of Offences:**

There were no penalties/ punishment/ compounding of offences under Companies Act for the year ended March 31, 2020.

On behalf of the Board of Directors

Bengaluru  
22nd June, 2020

**ABHAY KANORIA**  
Chairman & Managing Director  
(DIN: 00108894)



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This section shall include discussion on the following matters within the limits set by the listed entity's competitive position:

**(a) Industry structure and developments:**

1. Manufacturing: The pharma sector is divided into 2 verticals
  - Active pharmaceutical ingredients (API's). These are the bulk solids and liquids that go into the formulations.
  - Formulations: These are the oral solids (tablets, capsules), oral liquids (syrups, elixirs, drops), parenteral (vials, ampoules, infusions), local applications (ointments, creams, rubs) and novel drug delivery systems (nasal sprays, transdermal applications, flash strips)
2. Sales and Marketing
  - a. API's are sold to formulations manufacturers both domestically and in foreign countries.
  - b. Formulations are exported and sold domestically. Domestically, the usual trade channel is stock transfer to Company depots in different states and/or carrying and forwarding agents. They sell to stockiest, who in turn sell to chemists. Any of these may be bypassed. There some medications which are sold directly by Company officials to patients. For exports, the same system may be followed or the entire sales may be made to a distributor in the importing country who then uses the above system. There are 2 types of formulations.
    - i. Generic. These are usually with only the name of the API or combinations of APIs. They do not have a brand name. They are usually sold directly to the trade or institutions, without getting recommendations from doctors.
    - ii. Branded. These carry the brand name of the product almost as prominently as the APIs. For these, the company's sales representatives meet doctors and explain the superiority of their brand over other competing branded products and generics. The doctors then prescribe the medicines to patients who buys from chemists.
3. The growth of the sector over the years has been in the range of 6 to 9 %. It is expected to continue at the same level.

**(b) Opportunities and Threats:**

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

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, 2020, 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, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

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

Due to the COVID - 19 induced restrictions on physical movement and strict timelines, our audit team could not visit the company office at Bengaluru for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing and ICAI Advisory for Statutory Audit. Our opinion expressed in the present report is based on the facts, inputs and information made available to us principally through electronic means by the management of the company and also through telephonic interactions and transmission of web enabled text messages with the management for enquiry, clarification and explanation.

Emphasis of Matter

Effects of COVID-19

We draw attention to Note 3(v) of the financial statements, which describes the economic and social consequences/disruption the entity is encountering as a result of COVID-19 which is impacting supply chains, consumer demand and personnel available for work being able to access offices and as the situation with COVID-19 is still evolving the management's assessment of the impact on the subsequent period is dependent on the circumstances as they evolve.

Old Receivable

We draw attention to Note 11 of the financial statements, on receivables from Viva Remedies, an overseas debtor, having outstanding balance of Rs 1,25,63,656.61 (USD 240,674) which

is more than three years. The matter relating to realization of the old outstanding balance with Viva Remedies is sub judice since 16th December, 2014.

The Company considers the abovementioned receivable balance 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, 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
Physical verification of inventory using alternative audit procedures involving more effort vis-à-vis a non-COVID-19 scenario.	Principal Audit Procedures Alternative audit procedures were adopted to verify inventory balances for a few locations as on reporting date as physical verification of inventories by the management on the reporting date or on a date near to the reporting date was not feasible due to lockdown restrictions imposed by the Central Government for checking COVID-19.
Ensuring veracity of inventory balances as on reporting date (Completeness, Accuracy, Cut off and Valuation ) adopting alternative audit procedures owing to lock down restrictions and travel restrictions imposed by the Government associated with COVID-19	Owing to the various restrictions on movement of personnel due to imposition of nationwide lockdown, management was compelled to reconcile the last physically verified inventory balance and the system derived balance as on reporting date by considering and adjusting the system figures of production, issues and purchases generated during the period between the two said dates.
Evaluation of uncertain indirect tax positions pertaining to pre-GST regime	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 116 lakhs and Rs 148 lakhs respectively have been disclosed.
The Company has material uncertain service tax and sales tax positions including matters under dispute which involve significant judgment to determine the possible outcome of these disputes.	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. During the year the Company had availed the Subka Viswas Scheme for settlement of the demand of Rs 21.14 lakhs relating to 1.4.2012 till 31.3.2014 and a penalty of equivalent amount aggregating Rs 42 lakhs.. The Sales Tax/VAT dispute amounting Rs 148 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 judgement 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 managements use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the 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 auditors report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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 read with the second part of 'Basis for Opinion' paragraph, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 ( Please refer Note 40).
- 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 No311027E. )

**AMITABHA NIYOGI**

Partner

(Membership No.056720)

UDIN: 20056720AAAAA08457

Bengaluru

June 22, 2020



## 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, 2020 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, 2020, 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 No311027E. )**

**AMITABHA NIYOGI**

Bengaluru,

Partner

June 22., 2020

(Membership No.056720)

UDIN: 20056720AAAAA08457

**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, the inventory of the Company has been physically verified during the year by the management barring a few locations where physical verification of inventories by the management on the reporting date or on a date near to the reporting date was not feasible due to lockdown restrictions imposed by the Central Government for checking COVID-19. Alternative audit procedures were adopted to verify inventory balances for such locations which included reconciliation of last physically verified inventory with the inventory details as on reporting date. 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, 2020 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, 2020 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
<b>Total</b>	<b>116</b>	

Sales tax / VAT demands amounting to Rs 148 lacs against which the Company has preferred appeals.

Period	Amount in lacs	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	2	JCCT-Appeals-Dhar Pithampur
2008-2009	44	JCCT-Appeals-Dhar Pithampur
2009-2010	15	JCCT-Appeals-Dhar Pithampur
2010-2011	15	ACCT-Mumbai and Dhar Pithampur
2011-2012	55	ACCT- Mumbai
2014-2015	2	DCCT- Bengaluru
<b>Total</b>	<b>148</b>	

- 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 No311027E. )

**AMITABHA NIYOGI**

Partner

Bengaluru,

June 22, 2020

(Membership No.056720)

UDIN: 20056720AAAAA08457



## BALANCE SHEET AS AT MARCH 31, 2020 (STANDALONE)

(₹ in lakhs)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
PROPERTY, PLANT AND EQUIPMENT	4	1,357	1,475
Right of Use Assets		170	
INTANGIBLE ASSETS	5	4	5
<b>FINANCIAL ASSETS</b>			
(i) Investments	6	5	11
(ii) Trade Receivables	7	-	-
(iii) Other Non-Current Financial Assets	8	112	98
DEFERRED TAX ASSETS	22	-	-
OTHER NON CURRENT ASSETS	9	7	27
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,655</b>	<b>1,616</b>
<b>CURRENT ASSETS</b>			
INVENTORIES	10	4,279	3,981
<b>FINANCIAL ASSETS</b>			
(i) Trade Receivables	11	2,594	3,075
(ii) Cash and Cash Equivalents	12	22	21
(iii) Other Bank Balances	13	41	65
(iv) Other Current Financial Assets	14	91	88
CURRENT TAX ASSET (NET)	15	41	86
OTHER CURRENT ASSETS	16	642	564
<b>TOTAL CURRENT ASSETS</b>		<b>7,710</b>	<b>7,880</b>
<b>TOTAL ASSETS</b>		<b>9,365</b>	<b>9,496</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
EQUITY SHARE CAPITAL	17	116	116
OTHER EQUITY	18	572	419
<b>TOTAL EQUITY</b>		<b>688</b>	<b>535</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>FINANCIAL LIABILITIES</b>			
(i) Borrowings	19	927	734
(ii) Other Non-Current Financial Liabilities	20	311	309
EMPLOYEE BENEFIT OBLIGATIONS	21	115	105
DEFERRED TAX LIABILITIES - NET	22	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,353</b>	<b>1,148</b>
<b>CURRENT LIABILITIES</b>			
<b>FINANCIAL LIABILITIES</b>			
(i) Borrowings	23	3,073	3,797
(ii) Trade Payables	24	2,850	2,550
(iii) Other Current Financial Liabilities	25	627	997
OTHER CURRENT LIABILITIES	26	729	426
EMPLOYEE BENEFIT OBLIGATIONS	21	46	43
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,325</b>	<b>7,813</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,365</b>	<b>9,496</b>

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

**Amitabha Niyogi**

Partner

Membership Number 056720

Bengaluru, 22nd June 2020

For and on behalf of the Board of Directors of

**Anglo French Drugs & Industries Ltd.**

**Abhay Kanoria**

Chairman & Managing Director

**Harshwardhan Murarka**

Chief Financial Officer

**N. Ahmedali**

Director

**Deepa Ramachandran**

Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020 (STANDALONE)

(₹ in lakhs)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
<b>INCOME</b>			
<b>REVENUE FROM OPERATIONS</b>	27	13,013	12,899
<b>OTHER INCOME</b>	28	62	70
<b>TOTAL INCOME</b>		13,075	12,969
<b>EXPENSES</b>			
COST OF MATERIALS CONSUMED	29	3,213	3,410
PURCHASES OF STOCK-IN-TRADE		2,595	2,812
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	30	69	158
EMPLOYEE BENEFITS EXPENSE	31	2,417	2,348
FINANCE COSTS	32	617	676
DEPRECIATION AND AMORTISATION EXPENSE	33	254	173
OTHER EXPENSES	34	3,473	3,478
<b>TOTAL EXPENSES</b>		12,638	13,055
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		437	(86)
EXCEPTIONAL ITEMS - PROFIT / (LOSS)	34(b)	(156)	-
<b>PROFIT/(LOSS) BEFORE TAX</b>		281	(86)
<b>TAX EXPENSE</b>			
CURRENT TAX	35	55	-
DEFERRED TAX	35	-	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		226	(86)
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of Post-employment benefit obligations		(27)	37
- Change in equity instruments- Fair value through Other Comprehensive Income		(6)	(2)
- Tax relating to these items			
1) Current Tax		9	-
2) Deferred Tax		0	-
<b>Total Other Comprehensive Income/ (Loss) for the year, net of tax</b>		(24)	35
<b>Total Comprehensive Income for the year</b>		202	(51)
<b>Earnings per equity share (in INR) (Face value INR 10)</b>			
(1) Basic	45	19.47	(7.40)
(2) Diluted	45	19.47	(7.40)

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

**Amitabha Niyogi**

Partner

Membership Number 056720

Bengaluru, 22nd June 2020

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

**Abhay Kanoria**

Chairman &amp; Mangaing Director

**Harshwardhan Murarka**

Chief Financial Officer

**N. Ahmedali**

Director

**Deepa Ramachandran**

Company Secretary



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020 (STANDALONE)

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from operating activities</b>		
<b>Profit before income tax</b>	226	(86)
Adjustments for		
Depreciation and amortisation expense	254	173
(Gain)/loss on disposal of property, plant and equipment	0	5
Provisions Written Back	(5)	(29)
Interest income classified as investing cash flows	(7)	(9)
Finance costs	617	676
<b>Change in operating assets and liabilities</b>		
(Increase)/Decrease in trade receivables	481	(96)
(Increase)/Decrease in inventories	(296)	85
(Increase)/ Decrease in other financial assets	(18)	(15)
(Increase)/Decrease in other non-current assets	20	-
(Increase)/Decrease in other current assets	(78)	972
Increase/(Decrease) in trade payables	305	(673)
Increase/ (Decrease) in employee benefit obligations	(14)	73
Increase/(Decrease) in other financial liabilities	(273)	(64)
Increase/(Decrease) in other current liabilities	303	(274)
<b>Cash generated from operations</b>	<b>1,515</b>	<b>738</b>
Income taxes paid (net of refund)	(1)	(2)
<b>Net cash inflow from operating activities</b>	<b>1,514</b>	<b>736</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(308)	(83)
Proceeds from sale of property, plant and equipment	2	9
Changes in Other bank balances	24	7
Interest received	7	10
<b>Net cash outflow from investing activities</b>	<b>(275)</b>	<b>(57)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings:		
Term Loan	200	(153)
Cash Credit (net)	(579)	31
Others	(145)	(23)
Repayment of borrowings:		
Term Loan	(80)	(4)
Car Loan	(17)	2
Interest paid	(617)	(676)
Dividends paid	(1)	(3)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(1,239)</b>	<b>(826)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1</b>	<b>(147)</b>
Cash and cash equivalents at the beginning of the year	21	168
<b>Cash and cash equivalents at the end of the year</b>	<b>22</b>	<b>21</b>

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

Bengaluru, 22nd June 2020

For and on behalf of the Board of Directors of

**Anglo French Drugs & Industries Ltd.**

**Abhay Kanoria**

Chairman & Mangaing Director

**Harshwardhan Murarka**

Chief Financial Officer

**N. Ahmedali**

Director

**Deepa Ramachandran**

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020 (STANDALONE)

A. Equity share capital

	(₹ in lakhs)
As at April 1, 2018	116
Changes in equity share capital during the year	-
As at March 31, 2019	116
Changes in equity share capital during the year	-
As at March 31, 2020	116

B. Other equity

(₹ in lakhs)

Particulars	Reserves and surplus				Other Comprehensive income	Total
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings (Surplus)		
<b>Balance at April 1, 2018</b>	43	70	549	(196)	4	470
Profit for the year	-	-	-	(86)	-	(86)
Other comprehensive income for the year, net of tax	-	-	-	37	(2)	35
<b>Total comprehensive income for the year</b>	-	-	-	<b>(49)</b>	<b>(2)</b>	<b>(51)</b>
<b>Balance as at March 31, 2019</b>	<b>43</b>	<b>70</b>	<b>549</b>	<b>(245)</b>	<b>2</b>	<b>419</b>
<b>Balance at April 1, 2019</b>	<b>43</b>	<b>70</b>	<b>549</b>	<b>(245)</b>	<b>2</b>	<b>419</b>
Effect of IND AS116				(49)		(49)
Restated Balance at April 1, 2019	43	70	549	(294)	2	370
Profit for the year	-	-	-	226	-	226
Other comprehensive income/(losses) for the year, net of tax	-	-	-	(18)	(6)	(24)
<b>Total comprehensive income for the year</b>	-	-	-	<b>208</b>	<b>(6)</b>	<b>202</b>
<b>Balance as at March 31, 2020</b>	<b>43</b>	<b>70</b>	<b>549</b>	<b>(86)</b>	<b>(4)</b>	<b>572</b>

The accompanying notes form an integral part of the Financial Statements

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

For KAMG & ASSOCIATES

Chartered Accountants  
Firm's Registration Number 311027E

Amitabha Niyogi

Partner  
Membership Number 056720

Bengaluru, 22nd June 2020

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

Abhay Kanoria

Chairman & Mangaing Director

Harshwardhan Murarka

Chief Financial Officer

N. Ahmedali

Director

Deepa Ramachandran

Company Secretary



## NOTES TO ACCOUNTS

### GENERAL INFORMATION

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

### COVID-19

In the last month of FY 2019-2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers.

The Board of Directors approved the financial statements for the year ended March 31, 2020 and authorised for issue on June 22, 2020.

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

### (b) PROPERTY, PLANT AND EQUIPMENT

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

#### Transition to IND AS

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

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

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

#### Derecognition

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

### (c) INTANGIBLE ASSETS

#### Measurement at recognition:

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



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

## Subsequent Expenditure:

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

## Derecognition:

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

## (d) FINANCIAL INSTRUMENTS

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

### (i) FINANCIAL ASSETS:

#### (A) Classification:

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

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

A financial asset is classified as measured at

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

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

#### Debt instruments:

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR)

method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

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

### (C) Derecognition:

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

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

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

### (D) Impairment:

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

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

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

Trade receivables which do not contain a significant financing component.

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. 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 Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

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

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

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

**(C) Derecognition:**

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

**(iii) OFFSETTING FINANCIAL INSTRUMENT:**

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

**(iv) INCOME RECOGNITION:**

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

**(e) CASH AND CASH EQUIVALENTS**

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

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

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

**(f) REVENUE RECOGNITION**

**(A) Sale of goods**

The Group has applied Ind AS 115 using the modified retrospective approach (cumulative catch up method) and therefore the comparative information has not been restated and continues to be reported under erstwhile Ind AS 18 and Ind AS 11. The new Standard is applied to those contracts which remained in force as at 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.

**(g) EMPLOYEE BENEFITS**

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

## (i) Short-term obligations

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

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

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

## (ii) Post-employment obligations

The group operates the following post-employment schemes:

### Gratuity obligations –

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

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

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

### Provident Fund –

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

## Superannuation Fund -

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

## (h) LEASES

### Transition to Ind AS 116

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

## (i) FOREIGN CURRENCY TRANSLATION

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

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

## (j) TAXES ON INCOME

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

Deferred income tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying



amounts in the consolidated financial statements. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

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

#### **(k) EARNINGS PER SHARE**

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

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

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

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

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

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

#### **(m) SEGMENT REPORTING**

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

#### **(n) RESEARCH & DEVELOPMENT**

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

#### **(o) INVENTORIES**

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

#### **(p) GOVERNMENT INCENTIVES**

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

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

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

### **3 Significant estimates and judgements**

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

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

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

#### **i) Impairment of trade receivable:**

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

#### **ii) Post-employment benefits:**

The costs of providing pensions and other post-employment benefits are charged to the income statement in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are

assessed on the basis of assumptions selected by the management. These assumptions include future earnings and pension increases, discount rates, expected long-term rates of return on assets and mortality rates.

### iii) Sales returns and rebates:

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

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

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

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

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

### v) Impact of Covid 19

“On the basis of its assessment of the impact of the outbreak of COVID-19 on business operations of the entity, the entity’s management may conclude that no adjustments are required in the financial statements as it does not impact the current financial year. However, the situation with COVID-19 is still evolving. Also, the various preventive measures taken (such as lockdown restrictions by the Government of India, travel restrictions etc.) are still in force, leading to a highly uncertain economic environment. Due to these circumstances, the management’s assessment of the impact on the subsequent period is dependent upon the circumstances as they evolve.”



#### 4. Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2019
	As at April 01, 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
<b>TOTAL</b>	<b>1,953</b>	<b>80</b>	<b>23</b>	<b>2,010</b>	<b>372</b>	<b>172</b>	<b>9</b>	<b>535</b>	<b>1,475</b>

Particulars	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2020
	As at April 01, 2019	Additions	Sales/ Adjustments	Balance as at March 31, 2020	As at April 1, 2019	For the Year	Sales/ Adjustments	As at March 31, 2020	
Freehold land	8			8	-				8
Buildings	805			805	96	33		129	676
Plant & equipment	657	19		676	136	46		182	494
Furniture & fittings	140			140	68	16		84	56
Vehicles	162	12	22	152	67	23	20	70	82
Office equipment	37	0		37	35	2		37	(0)
Computers	201	8		209	133	35		168	41
<b>TOTAL</b>	<b>2,010</b>	<b>40</b>	<b>22</b>	<b>2,027</b>	<b>535</b>	<b>155</b>	<b>20</b>	<b>670</b>	<b>1,357</b>

#### IND AS 116

Right of Use Assets as on 31-3-2019

268

(representing right of use of underlying assets )

Refer Note below

Amortisation Charge

98

Note :

net carrying amount as on 31-3-2020

170

#### 5. Intangible Assets

Particulars	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2019
	As at April 1, 2018	Additions	Sales/ Adjustments	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
<b>TOTAL</b>	<b>5</b>	<b>3</b>	<b>-</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>3</b>	<b>5</b>

Particulars	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2020
	As at April 1, 2019	Additions	Sales/ Adjustments	As at March 31, 2020	As at April 1, 2019	For the Year	Sales/ Adjustments	As at March 31, 2020	
Trademarks	-	-	-	-	-	-	-	-	-
Computer software	8	-	-	8	3	1	-	4	4
<b>TOTAL</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>4</b>	<b>4</b>

## Anglo-French Drugs & Industries Limited

Particulars	As at March 31, 2020	As at March 31, 2019
<b>6 Non-Current investments</b>		
<b>A. Investments in equity instruments (fully paid)</b>		
<b>(i) Quoted -</b>		
<b>In Other entities (Equity investments at Fair value through other comprehensive income)</b>		
5,760 (2019- 5,760) Equity shares of INR 10 each in Industrial Development Bank of India Limited	1	2
19,400 (2019- 19,400) Equity shares of INR 10 each in Vijaya Bank	4	9
Note-Vijaya Bank has been merged with Bank of Baroda wef 1st Apr 2019		
<b>(ii) Unquoted -</b>		
In Subsidiary Companies (Equity investments at cost)		
50,000 (2019-50,000) Equity shares in Anglo French Drugs & Industries Pte. Ltd. Singapore, wholly owned Subsidiary	24	24
Less: Provision for diminution in the value of investment	(24)	(24)
<b>Total Investment in equity instruments</b>	<b>5</b>	<b>11</b>
<b>Total non-current investments</b>	<b>5</b>	<b>11</b>
Aggregate amount of quoted investments	5	11
Market value of quoted investments	5	11
Aggregate amount of unquoted investments	24	24
Aggregate amount of impairment in the value of investment	(24)	(24)
<b>7 TRADE RECEIVABLES</b>		
Doubtful		
Receivables from related parties	-	-
Receivables other than from related parties	198	178
Less: Provision for doubtful debts	198	178
<b>Total trade receivables (non-current)</b>	<b>-</b>	<b>-</b>
<b>8 OTHER NON-CURRENT FINANCIAL ASSETS</b>		
Security deposits	67	90
Fixed deposits with bank (with maturity period of more than 12 months)	45	8
<b>Total other non-current financial assets</b>	<b>112</b>	<b>98</b>
<b>9 OTHER NON-CURRENT ASSETS</b>		
Capital advances	-	-
Deferred rent expense for security deposit assets	5	24
Other deposits	2	3
<b>Total other non-current assets</b>	<b>7</b>	<b>27</b>



Particulars	As at March 31, 2020	As at March 31, 2019
<b>10 INVENTORIES</b>		
Raw materials	1,875	1,464
Packing materials	461	444
Work-in-progress	136	124
Finished goods**	1,262	1,343
Stores and spare parts *	545	606
<b>Total inventories</b>	<b>4,279</b>	<b>3,981</b>
<p>* includes Stock of samples and promotional items in the hands of sales representatives -Nil  **Closing stock of Finished goods includes samples amounting to Rs. 39 lakhs, which are not meant for sale.  Raw materials &amp; Packing materials are valued at weighted Average method , WIP &amp; Finished Goods at Standard Price and stores and spares at cost.</p>		
<b>11 TRADE RECEIVABLES</b>		
Unsecured, considered good		
Receivable from related parties	43	173
Receivable from other than related parties	2,551	2,902
<p>Note-Trade Receivables includes Receivable from Viva Remedies (FZC) amounting to Rs 125.64 lakhs which is under sub judice since 16.12.2014</p>		
<b>Total trade receivables (current)</b>	<b>2,594</b>	<b>3,075</b>
<b>12 CASH &amp; CASH EQUIVALENTS</b>		
Balances with Banks		
- Current Accounts	18	19
Cash in hand	4	2
Stamps in hand	0	-
<b>Total cash and cash equivalents</b>	<b>22</b>	<b>21</b>
<b>13 OTHER BANK BALANCES</b>		
Fixed deposits maturing within 3 - 12 months	41	65
<b>Total other bank balances</b>	<b>41</b>	<b>65</b>
<b>14 OTHER CURRENT FINANCIAL ASSETS</b>		
Security Deposits		
Related Party	12	13
Security deposits	79	75
<b>Total other current financial assets</b>	<b>91</b>	<b>88</b>
<b>15 CURRENT TAX ASSETS (NET)</b>		
Opening balance	67	65
Less: Tax payable for the year	46	-
Add: Taxes paid	1	2
Add/(Less): Refund/adjustment for earlier years		-
Closing balance	22	67
MAT credit entitlement	19	19
<b>Total current tax assets (net)</b>	<b>41</b>	<b>86</b>



## Anglo-French Drugs & Industries Limited

Particulars	As at March 31, 2020	As at March 31, 2019
<b>16 OTHER CURRENT ASSETS</b>		
Prepaid expenses	91	125
Deferred rent expense on security deposit given	7	11
Other advances	504	388
Others-Recovery Right Assets	40	40
<b>Total other current assets</b>	<b>642</b>	<b>564</b>

### 17 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019
<b>AUTHORISED</b>		
2,000,000 Equity Shares of INR 10 each (2019- 2,000,000)	200	200
	<b>200</b>	<b>200</b>
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID</b>		
1,162,500 Equity Shares of INR 10 each (2019- 1,162,500)	116	116
Of the above 704,000 Equity Shares are issued by way of Bonus Shares by capitalisation of General Reserve		
	116	116

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

		Number of shares
<b>As at April 1, 2018</b>	<b>1,162,500</b>	<b>1,162,500</b>
Change during the year	-	-
<b>As at March 31, 2019</b>	<b>1,162,500</b>	<b>1,162,500</b>
Change during the year	-	-
<b>As at March 31, 2020</b>	<b>1,162,500</b>	<b>1,162,500</b>

#### (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 2020		As at 31st March 2019	
	Number of Shares	% holding	Number of Shares	% holding
(1) Abhay Kanoria Family Trust represented by Mr. Abhay Kanoria	702,205	60.40	701,745	60.36
(2) Life Insurance Corporation of India	90,000	7.74	90,000	7.74


**18 OTHER EQUITY**

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
<b>(a) RESERVES AND SURPLUS</b>		
CAPITAL RESERVE	43	43
SECURITIES PREMIUM RESERVE	70	70
GENERAL RESERVE	549	549
SURPLUS/(DEFICIT) IN STATEMENT OF PROFIT AND LOSS	(86)	(245)
	576	417
<b>(b) OTHER RESERVES</b>		
Fair Value through Other Comprehensive Income- Equity Instrument	(4)	2
<b>Total other equity</b>	<b>572</b>	<b>419</b>
<b>(a) RESERVE AND SURPLUS</b>		
<b>(i) CAPITAL RESERVE</b>		
Opening Balance	43	43
Adjustment during the year		
Closing Balance	43	43
<b>(ii) SECURITIES PREMIUM RESERVE</b>		
Opening Balance	70	70
Adjustment during the year		
Closing Balance	70	70
<b>(iii) GENERAL RESERVE</b>		
Opening Balance	549	549
Adjustment during the year		
Closing Balance	549	549
<b>(iv) SURPLUS/ (DEFICIT) IN STATEMENT OF PROFIT AND LOSS</b>		
Opening Balance	(245)	(196)
EFFECT OF IND AS 116	(49)	
Add: Profit /(Loss) during the year as per Statement of Profit & Loss	226	(86)
Other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(18)	37
Closing Balance	(86)	(245)
<b>(b) OTHER RESERVE</b>		
<b>OTHER COMPREHENSIVE INCOME</b>		
Opening Balance	2	4
Adjustments during the year		
- Remeasurements of quoted equity shares	(6)	(2)
Closing Balance	(4)	2

**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.

## Anglo-French Drugs & Industries Limited

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>19 NON-CURRENT BORROWINGS</b>		
<b>Secured</b>		
Car finance loans from banks	9	16
<b>Term Loans from Others (NBFC)</b>		
JM Financial Products Limited	918	718
<b>Total Non-current borrowings</b>	<b>927</b>	<b>734</b>
Current maturities of long-term debt (included in note 25)	73	153
Current maturities of car finance loan (included in note 25)	18	28
<b>Total</b>		

### PARTICULARS OF BORROWINGS :

a) **Security**

- (i) Vehicle loans are secured by hypothecation of vehicles.
- (ii) 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) In respect of Vehicle loans repayments are done by equated monthly installments over 36 to 60 months.
- (ii) The company has taken term loan from AXIS Bank during the year which carry interest at the rate of 8.41 %, repayable in 37 equal installments. Repayment of the term loan will be completed in April 2021 .
- (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.
- (iv) During the last month of 2019 - 2020 an additional facility of Rs 275 lakhs was availed from J M Financial Products Limited. Repayment will be completed in November 2030.

**20 OTHER NON-CURRENT FINANCIAL LIABILITIES**

Security deposits	311	309
<b>Total other non-current financial liabilities</b>	<b>311</b>	<b>309</b>

**21 Employee benefit obligations**

(₹ in lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
<b>Leave Encashment - Unfunded</b>						
Present value of obligation	11	55	66	14	55	69
<b>Gratuity - Funded</b>						
Present value of obligation	311		311	296		296
Fair value of plan assets	216		216	217		217
Net Liability	95		95	79		79
<b>Gratuity Liability</b>	35	60	95	29	50	79
<b>Total employee benefit obligations</b>	<b>46</b>	<b>115</b>	<b>161</b>	<b>43</b>	<b>105</b>	<b>148</b>

(i) **Defined benefit plans**

a) **Gratuity**

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

b) **Leave Encashment**

(ii) **Defined contribution plans**

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

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



(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
a) Superannuation Fund	10	10
b) Provident Fund	107	98

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

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

(₹ in lakhs)

Particulars	Gratuity			Leave Encashment
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
<b>April 1, 2018</b>	<b>241</b>	<b>201</b>	<b>40</b>	<b>72</b>
Current service cost	23		23	18
Prior Service cost	37		37	-
Interest expense/(income)	18	15	3	5
<b>Total amount recognised in profit or loss</b>	<b>78</b>	<b>15</b>	<b>63</b>	<b>23</b>
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	-	-	-	-
<b>Total amount recognised in other comprehensive income</b>	<b>(23)</b>	<b>-</b>	<b>(23)</b>	<b>(14)</b>
Employer contributions	-	-		
Benefit payments	-	-		13
<b>March 31, 2019</b>	<b>296</b>	<b>216</b>	<b>80</b>	<b>68</b>
<b>April 1, 2019</b>	296	216	80	68
Current service cost	23		23	10
Prior Service cost	-			
Interest expense/(income)	19	15	4	4
<b>Total amount recognised in profit or loss</b>	<b>42</b>	<b>15</b>	<b>27</b>	<b>14</b>
Remeasurements				
Loss due to experience	31	-	31	(5)
Loss due to change in financial assumptions	-	-	-	1
Return on plan assets (greater)/less than discount rate	-	-	-	-
<b>Total amount recognised in other comprehensive income</b>	<b>31</b>	<b>-</b>	<b>31</b>	<b>(4)</b>
Employer contributions	-	-		-
Benefit payments	-	-		4
<b>March 31, 2020</b>	<b>369</b>	<b>231</b>	<b>138</b>	<b>74</b>

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

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Present value of funded obligations	369	296
Fair value of plan assets	231	216
<b>Deficit of funded plan</b>	<b>138</b>	<b>80</b>
Unfunded plans	74	68
<b>Deficit of Employee Benefit Plans</b>	<b>212</b>	<b>148</b>

**(iv) Post-Employment benefits**

The significant actuarial assumptions were as follows:

Particulars	March 31, 2020	March 31, 2019
Discount rate	7.75%	7.75%
Salary growth rate	5.00%	6.00%
Expected return on assets	7.75%	7.75%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal / attrition rate	5.00%	5.00%

**(v) Sensitivity analysis**

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

Particulars	Change in assumption		Impact on defined benefit obligation			
	March 31, 2020	March 31, 2019	Increase by 1%(100bps)		Decrease by 1%(100bps)	
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Gratuity</b>						
Discount rate	1%	1%	(22)	(39)	26	(4)
Salary growth rate	1%	1%	23	(5)	(21)	(39)
Withdrawal rate	1%	1%	3	(20)	(3)	(26)
<b>Leave Encashment</b>						
Discount rate	1%	1%	(6)	(5)	7	6
Salary growth rate	1%	1%	7	5	(6)	(5)
Withdrawal rate	1%	1%	1	(1)	(1)	(1)

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

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

Particulars	March 31, 2020		March 31, 2019	
	Amount in Lakhs	in %	Amount in Lakhs	in %
Investment funds with Kotak Gratuity Group Plan (UNI-107L010V05)	216	100%	216	100%
<b>Total</b>	<b>216</b>	<b>100%</b>	<b>216</b>	<b>100%</b>

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

**(vii) Risk exposure**

The defined benefit obligations have the undermentioned risk exposures :

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

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

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

**(viii) Defined benefit liability and employer contributions**

Expected contribution to post employment benefit plan for the year ending March 31, 2020 is 35 lakhs.

The weighted average duration of the defined benefit obligation is 13.98 years (March 31, 2019 - 12.63 years ) in case of Gratuity and 13.98 years (March 31, 2019 - 16.63 years ) in case of Leave encashment in all the three years. The expected maturity analysis of undiscounted gratuity and leave encashment is as follows :



Particulars	Less than a year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	Beyond 5 years	Total
<b>March 31, 2020</b>							
Gratuity	12	9	17	20	26	518	602
Leave encashment	4	3	5	4	6	140	162
<b>Total</b>	<b>16</b>	<b>12</b>	<b>22</b>	<b>24</b>	<b>32</b>	<b>658</b>	<b>764</b>
<b>March 31, 2019</b>							
Gratuity	15	16	25	23	16	436	531
Leave encashment	5	4	4	6	6	138	163
<b>Total</b>	<b>20</b>	<b>20</b>	<b>29</b>	<b>29</b>	<b>22</b>	<b>574</b>	<b>694</b>

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>22 DEFERRED TAX LIABILITIES - NET</b>		
Deferred Tax Liabilities on account of :		
Depreciation	163	192
<b>Total deferred tax liabilities (A)</b>	<b>163</b>	<b>192</b>
Deferred Tax Assets on account of :		
Accrued expenses deductible on payment	1	5
Leave encashment and gratuity	4	13
Provision for debts, advances and investments	5	16
Unabsorbed depreciation and carried forward business loss	320	383
Less: Deferred Tax Assets not recognised	167	225
<b>Total deferred tax assets (B)</b>	<b>163</b>	<b>192</b>
<b>Deferred Tax (Assets)/Liabilities (Net - A-B)</b>	<b>-</b>	<b>-</b>

In terms of accounting policy note 1(j) followed by the Company, deferred tax assets of Rs 167 lakhs (2019- Rs 225) have not been recognised.

#### Movement in deferred tax liabilities

Particulars	Depreciation	Restatement of liability at fair value	Fair Valuation of Equity Investment	Total
<b>As at April 1, 2018</b>	210	-	-	210
Charged/(Credited):				
- to profit and loss	(18)	-	-	(18)
- to other comprehensive income				
<b>As at March 31, 2019</b>	<b>192</b>	<b>-</b>	<b>-</b>	<b>192</b>
Charged/(Credited):				
- to profit and loss	(29)	-	-	(29)
- to other comprehensive income				
<b>As at March 31, 2020</b>	<b>163</b>	<b>-</b>	<b>-</b>	<b>163</b>

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 depecciation and carried forward business loss	Deferred Tax assets not recognised	Total
<b>As at April 1, 2018</b>	2	39	-	3	360	194	210
(Charged)/Credited:							
- to profit and loss	3	(23)		10	23	31	(18)
- to other comprehensive income				-	-	-	-
<b>As at March 31, 2019</b>	<b>5</b>	<b>16</b>	<b>-</b>	<b>13</b>	<b>383</b>	<b>225</b>	<b>192</b>
(Charged)/Credited:							
- to profit and loss	(4)	(11)		(9)	(63)	(58)	(29)
- to other comprehensive income	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>1</b>	<b>5</b>	<b>-</b>	<b>4</b>	<b>320</b>	<b>167</b>	<b>163</b>

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>23 CURRENT BORROWINGS</b>		
<b>SECURED</b>		
<b>Cash Credit from Banks</b>		
HDFC Bank	374	738
YES Bank	640	855
<b>Short term loan from others</b>		
Working Capital Loan from National Small Industries Corporation Ltd [NSICL]	137	143
<b>UNSECURED</b>		
<b>Inter Corporate Deposit</b>		
Related Party	655	722
Others	1,267	1,339
<b>Total Current borrowing</b>	<b>3,073</b>	<b>3,797</b>

**PARTICULARS OF BORROWINGS :**

**a) Security**

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

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

- (i) Cash Credit from HDFC Bank and YES Bank carry interest at the rate of 12.15% and 12.10% respectively.
- (ii) Working Capital Loan from National Small Industries Corporation Ltd carries interest at the rate of 11.95%.
- (iii) Inter Corporate Deposits generally carry interest at the rate between 10.00% to 17.00%. These deposits are repayable on mutually agreed dates.



(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>24 TRADE PAYABLES</b>		
Trade payables	2,850	2,550
<b>Total trade payables</b>	<b>2,850</b>	<b>2,550</b>
<b>Classification as required by MSME Act</b>		
Total outstanding dues of Micro Enterprises and Small Enterprises*	33	39
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,817	2,511
<b>Total trade payables</b>	<b>2,850</b>	<b>2,550</b>
<p>* Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small &amp; 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.</p> <p>The company has not provided interest for the dues outstanding for the specified period of few parties since such cases are under dispute.</p>		
<b>25 OTHER CURRENT FINANCIAL LIABILITIES</b>		
Current maturities of long term debt	73	153
Current maturities of car loan	18	28
Unclaimed dividend	1	2
Security deposits	13	-
Others:		
- Other payables	522	814
<b>Total current financial liabilities</b>	<b>627</b>	<b>997</b>
<b>26 OTHER CURRENT LIABILITIES</b>		
Advance from customers	30	7
Statutory and other dues	41	41
Liabilities related to employees	104	169
Other liabilities	264	128
Deferred Lease Liability IND AS 116	209	-
Others-Refund Liability	81	81
<b>Total other current liabilities</b>	<b>729</b>	<b>426</b>

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>27 REVENUE FROM OPERATIONS</b>		
a) Sale of products		
Pharmaceutical	12,954	12,828
b) Other operating income		
Sale of scrap	8	9
Excise duty recovered on operating income	22	8
Conversion charges/income from job work	19	20
Miscellaneous - operating income	0	5
Commission received	10	-
Export duty credit/duty drawback		29
<b>Total revenue from operations</b>	<b>13,013</b>	<b>12,899</b>



# Anglo-French Drugs & Industries Limited

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>28 OTHER INCOME</b>		
Interest income	8	8
Interest on others	7	9
Provisions/ Liabilities written back	5	29
Insurance claim local	1	4
Miscellaneous income -non operating	15	1
Exchange Rate (Loss)/ Gain	26	19
<b>Total other income</b>	<b>62</b>	<b>70</b>
<b>29. COST OF MATERIALS CONSUMED</b>		
<b>a) Raw Material Consumed</b>		
Opening Stock	1,464	1,442
Purchases	2,923	2,696
	4,387	4,138
Less : Sales	-	-
Less : Closing Stock	1,875	1,464
<b>Raw Material Consumed</b>	<b>2,512</b>	<b>2,674</b>
<b>b) Packing Material Consumed</b>		
Opening Stock	444	370
Purchases	718	810
	1,162	1,180
Less: Sales	-	-
Less : Closing Stock	461	444
<b>Packing Material Consumed</b>	<b>701</b>	<b>736</b>
<b>Total Cost of material consumed</b>	<b>3,213</b>	<b>3,410</b>
<b>30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening Inventories of :</b>		
Finished Goods	1,343	1,453
Work in Progress	124	172
<b>Total</b>	<b>1467</b>	<b>1625</b>
<b>Closing Inventories of :</b>		
Finished Goods	1,262	1,343
Work in Progress	136	124
<b>Total</b>	<b>1,398</b>	<b>1,467</b>
<b>Total changes in inventories of finished goods, work in progress and stock-in-trade</b>	<b>69</b>	<b>158</b>
<b>31. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries & wages	2,146	2,009
Contribution to provident and other Funds	124	184
Staff welfare expenses	147	155
<b>Total employee benefits expense</b>	<b>2,417</b>	<b>2,348</b>



(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>32. FINANCE COSTS</b>		
Interest Expense		
on borrowing from banks and others	588	676
IND AS 116 - Finance Cost	29	
Other Borrowing Costs		
loan processing charges	0	-
<b>Total finance costs</b>	<b>617</b>	<b>676</b>
<b>33 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of property, plant and equipment	155	172
Amortisation of intangible assets	1	1
Amortisation (Ind AS 116)	98	
<b>Total depreciation and amortisation expense</b>	<b>254</b>	<b>173</b>
<b>34 OTHER EXPENSES</b>		
<b>(a) Operating, administrative &amp; other expenses</b>		
Consumption of stores and spares	56	68
Rent	46	184
Rates & taxes	24	37
Sales tax	40	28
Repairs & maintenance		
Building	5	-
Plant & machinery	87	-
Others	44	115
Insurance charges	10	9
Electricity & water	23	20
Factory power & fuel	158	158
Job-work charges- manufacturing service charges	58	62
Tour & travelling expenses	824	798
Vehicle running & maintenance	50	50
Conveyance expenses	28	8
Legal & professional fee	109	106
Membership fee & subscription	28	42
Office & general expenses	91	83
Postage and telegram	10	12
Bank charges	24	24
Printing & stationary	12	22
Charity & donations	-	3
Security expenses	40	25
Telephone & telex charges	29	41
Laboratory expenses	4	4
Research & development	-	-
ERP expenses	-	-
Sundry balance written off	-	-
Directors fee	3	1
Trade marks	12	9
Loss on sale of assets	0	5
Auditors remuneration [refer note 34(a)]	8	6

## Anglo-French Drugs & Industries Limited

<b>(b) Selling &amp; distribution expenses</b>		
Selling expenses	51	7
Advertisement & publicity	1	2
Business promotion expenses	880	922
Bad debt written off	15	-
Provision for doubtful debts	-	52
Clearing, forwarding & freight	166	149
Rebates & discount allowed	196	121
Insurance expenses- goods-in-transit	4	7
Handling expenses	4	5
Clearing & forwarding agents commission	333	293
<b>Total other expenses</b>	<b>3,473</b>	<b>3,478</b>
<b>34 (a) Details of Auditors' remuneration</b>		
Audit fee	3	3
Tax audit fee	1	-
For other services such as certification	4	3
<b>Total auditors remuneration</b>	<b>8</b>	<b>6</b>

**34 (b)** Exceptional items include Rs 71,06,383 paid to National Pharmaceutical Pricing Authority in June 2019 as per Order for overcharging in respect of the formulation "Beplex Forte Tabs" and Rs 85,37,622 pertaining to Bad debts written off during the year in respect of receivable from Subsidiary at Singapore

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>35 TAX EXPENSE</b>		
<b>(a) Current tax</b>		
Tax on profits for the year	46	-
<b>Total income tax</b>	<b>46</b>	<b>-</b>
<b>(b) Deferred tax</b>		
Decrease (increase) in deferred tax assets	29	18
(Decrease) increase in deferred tax liabilities	(29)	(18)
Less : Recognised in OCI	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>-</b>	<b>-</b>
<b>Total tax expense</b>	<b>46</b>	<b>-</b>
<b>(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:</b>		
Profit before income tax expense	281	(86)
<b>Tax at the rate of 27.82% (2019 - 30.900%)</b>	<b>78</b>	<b>-</b>
<b>Adjustments related to property, plant and equipments:</b>		
Adjustment on account of depreciable assets	(29)	(18)
<b>Unabsorbed business loss</b>	<b>(15)</b>	<b>(21)</b>
<b>Tax effect of amounts which are not deductible in calculating taxable income:</b>		
Donations	-	-
Provision for debts, advances and investments	5	16
Adjustment in 43B (on payment basis)	1	23
Income tax adjustments (since income tax payable under MAT - u/s 115JB)	(46)	-
Tax payable under MAT - u/s 115JB	46	-
<b>Income tax expense as per Income Tax</b>	<b>46</b>	<b>-</b>



## 36 FAIR VALUE MEASUREMENTS

### Financial instruments by category

(₹ in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Financial assets</b>				
Investments				
- Equity instruments	5		11	
- Subsidiaries				
Fixed Deposits		45		8
Trade Receivables		2,594		3,075
Cash and cash equivalents		22		21
Other Bank Balance		41		65
Security deposits		158		178
<b>Total financial assets</b>	<b>5</b>	<b>2,860</b>	<b>11</b>	<b>3,347</b>
<b>Financial liabilities</b>				
Borrowings		4,093		4,712
Security deposits		311		309
Trade payables		2,850		2,550
Capital creditors		-		-
Unclaimed Dividend		1		2
Others		535		814
<b>Total financial liabilities</b>	<b>-</b>	<b>7,790</b>	<b>-</b>	<b>8,387</b>

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

Particulars	As at March 31, 2020	As at March 31, 2019
	Level 1	Level 1
Financial Assets at FVOCI		
<b>Investment in equity shares</b>		
Industrial Development Bank of India Limited	1	2
Vijaya Bank	4	9
<b>Total financial assets at FVOCI</b>	<b>5</b>	<b>11</b>

#### (ii) Fair value hierarchy

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

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

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

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

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

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

#### (iv) Significant estimates

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

**37 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 :

Currency	Receivables	Payables
<b>March 31, 2020</b>		-
US Dollar (USD)	1.50	-
<b>Net exposure to foreign currency risk</b>	<b>1.50</b>	-
<b>March 31, 2019</b>		
US Dollar (USD)	4.80	-
<b>Net exposure to foreign currency risk</b>	<b>4.80</b>	-

**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, 2020	March 31, 2019
USD sensitivity		
INR/USD Increases by 5% (March 31, 2019 - 5%)	15	24
INR/USD Decreases by 5% (March 31, 2019 - 5%)	(15)	(24)
* 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, 2020	March 31, 2019
Variable rate borrowings	1,013	1,593
Fixed rate borrowings	3,077	3,119
<b>Total borrowings</b>	<b>4,090</b>	<b>4,712</b>

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

Particulars	Weighted average interest rate	Balance	% of total loans
<b>March 31, 2020</b>	<b>12.16</b>	<b>1,013</b>	<b>25%</b>
Bank overdrafts, bank loans, Cash credit			
Bank overdrafts, bank loans, Cash credit			



## 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, 2020	March 31, 2019
Interest rates – increase by 50 basis points (50 bps) *	5	8
Interest rates – decrease by 50 basis points (50 bps) *	(5)	(8)

### (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	(₹ in lakhs)
<b>Loss allowance on April 1, 2018</b>	126
Changes in loss allowance	52
<b>Loss allowance on March 31, 2019</b>	178
Changes in loss allowance	20
<b>Loss allowance on March 31, 2020</b>	198

### (B) Liquidity risk

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

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

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
<b>Floating rate</b>		
Cash credit/WCTL facility	793	246

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:

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
<b>Non-derivatives</b>				
<b>March 31, 2020</b>				
Borrowings	3,163	414	513	4,090
Trade payables	2,850	-	-	2,850
Security deposits	-	-	311	311
Other financial liabilities	535	-	-	535
<b>Total non-derivative liabilities</b>	<b>6,548</b>	<b>414</b>	<b>824</b>	<b>7,786</b>
<b>March 31, 2019</b>				
Borrowings	3,978	221	513	4,712
Trade payables	2,550	-	-	2,550
Security deposits	-	-	309	309
Other financial liabilities	816	-	-	816
<b>Total non-derivative liabilities</b>	<b>7,344</b>	<b>221</b>	<b>822</b>	<b>8,387</b>

**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 stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

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

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

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

The gearing ratios of the Company are as follows:

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Net debt (net of cash and cash equivalents)	4,091	4,712
Total equity	702	535
<b>Net debt to equity ratio</b>	<b>583%</b>	<b>881%</b>

**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
1	Mr. Abhay Kanoria
2	Mr. Uddhav Kanoria
3	Mr. N Ahmedali
4	Mrs. Neha Rajen Gada
5	Mr. Nirbhay Kanoria
6	Mr. Sanatkumar Shirali
7	Mr. Shashikant N More (From 17th May 2019)
8	Dr. Rajeshwar B Smarta (From 13th August 2019)
9	Mr. Rakesh P Kanyadi (From 13th August 2019)
10	Mrs. Pallavi Kanoria (Wife of Mr Abhay Kanoria)
11	Mr. Harshwardhan Murarka
12	Mrs. Deepa Ramachandran (From 13th August 2019)
13	Mr. Kushal Jain (Up to 14th August 2019)



**B. Subsidiaries**

i) Anglo French Drugs & Industries PTE Ltd

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

i) The Anglo French Drug Co. ESTN Ltd Employee's Gratuity Fund

ii) Group Supperannuation Scheme under LIC of India

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

- 1 Aakruti Investments Ltd.
- 2 Abhay Kanoria Family Trust
- 3 Broach Textile Mills Ltd.
- 4 Ekta Tie-up Pvt. Ltd.
- 5 GBK Charitable Trust
- 6 Radha Kesari Spinning Mills Ltd.
- 7 Sudarshan Exports Ltd.
- 8 Sudarshan Services Ltd.

**(b) Transactions with Related Parties for the year ended March 31, 2020**

(₹ in Lakhs)

Nature of Transactions	Subsidiaries		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel / Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>EXPENSES:</b>								
<b>i) Rent paid</b>								
Sudarshan Services Ltd.								
Mr. Abhay Kanoria					11	10		
Mrs.Pallavi Kanoria					11	10		
<b>ii) Receiving of Services – Administrative, Commercial &amp; Accounting service</b>								
Sudarshan Services Ltd.			-	-				
<b>iii) Interest Paid</b>								
Sudarshan Services Ltd			72	78		-		
<b>iv) Remuneration Paid</b>								
Mr. Abhay Kanoria					49	54		
Mr. Uddhav Kanoria					42	45		
Mr. Nirbhay Kanoria					32	34		
Mrs.Pallavi Kanoria					18	18		
Mr. Manish Jagnani					-	10		
Mr. Aditya Kumar Jain					-	0.32		
Mr.Kushal Jain					0.68	0.91		
Mr. Harshwardhan Murarka					11	0.79		
Mrs. Deepa Ramachadran					5	-		
Dr. Rajeshwar B Smarta					13			
<b>v) Director's sitting fees</b>								
Mr. Sanatkumar Shirali					0.60	0.20		
Mrs.Neha Rajen Gada					0.40	0.30		
Mr. Upendra G. Patel					-	0.20		



## Anglo-French Drugs & Industries Limited

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	
	2020	2019	2020	2019	2020	2019	2020	2019
Mr. N Ahmedali Mr. Pauly Sukumar Nuthakki Mr. Shahikanth More Dr. Rajeshwar B Smarta					1.30	0.50		
					-	0.20		
					0.30	-		
					0.60	-		
<b>INCOME:</b>								
<b>i) Sale of Pharmaceutical products</b>								
Anglo-French Drugs & Industries Pte Ltd	40	38						
<b>OTHER RECEIPTS:</b>								
<b>i) Inter Corporate Deposit Received</b>								
Sudarshan Services Ltd			-	-	-	-		
<b>Contribution of Gratuity Fund</b>								
The Anglo French Drug Co. ESTN Ltd Employee`s Gratuity Fund							32	5
Group Superannuation Scheme under LIC of India								
<b>Refund of Gratuity</b>								
The Anglo French Drug Co. ESTN Ltd Employee`s Gratuity Fund							35	31

(c) Outstanding Balances as on March 31, 2020

(₹ in lakhs)

Nature of Transactions	Subsidiaries		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel/ Relative of Key Management Personnel"		Enterprises which are post employment benefit plan for the benefit of employees	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>PAYABLES :</b>								
<b>i) For Goods &amp; Services</b>								
Sudarshan Services Ltd	-	-	-	-				
<b>ii) Inter Corporate Deposit</b>								
Sudarshan Services Ltd			655	722				
<b>LOANS &amp; ADVANCES AND RECEIVABLES :</b>								
<b>iii) For Goods &amp; Services</b>								
Anglo-French Drugs & Industries Pte Ltd	43	173						
<b>iv) Security Deposit</b>								
Mr. Abhay Kanoria			12	13				



#### 40. Contingent liabilities

The company had contingent liabilities at March 31, 2020 in respect of:

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

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
a) Value Added Tax/Sales Tax	148	154
b) Service Tax/ Excise Duty	116	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 483 lakhs (2019 - INR 469 lakhs).

ii. Letter of credit opened and remaining outstanding INR 18 lakhs (2019 - INR 15 lakhs).

#### 41. Leases

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

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

Under this standard, amortisation cost and Finance cost has increased by Rs 98.48 lakhs and Rs 28.60 lakhs respectively and corresponding rent has decreased by Rs 108.34 lakhs. Application of this standard resulted in decrease of profit amounting to Rs. 18.74 lacs. The single accounting model introduced by Ind AS 116 recognises a right-of-use asset amounting to Rs 268.34 lakhs representing its right to use the underlying assets and a lease liability of the equivalent amount representing its obligation to make lease payments.

The cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019 to the tune of Rs 49.49 lakhs.

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

Sr. No	Location	Name of Land Lord	Period		Deposit	Rent P.M.	Rent for One Year	Rent for the Period
			From	To				
1	Corporate Office	Rathna Shivarudrappa	01.04.2014	31.03.2016	1,900,000	140,000	1,680,000	3,360,000
			01.04.2016	31.03.2018		165,000	1,980,000	3,960,000
			01.04.2018	31.03.2021		190,000	2,280,000	4,560,000
2	Guest House- Pebble Bay	Amod Vig	01.09.2017	31.08.2018	1,500,000	160,000	1,920,000	1,920,000
			01.09.2018	31.08.2019		168,000	2,016,000	2,016,000
			01.09.2019	31.08.2020		176,400	2,116,800	2,116,800
			01.09.2020	31.08.2021		185,220	2,222,640	2,222,640
			01.09.2021	31.08.2022		194,480	2,333,760	2,333,760
3	Mumbai Office	The Phoenix Mills Limited	18.12.2016	17.12.2021	4,580,180	778,363	9,340,356	778,303

#### 42 (a) Details of Raw Materials Consumed

(₹ in lakhs)

Description	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
<b>PHARMACEUTICALS</b>					
Calcium D Pantothenate IP	Kgs	3,510	100	3,920	124
Ascoric Acid	Kgs	56,135	291	61,267	477
Miscellaneous		-	2,122	-	2,114
(None individually account for more than 10% of total consumption)					
			<b>2,512</b>		<b>2,715</b>

## Anglo-French Drugs & Industries Limited

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

(₹ in lakhs)

Description	Current Year		Previous Year	
	Amount	%	Amount	%
a) Raw Materials:				
Imported	2,512	100	2,715	100
Indigenous	2,512	100	2,715	100
b) Stores and Spare Parts				
Imported	-	-	-	-
Indigenous	36	100	40	100
	36	100	40	100

### (c) Purchase of Stock -in-Trade

Description	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
<b>Formulations:</b>					
a) Tablets	Million	204	997	262	949
b) Liquids	Bottles	6,406,487	646	5,748,054	631
c) Injections	Litres	136,401	179	135,546	261
d) Capsules	Million	48	381	85	574
e) Granules	Kgs	1,632	2	2,184	3
f) Powder	Kgs	97,473	84	141,443	129
g) Ointment	Kgs	45,150	269	42,080	243
h) Others	Nos.	737,874	37	295,186	22
			<b>2,595</b>		<b>2,812</b>

### (d) Value of Imports on CIF basis

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	121,419	79		122
F.O.B Value of Exports				
In Foreign Currency	1,032,691	724	1,380,407	947

**43** Company's investments in 100% subsidiary 'Anglo French Drugs & Industries PTE. Limited Singapore (AFDIPL)' amounting Rs 24 lakhs is long term in nature and which has been provided in the books on the date of transition to Ind AS. Though AFDIPL has incurred a net profit of Rs 85 lakhs during the year ended 31st March, 2020 but it has incurred losses for the last year and has accumulated negative reserves to the tune of Rs 61 lakhs as on 31st March, 2020 and, as of that date, AFDIPL current liabilities exceeded its current assets by Rs 29 lakhs and its total liabilities exceeded its total assets by Rs 36 lakhs. 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 198, Lakhs which is outstanding as on 31st March, 2020.

**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 Share

Particulars	March 31, 2020	March 31, 2019
a. Basic earnings per share	19.47	(7.40)
b. Diluted earnings per share	19.47	(7.40)

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
<b>c. Reconciliations of earnings used in calculating earnings per share</b>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	226	(86)
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	226	(86)

Particulars	March 31, 2020	March 31, 2019
<b>d. Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,162,500	1,162,500
Adjustments for calculation of diluted earnings per share:		
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share.	1,162,500	1,162,500

#### 46 Research and Development Expenses

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
Material Consumption	5	1
Laboratory consumption	9	3
Employee Benefits Expense	18	18
Others	1	1
	<b>33</b>	<b>23</b>

#### 47 Revenue Recognition as per Ind AS 115

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

ii The disaggregation of revenues is as under:

(₹ in lakhs)

Nature	March 31, 2020	March 31, 2019
Revenue from contracts with customers		
Revenues from sale of goods	12,954	12,908
Revenues from sale of scrap (Other operating income)	8	9
	<b>12,962</b>	<b>12,917</b>

## Anglo-French Drugs & Industries Limited

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

(₹ in lakhs)

Nature	March 31, 2020		March 31, 2019	
	Domestic	Exports (including deemed exports)	Domestic	Exports (including deemed exports)
Revenue from contracts with customers				
Revenues from sale of goods	11,601	1,353	11,608	1,300
Revenues from sale of scrap (Other operating income)	8	-	9	-
	<b>11,609</b>	<b>1,353</b>	<b>11,617</b>	<b>1,300</b>

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

(₹ in lakhs)

Nature	Receivable	Contract Asset	Contract Liabilities
Balance as at the beginning of the year	3,075	40	81
Additions	-		
Adjustments	(511)		
Balance as at the end of the year	2,564	40	81

- v The revenue from contracts with customers for the year includes variable consideration (discounts & rebates) of Rs 13 lakhs , 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 lakhs . The same has been deducted from the transaction price. The corresponding cost of materials to be returned to the company 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.



## 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, 2020, 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, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

Due to the COVID - 19 induced restrictions on physical movement and strict timelines, our audit team could not visit the company office at Bengaluru for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing and ICAI Advisory for Statutory Audit. Our opinion expressed in the present report is based on the facts, inputs and information made available to us principally through electronic means by the management of the company and also through telephonic interactions and transmission of web enabled text messages with the management for enquiry, clarification and explanation.

### Emphasis of Matter

#### Effects of COVID-19

We draw attention to Note 3(v) of the financial statements, which describes the economic and social consequences/disruption the entity is encountering as a result of COVID-19 which is impacting supply chains, consumer demand and personnel available for work being able to access offices and as the situation with COVID-19 is still evolving the management's assessment of the impact on the subsequent period is dependent on the circumstances as they evolve.

### Old Receivable

We draw attention to Note 11 of the financial statements, on receivables from Viva Remedies, an overseas debtor, having outstanding balance of Rs 1,25,63,656.61 (USD 240,674) which is more than three years. The matter relating to realization of the old outstanding balance with Viva Remedies is sub judice since 16th December, 2014.

The Company considers the abovementioned receivable balance 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, 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
<p>Physical verification of inventory using alternative audit procedures involving more effort vis-à-vis a non-COVID-19 scenario.</p> <p>Ensuring veracity of inventory balances as on reporting date (Completeness, Accuracy, Cut off and Valuation ) adopting alternative audit procedures owing to lock down restrictions and travel restrictions imposed by the Government associated with COVID-19.</p> <p><b>Evaluation of uncertain indirect tax positions pertaining to pre-GST regime</b></p> <p>The Company has material uncertain service tax and sales tax positions including matters under dispute which involve significant judgment to determine the possible outcome of these disputes.</p>	<p>Principal Audit Procedures</p> <p>Alternative audit procedures were adopted to verify inventory balances for a few locations as on reporting date as physical verification of inventories by the management on the reporting date or on a date near to the reporting date was not feasible due to lockdown restrictions imposed by the Central Government for checking COVID-19.</p> <p>Owing to the various restrictions on movement of personnel due to imposition of nationwide lockdown, management was compelled to reconcile the last physically verified inventory balance and the system derived balance as on reporting date by considering and adjusting the system figures of production, issues and purchases generated during the period between the two said dates.</p> <p><b>Principal Audit Procedures</b></p> <p>The disputed Service Tax and Sales Tax /VAT amounting Rs 116 lakhs and Rs 148 lakhs respectively have been disclosed in Note 40.</p> <p>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.</p> <p>During the year the Company had availed the Subka Viswas Scheme for settlement of the demand of Rs 21.14 lakhs relating to 1.4.2012 till 31.3.2014 and a penalty of equivalent amount aggregating Rs 42 lakhs..</p> <p>The Sales Tax/VAT dispute amounting Rs 148 lakhs is pending with the Joint Commissioner of Commercial Taxes (Appeals) mainly pertaining to non submission of statutory C Forms, F-forms and is still in appeal stage without any settlement.</p>

## 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 judgement 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 managements use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

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

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

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



## Other Matters

i) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs.32.35 Lacs as at 31st March, 2020, total revenues of Rs.137.8 Lacs for the period ended on that date, as considered in the consolidated Ind AS financial statements.

ii) The financial statements of the subsidiary is to be audited by other auditor whose report is yet to be furnished to us by the Management. Accordingly our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the financial statements prepared by the subsidiary which is yet to be audited. 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 formed and prepared in conjunction with the matters as mentioned above.

iii) 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. 85 Lacs during the year ended 31st March, 2020 with an accumulated loss of Rs 146 lakhs as on that date and, as of that date, AFDIPL current liabilities exceeded its current assets by Rs 25 Lacs and its total liabilities exceeded its total assets by Rs 36 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, there has been improvement in financial performance compared to the preceding financial year and as the ability of the Company to continue as a going concern is primarily dependent on the undertaking of its immediate and ultimate holding company the subsidiary's ability to continue as a going concern is not questioned. Holding Company has to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

iv) Trade receivable includes Rs.125.64 Lacs as on 31st March 2020 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 is incorporated outside India have been prepared in accordance with accounting principles generally accepted in that country and which is to be audited by other auditor under generally accepted auditing standards applicable in that country.

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 financial statements prepared by the management of the subsidiary which is yet to be signed by the other auditor. The conversion adjustments prepared by the management of the Company and verified 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 read with our statements made in the second part of the paragraph on 'Basis for opinion' and paragraph ii) of the 'Other matters' paragraph, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial

statements have been kept so far as it appears from our examination of those books.

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

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

e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 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, 2020 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 (Please refer Note 40).

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

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

**For KAMG & ASSOCIATES**  
**Chartered Accountants**  
**(Firm's Registration No311027E.)**

**AMITABHA NIYOGI**

Partner

(Membership No.056720)

UDIN: 20056720AAAAAP5961

Bengaluru,  
June 22, 2020



**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 (l) 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, **ANGLO FRENCH 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, 2020, 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 No311027E. )

**AMITABHA NIYOGI**

Partner

(Membership No.056720)

UDIN: 20056720AAAAA5961

**Bengaluru,**  
**June 22, 2020**



## BALANCE SHEET AS AT MARCH 31, 2020 (CONSOLIDATED)

(₹ in lakhs)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
PROPERTY, PLANT AND EQUIPMENT	4	1,357	1,475
RIGHT OF USE ASSETS		170	
INTANGIBLE ASSETS	5	4	5
FINANCIAL ASSETS			
(i) Investments	6	5	11
(ii) Trade Receivables	7	-	-
(iii) Other Non-Current Financial Assets	8	112	98
OTHER NON CURRENT ASSETS	9	7	27
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,655</b>	<b>1,616</b>
<b>CURRENT ASSETS</b>			
INVENTORIES	10	4,279	3,981
FINANCIAL ASSETS			
(i) Trade Receivables	11	2,581	2,950
(ii) Cash and Cash Equivalents	12	23	22
(iii) Other Bank Balances	13	41	65
(iv) Other Current Financial Assets	14	91	88
CURRENT TAX ASSET (NET)	15	41	86
OTHER CURRENT ASSETS	16	636	565
<b>TOTAL CURRENT ASSETS</b>		<b>7,692</b>	<b>7,757</b>
<b>TOTAL ASSETS</b>		<b>9,347</b>	<b>9,373</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
EQUITY SHARE CAPITAL	17	116	116
OTHER EQUITY	18	535	279
<b>TOTAL EQUITY</b>		<b>651</b>	<b>395</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
FINANCIAL LIABILITIES			
(i) Borrowings	19	927	734
(ii) Other Non-Current Financial Liabilities	20	311	309
EMPLOYEE BENEFIT OBLIGATIONS	21	115	105
DEFERRED TAX LIABILITIES - NET	22	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,353</b>	<b>1,148</b>
<b>CURRENT LIABILITIES</b>			
FINANCIAL LIABILITIES			
(i) Borrowings	23	3,073	3,797
(ii) Trade Payables	24	2,865	2,564
(iii) Other Current Financial Liabilities	25	627	997
OTHER CURRENT LIABILITIES	26	733	429
EMPLOYEE BENEFIT OBLIGATIONS	21	46	43
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,344</b>	<b>7,830</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,347</b>	<b>9,373</b>

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

**Amitabha Niyogi**

Partner

Membership Number 056720

Bengaluru, 22nd June 2020

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

**Abhay Kanoria**

Chairman & Manging Director

**Harshwardhan Murarka**

Chief Financial Officer

**N. Ahmedali**

Director

**Deepa Ramachandran**

Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020 (CONSOLIDATED)**

(₹ in lakhs)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
<b>INCOME</b>			
REVENUE FROM OPERATIONS	27	13018	12,914
OTHER INCOME	28	155	70
<b>TOTAL INCOME</b>		<b>13,173</b>	<b>12,984</b>
<b>EXPENSES</b>			
<b>COST OF MATERIALS CONSUMED</b>	<b>29</b>	<b>3,213</b>	<b>3,410</b>
PURCHASES OF STOCK-IN-TRADE		2,595	2,812
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	30	69	158
EMPLOYEE BENEFITS EXPENSE	31	2,417	2,348
FINANCE COSTS	32	617	676
DEPRECIATION AND AMORTISATION EXPENSE	33	254	173
OTHER EXPENSES	34	3,486	3,492
<b>TOTAL EXPENSES</b>		<b>12,651</b>	<b>13,069</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>522</b>	<b>(85)</b>
EXCEPTIONAL ITEMS - PROFIT / (LOSS)	34(b)	(156)	
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>366</b>	<b>(85)</b>
<b>TAX EXPENSE</b>			
CURRENT TAX	35	55	-
DEFERRED TAX	35		-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>311</b>	<b>(85)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of Post-employment benefit obligations		(27)	37
- Change in equity instruments- Fair value through Other Comprehensive Income		(6)	(2)
- Tax relating to these items			
1) Current Tax		9	-
2) Deferred Tax		0	-
<b>Total Other Comprehensive Income/ (Loss) for the year, net of tax</b>		<b>(24)</b>	<b>35</b>
<b>Total Comprehensive Income for the year</b>		<b>287</b>	<b>(50)</b>
<b>Earnings per equity share (in INR) (Face value INR 10)</b>			
(1) Basic	45	26.72	(7.31)
(2) Diluted	45	26.72	(7.31)

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 of  
**Anglo French Drugs & Industries Ltd.**

**Amitabha Niyogi**

Partner

Membership Number 056720

Bengaluru, 22nd June 2020

**Abhay Kanoria**

Chairman & Mangaing Director

**Harshwardhan Murarka**

Chief Financial Officer

**N. Ahmedali**

Director

**Deepa Ramachandran**

Company Secretary



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020 (CONSOLIDATED)

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from operating activities</b>		
<b>Profit / (Loss) before income tax</b>	<b>311</b>	<b>(85)</b>
Adjustments for		
Depreciation and amortisation expense	254	173
(Gain)/loss on disposal of property, plant and equipment	0	5
Provisions Written Back	(98)	(29)
Interest income classified as investing cash flows	(7)	(9)
Finance costs	617	676
<b>Change in operating assets and liabilities</b>		
(Increase)/Decrease in trade receivables	369	(138)
(Increase)/Decrease in inventories	(298)	84
(Increase)/ Decrease in other financial assets	(17)	(15)
(Increase)/Decrease in other non-current assets	20	1
(Increase)/Decrease in other current assets	(71)	971
Increase/(Decrease) in trade payables	399	(657)
Increase/ (Decrease) in employee benefit obligations	(14)	73
Increase/(Decrease) in other financial liabilities	(254)	(64)
Increase/(Decrease) in other current liabilities	304	(276)
<b>Cash generated from operations</b>	<b>1,513</b>	<b>710</b>
Income taxes paid (net of refund)	1	(2)
<b>Net cash inflow from operating activities</b>	<b>1,514</b>	<b>708</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(307)	(83)
Proceeds from sale of property, plant and equipment	2	9
Changes in Other bank balances	24	7
Interest received	7	10
<b>Net cash outflow from investing activities</b>	<b>(274)</b>	<b>(57)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings:		
Term Loan	200	(153)
Cash Credit (net)	(579)	31
Others	(145)	(23)
Repayment of borrowings:		
Term Loan	(80)	(4)
Car Loan	(17)	2
Interest paid	(617)	(676)
Unclaimed Dividends paid	(1)	(3)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(1,240)</b>	<b>(826)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1</b>	<b>(175)</b>
Cash and cash equivalents at the beginning of the year	22	197
<b>Cash and cash equivalents at the end of the year</b>	<b>23</b>	<b>22</b>

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

Bengaluru, 22nd June 2020

For and on behalf of the Board of Directors of

**Anglo French Drugs & Industries Ltd.**

### Abhay Kanoria

Chairman & Mangaing Director

### Harshwardhan Murarka

Chief Financial Officer

### N. Ahmedali

Director

### Deepa Ramachandran

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020 (CONSOLIDATED)

**A. Equity share capital**

	(₹ in lakhs)
<b>As at April 1, 2018</b>	<b>116</b>
Changes in equity share capital during the year	-
<b>As at March 31, 2019</b>	<b>116</b>
Changes in equity share capital during the year	-
<b>As at March 31, 2020</b>	<b>116</b>

**B. Other equity**

(₹ in lakhs)

	Reserves and surplus				Other Comprehensive income	Total
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings (Surplus)		
<b>Balance at April 1, 2018</b>	43	70	549	(337)	4	329
Profit for the year	-	-	-	(85)	-	(85)
Other comprehensive income for the year, net of tax	-	-	-	37	(2)	35
<b>Total comprehensive income for the year</b>	-	-	-	<b>(48)</b>	<b>(2)</b>	<b>(50)</b>
<b>Balance as at March 31, 2019</b>	<b>43</b>	<b>70</b>	<b>549</b>	<b>(385)</b>	<b>2</b>	<b>279</b>
<b>Balance at April 1, 2019</b>	<b>43</b>	<b>70</b>	<b>549</b>	<b>(385)</b>	<b>2</b>	<b>279</b>
Effect of IND AS116				(49)		(49)
<b>Restated Balance at April 1, 2019</b>	<b>43</b>	<b>70</b>	<b>549</b>	<b>(434)</b>	<b>2</b>	<b>230</b>
Earlier Year Effects Considered				18		
Profit for the year	0	0	0	311	0	311
Other comprehensive income/(losses) for the year, net of tax	0	0	0	(18)	(6)	(24)
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>311</b>	<b>(6)</b>	<b>287</b>
<b>Balance as at March 31, 2020</b>	<b>43</b>	<b>70</b>	<b>549</b>	<b>(123)</b>	<b>(4)</b>	<b>535</b>

The accompanying notes form an integral part of the Financial Statements

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

**For KAMG & ASSOCIATES**

Chartered Accountants

Firm's Registration Number 311027E

**Amitabha Niyogi**

Partner

Membership Number 056720

Bengaluru, 22nd June 2020

For and on behalf of the Board of Directors of

**Anglo French Drugs & Industries Ltd.**

**Abhay Kanoria**

Chairman & Manging Director

**Harshwardhan Murarka**

Chief Financial Officer

**N. Ahmedali**

Director

**Deepa Ramachandran**

Company Secretary



## NOTES TO ACCOUNTS (CONSOLIDATED)

### GENERAL INFORMATION

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

### COVID-19

In the last month of FY 2019-2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers.

The Board of Directors approved the financial statements for the year ended March 31, 2020 and authorised for issue on June 22, 2020.

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").

### SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) BASIS OF PREPARATION

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

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

##### (ii) Historical cost convention

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

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

##### (iii) Use of estimates

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

Estimates and underlying assumption are reviewed on an ongoing basis. Any revision to such estimates is recognised in the period the same is determined.

#### (b) PRINCIPLES OF CONSOLIDATION

##### Subsidiary

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

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

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

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

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

##### Transition to IND AS

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

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

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

##### Derecognition

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

## (d) INTANGIBLE ASSETS

### Measurement at recognition:

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

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

### Subsequent Expenditure:

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

### Derecognition:

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

## (e) FINANCIAL INSTRUMENTS

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

### (i) FINANCIAL ASSETS:

#### (A) Classification:

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

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

A financial asset is classified as measured at

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

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

#### Debt instruments:

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

#### Equity investment:

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

#### (C) Derecognition:

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

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

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

#### (D) Impairment:

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

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



(b) Trade receivables

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

Trade receivables which do not contain a significant financing component.

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

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

**(ii) FINANCIAL LIABILITIES:**

**(A) Classification:**

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

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

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

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

**(C) Derecognition:**

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

**(iii) OFFSETTING FINANCIAL INSTRUMENT:**

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

**(iv) INCOME RECOGNITION:**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest

rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**(f) CASH AND CASH EQUIVALENTS**

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

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

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

**(g) REVENUE RECOGNITION**

**(A) Sale of goods**

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

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

Revenue is recognised at a point in time on accrual basis as per the terms of the contract, when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. When sales discount and rebate arrangements result in variable consideration, appropriate estimates are made and estimated variable consideration is recognised as a deduction from revenue at the point of sale (to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not be required). The group typically uses the expected value method for estimating variable consideration, reflecting that such contracts have similar characteristics and a range of possible outcomes. The contract asset or a contract liability is recognised when either party to a contract has performed, depending on the relationship between the entity's performance and the customer's payment. When the group has



a present unconditional rights to consideration, it is recognised separately as a receivable.

### **(B) Export Incentive**

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

### **(C) Interest Income**

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

### **(D) Dividend Income**

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

### **(h) EMPLOYEE BENEFITS**

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

### **(i) Short-term obligations**

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

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

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

### **(ii) Post-employment obligations**

The group operates the following post-employment schemes:

#### **Gratuity obligations –**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms

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

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

#### **Provident Fund –**

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

#### **Superannuation Fund -**

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

### **(i) LEASES**

#### **Transition to Ind AS 116**

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

### **(j) FOREIGN CURRENCY TRANSLATION**

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

The group has adopted amendments prospectively to items in scope of the appendix that are initially



recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1st April, 2018).

(i) **Presentation Currency**

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

(ii) **Transactions and balances**

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

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

(k) **TAXES ON INCOME**

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

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

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

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

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

(l) **EARNINGS PER SHARE**

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

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

A provision is recognised if, as a result of a past event, the group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the

expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

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

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

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

(n) **SEGMENT REPORTING**

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

(o) **RESEARCH & DEVELOPMENT**

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

(p) **INVENTORIES**

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

(q) **GOVERNMENT INCENTIVES**

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

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

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

**3 Significant estimates and judgements**

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

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

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

**i) Impairment of trade receivable:**

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

**ii) Post-employment benefits:**

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

**iii) Sales returns and rebates:**

Revenue is recognised when title and risk of loss is passed to the customer, reliable estimates can be made of relevant and all relevant obligations have been

fulfilled, such that the earnings process is regarded as being completed.

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

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

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

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

**v) Impact of Covid 19**

"On the basis of its assessment of the impact of the outbreak of COVID-19 on business operations of the entity, the entity's management may conclude that no adjustments are required in the financial statements as it does not impact the current financial year. However, the situation with COVID-19 is still evolving. Also, the various preventive measures taken (such as lockdown restrictions by the Government of India, travel restrictions etc.) are still in force, leading to a highly uncertain economic environment. Due to these circumstances, the management's assessment of the impact on the subsequent period is dependent upon the circumstances as they evolve.



#### 4. Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2019
	As at April 01, 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
<b>TOTAL</b>	<b>1,953</b>	<b>80</b>	<b>23</b>	<b>2,010</b>	<b>373</b>	<b>172</b>	<b>9</b>	<b>535</b>	<b>1,475</b>

Particulars	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2020
	As at April 01, 2019	Additions	Sales/ Adjustments	Balance as at March 31, 2020	As at April 1, 2019	For the Year	Sales/ Adjustments	As at March 31, 2020	
Freehold land	8	-	-	8	-	-	-	-	8
Buildings	805	-	-	805	96	33	-	129	676
Plant & equipment	657	19	-	676	136	46	-	182	494
Furniture & fittings	140	-	-	140	68	16	-	84	56
Vehicles	162	12	22	152	67	23	20	70	82
Office equipment	37	0	-	37	35	2	-	37	(0)
Computers	201	8	-	209	133	35	-	168	41
<b>TOTAL</b>	<b>2,010</b>	<b>39</b>	<b>22</b>	<b>2,027</b>	<b>535</b>	<b>155</b>	<b>20</b>	<b>670</b>	<b>1,357</b>

#### IND AS 116

Right of Use Assets as on 31-3-2019 **268**

(representing right of use of underlying assets )

Refer Note below

Amortisation Charge **98**

Note :

net carrying amount as on 31-3-2020 **170**

#### 5. Intangible Assets

(₹ in lakhs)

Particulars	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
<b>TOTAL</b>	<b>5</b>	<b>3</b>	<b>-</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>3</b>	<b>5</b>

Particulars	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2020
	As at April 1, 2019	Additions	Sales/ Adjustments	Balance As at March 31, 2020	As at April 1, 2019	For the Year	Sales/ Adjustments	As at March 31, 2020	
Trademarks	-	-	-	-	-	-	-	-	-
Computer software	8	-	-	8	3	1	-	4	4
<b>TOTAL</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>4</b>	<b>4</b>

## Anglo-French Drugs & Industries Limited

(₹ in lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>6 Non-Current investments</b>		
<b>A. Investments in equity instruments (fully paid)</b>		
(i) <b>Quoted -</b>		
<b>In Other entities (Equity investments at Fair value through other comprehensive income)</b>		
5,760 (2019- 5,760) Equity shares of INR 10 each in Industrial Development Bank of India Limited	1	2
19,400 (2019- 19,400) Equity shares of INR 10 each in Vijaya Bank	4	9
Note-The merger of Vijaya Bank and Dena Bank with Bank of Baroda has taken place which will be effective from 1st Apr 2019.		
<b>Total Investment in equity instruments</b>	<b>5</b>	<b>11</b>
<b>Total non-current investments</b>	5	11
Aggregate amount of quoted investments	5	11
Market value of quoted investments	5	11
<b>7 TRADE RECEIVABLES</b>		
Doubtful	-	-
Receivables from related parties	-	-
Receivables other than from related parties	198	198
Less: Provision for doubtful debts	198	198
<b>Total trade receivables (non-current)</b>	-	-
<b>8 OTHER NON-CURRENT FINANCIAL ASSETS</b>		
Security deposits	67	90
Fixed deposits with bank (with maturity period of more than 12 months)	45	8
<b>Total other non-current financial assets</b>	<b>112</b>	<b>98</b>
<b>9 OTHER NON-CURRENT ASSETS</b>		
Capital advances	-	-
Deferred rent expense for security deposit assets	5	24
Other deposits	2	3
<b>Total other non-current assets</b>	<b>7</b>	<b>27</b>



(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>10 INVENTORIES</b>		
Raw materials	1,875	1,464
Packing materials	461	444
Work-in-progress	136	124
Finished goods**	1,262	1,343
Stores and spare parts *	545	606
<b>Total inventories</b>	<b>4,279</b>	<b>3,981</b>
* includes Stock of samples and promotional items in the hands of sales representatives -Nil		
**Closing stock of Finished goods includes samples amounting to Rs. 39 lakhs, which are not meant for sale.		
Raw materials & Packing materials are valued at weighted Average method , WIP & Finished Goods at Standard Price and stores and spares at cost.		
<b>11 TRADE RECEIVABLES</b>		
Unsecured, considered good		
Receivable from related parties	43	-
Receivable from other than related parties	2,538	2,950
Note-Trade Receivables includes Receivable from Viva Remedies (FZC) amounting to Rs 125.64 lakhs which is under sub justice since 16.12.2014		
<b>Total trade receivables (current)</b>	<b>2,581</b>	<b>2,950</b>
<b>12 CASH &amp; CASH EQUIVALENTS</b>		
Balances with Banks		
- Current Accounts	19	20
Cash in hand	4	2
Stamps in hand	0	-
<b>Total cash and cash equivalents</b>	<b>23</b>	<b>22</b>
<b>13 OTHER BANK BALANCES</b>		
Fixed deposits maturing within 3 - 12 months	41	65
Margin money	0	-
<b>Total other bank balances</b>	<b>41</b>	<b>65</b>
<b>14 OTHER CURRENT FINANCIAL ASSETS</b>		
Security Deposits		
Related Party	12	2,020
Security deposits	79	(1,932)
<b>Total other current financial assets</b>	<b>91</b>	<b>88</b>
<b>15 CURRENT TAX ASSETS (NET)</b>		
Opening balance	67	65
Less: Tax payable for the year	46	-
Add: Taxes paid	1	2
Add/(Less): Refund/adjustment for earlier years	-	-
Closing balance	22	67
MAT credit entitlement	19	19
<b>Total current tax assets (net)</b>	<b>41</b>	<b>86</b>

# Anglo-French Drugs & Industries Limited

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>16 OTHER CURRENT ASSETS</b>		
Prepaid expenses	92	126
Deferred rent expense on security deposit given	7	11
Other advances	497	388
Others-Recovery Right Assets	40	40
<b>Total other current assets</b>	<b>636</b>	<b>565</b>

## 17 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019
<b>AUTHORISED</b>		
2,000,000 Equity Shares of INR 10 each (2019- 2,000,000)	200	200
	<b>200</b>	<b>200</b>
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID</b>		
1,162,500 Equity Shares of INR 10 each (2019- 1,162,500)	116	116
Of the above 704,000 Equity Shares are issued by way of Bonus Shares by capitalisation of General Reserve		
	<b>116</b>	<b>116</b>
<b>(i) Reconciliation of equity share capital</b>		
	<b>Number of shares</b>	<b>Equity share capital (par value)</b>
<b>As at April 1, 2018</b>	<b>1,162,500</b>	<b>116</b>
Change during the year	-	-
<b>As at March 31, 2019</b>	<b>1,162,500</b>	<b>116</b>
Change during the year	-	-
<b>As at March 31, 2020</b>	<b>1,162,500</b>	<b>116</b>

### (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 Company :

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	% holding	Number of Shares	% holding
(1) Abhay Kanoria Family Trust represented by Mr. Abhay Kanoria	702,205	60.40%	701,745	60.36%
(2) Life Insurance Corporation of India	90,000	7.74%	90,000	7.74%


**18 OTHER EQUITY**

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(a) RESERVES AND SURPLUS</b>		
CAPITAL RESERVE	43	43
SECURITIES PREMIUM RESERVE	70	70
GENERAL RESERVE	549	549
SURPLUS/(DEFICIT) IN STATEMENT OF PROFIT AND LOSS	(123)	(385)
	<b>539</b>	<b>277</b>
<b>(b) OTHER RESERVES</b>		
Fair Value through Other Comprehensive Income- Equity Instrument	(4)	2
<b>Total other equity</b>	<b>535</b>	<b>279</b>
<b>(a) RESERVE AND SURPLUS</b>		
<b>(i) CAPITAL RESERVE</b>		
Opening Balance	43	43
Adjustment during the year		
Closing Balance	43	43
<b>(ii) SECURITIES PREMIUM RESERVE</b>		
Opening Balance	70	70
Adjustment during the year		
Closing Balance	70	70
<b>(iii) GENERAL RESERVE</b>		
Opening Balance	549	549
Adjustment during the year		
Closing Balance	549	549
<b>(iv) SURPLUS/ (DEFICIT) IN STATEMENT OF PROFIT AND LOSS</b>		
Opening Balance	(385)	(337)
EFFECT OF IND AS 116	(49)	
Earlier Year Effects Considered	18	
Add: Profit /(Loss) during the year as per Statement of Profit & Loss	311	(85)
Other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(18)	37
Closing Balance	<b>(123)</b>	<b>(385)</b>
<b>(b) OTHER RESERVE</b>		
<b>OTHER COMPREHENSIVE INCOME</b>		
Opening Balance	2	4
Adjustments during the year		
- Remeasurements of quoted equity shares	(6)	(2)
Closing Balance	<b>(4)</b>	<b>2</b>

**Nature and purpose of Reserves**
**(i) Capital Reserve**

Capital Reserve represents the statutory reserve created by the group as per requirement of the Act. The same can be utilised by the group for issuing fully paid bonus shares.

**(ii) Securities premium reserve**

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

**(iii) General Reserve**

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



# Anglo-French Drugs & Industries Limited

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>19 NON-CURRENT BORROWINGS</b>		
<b>Term Loans from Banks</b>		
<b>Secured</b>		
<b>HDFC</b>		-
<b>YES Bank</b>	-	-
Car finance loans from banks	9	16
<b>Term Loans from Others (NBFC)</b>		
JM Financial Products Limited	918	718
<b>Total Non-current borrowings</b>	<b>927</b>	<b>734</b>
Current maturities of long-term debt (included in note 25)	73	153
Current maturities of car finance loan (included in note 25)	18	28
<b>Total</b>		

## PARTICULARS OF TERM BORROWINGS :

### a) Security

- The Company has mortgaged its land at Peenya and first charge on Plant & Machinery of the Company on the term loan taken from YES Bank.
- Vehicle loans are secured by hypothecation of vehicles.
- 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 :

- In respect of Vehicle loans repayments are done by equated monthly installments over 36 to 60 months.
- The company has taken term loan from AXIS Bank during the year which carry interest at the rate of 8.41 %, repayable in 37 equal installments. Repayment of the term loan will be completed in April 2021 .
- 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.
- During the last month of 2019 - 2020 an additional facility of Rs 275 lakhs was availed from J M Financial Products Limited. Repayment will be completed in November 2030.

## 20 OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	311	309
Other liabilities	-	-
<b>Total other non-current financial liabilities</b>	<b>311</b>	<b>309</b>

## 21 Employee benefit obligations

(₹ in lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
<b>Leave Encashment - Unfunded</b>						
Present value of obligation	11	55	66	14	55	69
<b>Gratuity - Funded</b>						
Present value of obligation	311		311	296		296
Fair value of plan assets	216		216	217		217
Net Liability	95		95	79		79
<b>Gratuity Liability</b>	<b>35</b>	<b>60</b>	<b>95</b>	<b>29</b>	<b>50</b>	<b>79</b>
<b>Total employee benefit obligations</b>	<b>46</b>	<b>115</b>	<b>161</b>	<b>43</b>	<b>105</b>	<b>148</b>

### (i) Defined benefit plans

#### a) Gratuity

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



**b) Leave Encashment**

**(ii) Defined contribution plans**

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

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

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
a) Superannuation Fund	10	10
b) Provident Fund	107	98

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

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

(₹ in lakhs)

Particulars	Gratuity			Leave Encashment
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
<b>April 1, 2018</b>	<b>241</b>	<b>201</b>	<b>40</b>	<b>72</b>
Current service cost	23		23	18
Prior Service cost	37		37	-
Interest expense/(income)	18	15	3	5
<b>Total amount recognised in profit or loss</b>	<b>78</b>	<b>15</b>	<b>63</b>	<b>23</b>
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	-	-	-	
<b>Total amount recognised in other comprehensive income</b>	<b>(23)</b>	<b>-</b>	<b>(23)</b>	<b>(14)</b>
Employer contributions	-	-	-	-
Benefit payments	-	-	-	13
<b>March 31, 2019</b>	<b>296</b>	<b>216</b>	<b>80</b>	<b>68</b>
<b>April 1, 2019</b>	296	216	80	68
Current service cost	23		23	10
Prior Service cost	-			
Interest expense/(income)	19	15	4	4
<b>Total amount recognised in profit or loss</b>	<b>42</b>	<b>15</b>	<b>27</b>	<b>14</b>
Remeasurements				
Loss due to experience	31	-	31	(5)
Loss due to change in financial assumptions	-	-	-	1
Return on plan assets (greater)/less than discount rate	-	-	-	-
<b>Total amount recognised in other comprehensive income</b>	<b>31</b>	<b>-</b>	<b>31</b>	<b>(4)</b>
Employer contributions	-	-	-	-
Benefit payments	-	-	-	4
<b>March 31, 2020</b>	<b>369</b>	<b>231</b>	<b>138</b>	<b>74</b>

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

(Rupees in lakhs)

Particulars	March 31, 2020	March 31, 2019
Present value of funded obligations	369	296
Fair value of plan assets	231	216
<b>Deficit of funded plan</b>	<b>138</b>	<b>80</b>
Unfunded plans	74	68
<b>Deficit of Employee Benefit Plans</b>	<b>212</b>	<b>148</b>

(iv) **Post-Employment benefits**

The significant actuarial assumptions were as follows:

Particulars	March 31, 2020	March 31, 2019
Discount rate	7.75%	7.75%
Salary growth rate	5.00%	5.00%
Expected return on assets	7.75%	7.75%
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:

Particulars	Change in assumption		Impact on defined benefit obligation			
	March 31, 2020	March 31, 2019	Increase by 1%		Decrease by 1%	
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
(Rupees in lakhs)						
<b>Gratuity</b>						
Discount rate	1%	1%	(22)	(39)	26	(4)
Salary growth rate	1%	1%	23	(5)	(21)	(39)
Withdrawal rate	1%	1%	3	(20)	(3)	(26)
<b>Leave Encashment</b>						
Discount rate	1%	1%	(6)	(5)	7	6
Salary growth rate	1%	1%	7	5	(6)	(5)
Withdrawal rate	1%	1%	1	(1)	(1)	(1)

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

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

Particulars	March 31, 2020		March 31, 2019	
	Amount in lakhs	in %	Amount in lakhs	in %
Investment funds with Kotak Gratuity Group Plan (UNI-107L010V05)	231	100%	216	100%
<b>Total</b>	<b>231</b>	<b>100%</b>	<b>216</b>	<b>100%</b>

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

(vii) **Risk exposure**

The defined benefit obligations have the undermentioned risk exposures :

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

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

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

(viii) **Defined benefit liability and employer contributions**

Expected contribution to post employment benefit plan for the year ending March 31, 2020 is 35 lakhs.

The weighted average duration of the defined benefit obligation is 13.98 years (March 31, 2019 - 12.63 years ) in case of Gratuity and 13.98 Years (March 31, 2019 - 16.63 years ) in case of Leave encashment in all the three years. The expected maturity analysis of undiscounted gratuity and leave encashment is as follows :

(Rupees in lakhs)

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	Beyond 5 years	Total
<b>March 31, 2020</b>							
Gratuity	12	9	17	20	26	518	602
Leave encashment	4	3	5	4	6	140	162
<b>Total</b>	<b>16</b>	<b>12</b>	<b>22</b>	<b>24</b>	<b>32</b>	<b>658</b>	<b>764</b>
<b>March 31, 2019</b>							
Gratuity	15	16	25	23	16	436	531
Leave encashment	5	4	4	6	6	138	163
<b>Total</b>	<b>20</b>	<b>20</b>	<b>29</b>	<b>29</b>	<b>22</b>	<b>574</b>	<b>694</b>



(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>22 DEFERRED TAX LIABILITIES - NET</b>		
Deferred Tax Liabilities on account of :		
Depreciation	163	192
Processing fees of term loan		-
<b>Total deferred tax liabilities (A)</b>	<b>163</b>	<b>192</b>
Deferred Tax Assets on account of :		
Accrued expenses deductible on payment	1	5
Leave encashment and gratuity	4	13
Provision for debts, advances and investments	5	16
Fair valuation of security deposit-Assets	-	-
Unabsorbed depreciation and carried forward business loss	320	383
Less: Deferred Tax Assets not recognised	167	225
<b>Total deferred tax assets (B)</b>	<b>163</b>	<b>192</b>
<b>Deferred Tax (Assets)/Liabilities (Net - A-B)</b>	<b>-</b>	<b>-</b>

In terms of accounting policy note 1(j) followed by the Company, deferred tax assets of Rs 167 lakhs (2019- Rs 225) have not been recognised.

#### Movement in deferred tax liabilities

Particulars	Depreciation	Restatement of liability at fair value	Fair Valuation of Equity Investment	Total
<b>As at April 1, 2018</b>	210	-	-	210
Charged/(Credited):				
- to profit and loss	(18)	-	-	(18)
- to other comprehensive income	-	-	-	-
<b>As at March 31, 2019</b>	<b>192</b>	<b>-</b>	<b>-</b>	<b>192</b>
<b>As at April 1, 2020</b>	<b>192</b>	<b>-</b>	<b>-</b>	<b>192</b>
Charged/(Credited):				
- to profit and loss	(29)	-	-	(29)
- to other comprehensive income				
<b>As at March 31, 2020</b>	<b>163</b>	<b>-</b>	<b>-</b>	<b>163</b>

#### Movement in deferred tax assets

Particulars	Statutory Expenses claimable on payment	Provision for Debts, Advances and Investments	Fair Valuation of Security Deposit -Assets
<b>As at April 1, 2018</b>	2	39	-
(Charged)/Credited:			
- to profit and loss	3	(23)	
- to other comprehensive income			
<b>As at March 31, 2019</b>	<b>5</b>	<b>16</b>	<b>-</b>
(Charged)/Credited:			
- to profit and loss	(4)	(11)	
- to other comprehensive income	-	-	-
<b>As at March 31, 2020</b>	<b>1</b>	<b>5</b>	<b>-</b>

## Anglo-French Drugs & Industries Limited

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>23 CURRENT BORROWINGS</b>		
<b>SECURED</b>		
<b>Cash Credit from Banks</b>		
HDFC Bank	374	738
YES Bank	640	855
<b>Packing Credit facility from Banks</b>		
YES Bank		-
<b>Short term loan from others</b>		
Working Capital Loan from National Small Industries Corporation Ltd	137	143
<b>UNSECURED</b>		
<b>Inter Corporate Deposit</b>		
Related Party	655	-
Others	1,267	2,061
<b>Total Current borrowing</b>	<b>3,073</b>	<b>3,797</b>

### PARTICULARS OF BORROWINGS :

#### a) Security

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

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

- (i) Cash Credit from HDFC Bank and YES Bank carry interest at the rate of 12.15% and 12.10% respectively.
- (ii) Working Capital Loan from National Small Industries Corporation Ltd carries interest at the rate of 11.95%.
- (iii) Inter Corporate Deposits generally carry interest at the rate between 10.00% to 17.00%. These deposits are repayable on mutually agreed dates.

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>24 TRADE PAYABLES</b>		
Trade payables	2,865	2,564
Trade payables to related parties	-	-
<b>Total trade payables</b>	<b>2,865</b>	<b>2,564</b>
<b>Classification as required by MSME Act</b>		
Total outstanding dues of Micro Enterprises and Small Enterprises*	33	39
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,832	2,525
<b>Total trade payables</b>	<b>2,865</b>	<b>2,564</b>

\* Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 (MSME Act) are based on information made available to the Company. 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.



(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>25 OTHER CURRENT FINANCIAL LIABILITIES</b>		
Current maturities of long term debt	73	153
Current maturities of car loan	18	28
Unclaimed dividend	1	2
Security deposits	13	-
Others:		
- Liability for capital expenditure	-	-
- Other payables	522	814
<b>Total current financial liabilities</b>	<b>627</b>	<b>997</b>
<b>26 OTHER CURRENT LIABILITIES</b>		
Advance from customers	30	7
Statutory and other dues	41	41
Liabilities related to employees	104	169
Other liabilities	268	131
Deferred Lease Liability IND AS 116	209	-
Others-Refund Liability	81	81
<b>Total other current liabilities</b>	<b>733</b>	<b>429</b>

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>27 REVENUE FROM OPERATIONS</b>		
a) Sale of products (including excise duty)		
Pharmaceutical / fabrics	12,959	12,843
b) Other operating income		
Sale of scrap	8	9
Excise duty recovered on operating income	22	8
Conversion charges/income from job work	19	20
Miscellaneous - operating income	0	5
Commission received	10	-
Export duty credit/duty drawback	-	29
<b>Total revenue from operations</b>	<b>13018</b>	<b>12,914</b>
<b>28 OTHER INCOME</b>		
Interest income	8	8
Interest on others	7	9
Provisions/ Liabilities written back	98	29
Insurance claim local	1	4
Miscellaneous income -non operating	15	1
Foreign Exchange Gain	26	19
<b>Total other income</b>	<b>155</b>	<b>70</b>

## Anglo-French Drugs & Industries Limited

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>29. COST OF MATERIALS CONSUMED</b>		
<b>a) Raw Material Consumed</b>		
Opening Stock	1,464	1,442
Purchases	2,923	2,696
	<b>4,387</b>	<b>4,138</b>
Less : Sales	-	-
Less : Closing Stock	1,875	1,464
<b>Raw Material Consumed</b>	<b>2,512</b>	<b>2,674</b>
<b>b) Packing Material Consumed</b>		
Opening Stock	444	370
Purchases	718	810
	<b>1,162</b>	<b>1,180</b>
Less: Sales	-	-
Less : Closing Stock	461	444
<b>Packing Material Consumed</b>	<b>701</b>	<b>736</b>
<b>Total Cost of material consumed</b>	<b>3,213</b>	<b>3,410</b>
<b>30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening Inventories of :</b>		
Finished Goods	1,343	1,453
Work in Progress	124	172
	<b>1,467</b>	<b>1,625</b>
<b>Closing Inventories of :</b>		
Finished Goods	1,262	1,343
Work in Progress	136	124
	<b>1,398</b>	<b>1,467</b>
<b>Total changes in inventories of finished goods, work in progress and stock-in-trade</b>	<b>69</b>	<b>158</b>
<b>31. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries & wages	2,146	2,009
Contribution to provident and other Funds	124	184
Staff welfare expenses	147	155
<b>Total employee benefits expense</b>	<b>2,417</b>	<b>2,348</b>

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>32. FINANCE COSTS</b>		
Interest Expense		
on borrowing from banks and others	588	676
IND AS 116 - Finance Cost	29	
Other Borrowing Costs		
loan processing charges	0	-
<b>Total finance costs</b>	<b>617</b>	<b>676</b>



Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>33 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of property, plant and equipment	155	172
Amortisation of intangible assets	1	1
Amortisation (Ind AS 116)	98	
<b>Total depreciation and amortisation expense</b>	<b>254</b>	<b>173</b>
<b>34 OTHER EXPENSES</b>		
<b>(a) Operating, administrative &amp; other expenses</b>		
Consumption of stores and spares	<b>56</b>	<b>68</b>
Rent	46	184
Rates & taxes	24	37
Sales tax	40	28
Repairs & maintenance		
Building	5	9
Plant & machinery	87	93
Others	44	13
Insurance charges	10	9
Electricity & water	23	20
Factory power & fuel	158	158
Job-work charges- manufacturing service charges	58	62
Tour & travelling expenses	824	798
Vehicle running & maintenance	50	50
Conveyance expenses	28	8
Legal & professional fee	109	107
Membership fee & subscription	28	42
Office & general expenses	91	81
Postage and telegram	10	12
Bank charges	24	25
Printing & stationary	12	22
Charity & donations		3
Foreign exchange rate fluctuation on expenses	5	8
Festival & celebration expenses		2
Security expenses	40	25
Telephone & telex charges	29	41
Laboratory expenses	4	4
Directors fee	3	1
Trade marks	12	9
Loss on sale of assets	0	5
Auditors remuneration [refer note 34(a)]	16	10
<b>(b) Selling &amp; distribution expenses</b>		
Selling expenses	51	7
Advertisement & publicity	1	2
Business promotion expenses	880	922
Bad debt written off	15	-
Provision for doubtful debts		52
Clearing, forwarding & freight	166	149
Rebates & discount allowed	196	121
Insurance expenses- goods-in-transit	4	7
Handling expenses	4	5
Clearing & forwarding agents commission	333	293
<b>Total other expenses</b>	<b>3,486</b>	<b>3,492</b>



## Anglo-French Drugs & Industries Limited

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>(a) Details of Auditors' remuneration</b>		
Audit fee	7	7
Tax audit fee	1	-
For other services such as certification	8	3
<b>Total auditors remuneration</b>	<b>16</b>	<b>10</b>

- (b) Exceptional items include Rs 71,06,383 paid to National Pharmaceutical Pricing Authority in June 2019 as per Order for overcharging in respect of the formulation "Beplex Forte Tabs" and Rs 85,37,622 pertaining to Bad debts written off during the year in respect of receivable from Subsidiary at Singapore.

Particulars	Year ended March 31, 2020 "	Year ended March 31, 2019
<b>35 TAX EXPENSE</b>		
<b>(a) Current tax</b>		
Tax on profits for the year	46	-
Adjustments for prior periods	-	-
<b>Total income tax</b>	<b>46</b>	<b>-</b>
<b>(b) Deferred tax</b>		
Decrease (increase) in deferred tax assets	29	18
(Decrease) increase in deferred tax liabilities	(29)	(18)
Less : Recognised in OCI	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>-</b>	<b>-</b>
<b>Total tax expense</b>	<b>46</b>	<b>-</b>
<b>(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:</b>		
Profit before income tax expense	284	(85)
<b>Tax at the rate of 27.82% (2019 - 30.900%)</b>	<b>79</b>	<b>-</b>
<b>Adjustments related to property, plant and equipments:</b>		
Adjustment on account of depreciable assets	(29)	(18)
<b>Unabsorbed business loss</b>	<b>(15)</b>	<b>(21)</b>
<b>Tax effect of amounts which are not deductible in calculating taxable income:</b>		
Provision for debts, advances and investments		
Adjustment in 43B (on payment basis)	1	23
<b>Income tax adjustments (since income tax payable under MAT - u/s 115JB)</b>	<b>(46)</b>	<b>-</b>
Tax payable under MAT - u/s 115JB	<b>46</b>	<b>-</b>
Profit of subsidiary - exempted	-	-
<b>Income tax expense as per Income Tax</b>	<b>46</b>	<b>-</b>



## 36 FAIR VALUE MEASUREMENTS

### Financial instruments by category

(₹ in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Financial assets</b>				
Investments				
- Equity instruments	5		11	
Fixed Deposits		45		8
Trade Receivables		2,594		3,075
Cash and cash equivalents		22		22
Other Bank Balance		41		65
Security deposits		158		178
<b>Total financial assets</b>	<b>5</b>	<b>2,860</b>	<b>11</b>	<b>3,348</b>
<b>Financial liabilities</b>				
Borrowings		4,093		4,712
Security deposits		311		309
Trade payables		2,850		2,550
Capital creditors		-		-
Unclaimed Dividend		1		2
Others		535		814
<b>Total financial liabilities</b>	<b>-</b>	<b>7,790</b>	<b>-</b>	<b>8,387</b>

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

Particulars	As at March 31, 2020	
	Level 1	Level 1
Financial Assets at FVOCI		
<b>Investment in equity shares</b>		
Industrial Development Bank of India Limited	1	2
Vijaya Bank	4	9
<b>Total financial assets at FVOCI</b>	<b>5</b>	<b>11</b>

#### (ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard.

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

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

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

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

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

#### (iv) Significant estimates

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

**37 Financial risk management**

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

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

**(A) Market risk**

**(i) Foreign currency risk**

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

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

Currency	Receivables	Payables
<b>March 31, 2020</b>		-
US Dollar (USD)	1.50	-
<b>Net exposure to foreign currency risk</b>	1.50	-
<b>March 31, 2019</b>		
US Dollar (USD)	2.96	-
<b>Net exposure to foreign currency risk</b>	2.96	-

**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:

Particulars	Impact on profit after tax	
	March 31, 2020	March 31, 2019
USD sensitivity		
INR/USD Increases by 5% (March 31, 2019 - 5%)	24	15
INR/USD Decreases by 5% (March 31, 2019 - 5%)	(24)	(15)
* 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, 2020	March 31, 2019
Variable rate borrowings	1,014	1,593
Fixed rate borrowings	3,077	3,119
<b>Total borrowings</b>	<b>4,091</b>	<b>4,712</b>

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

Particulars	Weighted average interest rate	Balance	% of total loans
<b>March 31, 2020</b>			
Bank overdrafts, bank loans, Cash credit	12.16	1,014	25%
<b>March 31, 2019</b>			
Bank overdrafts, bank loans, Cash credit	12.17	1,593	34%



## Sensitivity

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

Particulars	Impact on profit after tax	
	March 31, 2020	March 31, 2019
Interest rates – increase by 50 basis points (50 bps) *	5	8
Interest rates – decrease by 50 basis points (50 bps) *	(5)	(8)

### (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 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	(₹ in lakhs)
<b>Loss allowance on April 1, 2017</b>	<b>126</b>
Changes in loss allowance	52
<b>Loss allowance on March 31, 2018</b>	<b>178</b>
Changes in loss allowance	20
<b>Loss allowance on March 31, 2019</b>	<b>198</b>

### (B) Liquidity risk

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

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

Particulars	March 31, 2020	March 31, 2019
<b>Floating rate</b>		
Cash credit/WCTL facility	793	246

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:

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
<b>Non-derivatives</b>				
<b>March 31, 2020</b>				
Borrowings	3163	414	513	4090
Trade payables	2850	0	0	2850
Security deposits	0	0	311	311
Other financial liabilities	535	0	0	535
<b>Total non-derivative liabilities</b>	<b>6,548</b>	<b>414</b>	<b>824</b>	<b>7,786</b>
<b>March 31, 2019</b>				
Borrowings	3,978	221	513	4,712
Trade payables	2,550			2,550
Security deposits	-		309	309
Other financial liabilities	816	-		816
<b>Total non-derivative liabilities</b>	<b>7,344</b>	<b>221</b>	<b>822</b>	<b>8,387</b>

**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 stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

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

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

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

The gearing ratios of the Company are as follows:

Particulars	March 31, 2020	March 31, 2019
Net debt (net of cash and cash equivalents)	4,093	4,712
<b>Total equity</b>	<b>702</b>	<b>535</b>
<b>Net debt to equity ratio</b>	<b>583%</b>	<b>881%</b>

**39 RELATED PARTY TRANSACTIONS**

(a)	List of Related Parties
	<b>A. Key Management Personnel of the company and close member of Key Management Personnel of the company</b>
1	Mr. Abhay Kanoria
2	Mr. Uddhav Kanoria
3	Mr. N Ahmedali
4	Ms.Neha Rajen Gada
5	Mr. Nirbhay Kanoria
6	Mr. Sanatkumar Shirali
7	Mr. Shashikant N More (From 17th May 2019)
8	Dr.Rajeshwar B Smarta (From 13th August 2019)
9	Mr. Rakesh P Kanyadi (From 13th August 2019)
10	Mrs.Pallavi Kanoria (Wife of Mr Abhay Kanoria)
11	Mr.Harshwardhan Murarka
12	Mrs. Deepa Ramachandran (From 13th August 2019)
13	Mr.Kushal Jain (Up to 14th August 2019)



## 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 Superannuation Scheme under LIC of India

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

1 Aakruti Investments Ltd.

2 Abhay Kanoria Family Trust

3 Broach Textile Mills Ltd.

4 Ekta Tie-up Pvt. Ltd.

5 GBK Charitable Trust

6 Radha Kesari Spinning Mills Ltd.

7 Sudarshan Exports Ltd.

8 Sudarshan Services Ltd.

## (b) Transactions with Related Parties for the year ended March 31, 2020

(₹ in Lakhs)

Nature of Transactions	Subsidiaries		Enterprises in which Key Management Personnel have Joint Control		"Key Management Personnel / Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>EXPENSES:</b>								
<b>i) Rent paid</b>								
Sudarshan Services Ltd.								
Mr. Abhay Kanoria					11	10		
Mrs. Pallavi Kanoria					11	10		
<b>ii) Receiving of Services – Administrative, Commercial &amp; Accounting service</b>								
Sudarshan Services Ltd.			-	-				
<b>iii) Interest Paid</b>								
Sudarshan Services Ltd			72	78		-		
<b>iv) Remuneration Paid</b>								
Mr. Abhay Kanoria					49	54		
Mr. Uddhav Kanoria					42	45		
Mr. Nirbhay Kanoria					32	34		
Mrs. Pallavi Kanoria					18	18		
Mr. Manish Jagnani					-	10		
Mr. Aditya Kumar Jain					-	0.32		
Mr. Kushal Jain					0.68	0.91		
Mr. Harshwardhan Murarka					11	0.79		
Ms. Deepa Ramachadran					5	-		
Mr. Rajendra Bhaskar Smarta					13			
<b>v) Director's sitting fees</b>								
Mr. Sanatkumar Shirali					0.60	0.20		

## Anglo-French Drugs & Industries Limited

(₹ in Lakhs)

Nature of Transactions	Subsidiaries		Enterprises in which Key Management Personnel have Joint Control		"Key Management Personnel / Relative of Key Management Personnel"		Enterprises which are post employment benefit plan for the benefit of employees	
	2020	2019	2020	2019	2020	2019	2020	2019
Ms.Neha Rajen Gada					0.40	0.30		
Mr. Upendra G. Patel					-	0.20		
Mr. N Ahmedali					1.30	0.50		
Mr. Pauly Sukumar Nuthakki					-	0.20		
Mr. Shahikanth More					0.30	-		
Mr. Rajendra Bhaskar Smarta					0.60	-		
<b>INCOME:</b>								
<b>i) Sale of Pharmaceutical products</b>								
Anglo-French Drugs & Industries Pte Ltd	40	38						
<b>OTHER RECEIPTS:</b>								
<b>i) Inter Corporate Deposit Received</b>								
Sudarshan Services Ltd			-	-	-	-		
<b>Contribution of Gratuity Fund</b>								
The Anglo French Drug Co. ESTN Ltd Employee's Gratuity Fund							32	5
Group Supperannuation Scheme under LIC of India								
<b>Refund of Gratuity</b>								
The Anglo French Drug Co. ESTN Ltd Employee's Gratuity Fund							35	31

**(c) Outstanding Balances as on March 31, 2020**

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	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>PAYABLES :</b>								
<b>i) For Goods &amp; Services</b>								
Sudarshan Services Ltd	-	-	-	-				
<b>ii) Inter Corporate Deposit</b>								
Sudarshan Services Ltd			655	722				
<b>LOANS &amp; ADVANCES AND RECEIVABLES :</b>								
<b>iii) For Goods &amp; Services</b>								
Anglo-French Drugs & Industries Pte Ltd	43	173						
<b>iv) Security Deposit</b>								
Mr. Abhay Kanoria			12	13				



#### 40. Contingent liabilities

The company had contingent liabilities at March 31, 2020 in respect of:

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

Particulars	March 31, 2020	March 31, 2019
a) Value Added Tax/Sales Tax	148	154
b) Service Tax/ Excise Duty	116	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 :

- Counter guarantees issued to banks and remaining outstanding INR 483 lakhs (2019 - INR 469 lakhs).
- Letter of credit opened and remaining outstanding INR 18 lakhs (2019 - INR 15 lakhs).

#### 41. Leases

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

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

Under this standard, amortisation cost and Finance cost has increased by Rs 98.48 lakhs and Rs 28.60 lakhs respectively and corresponding rent has decreased by Rs 108.34 lakhs. Application of this standard resulted in decrease of profit amounting to Rs. 18.74 lacs. The single accounting model introduced by Ind AS 116 recognises a right-of-use asset amounting to Rs 268.34 lakhs representing its right to use the underlying assets and a lease liability of the equivalent amount representing its obligation to make lease payments.

The cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019 to the tune of Rs 49.49 lakhs.

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

SI No	Location	Name of Land Lord	Period From	Deposit	Rent P.M.	Rent for One Year
1	Corporate Office	Rathna Shivarudrappa	01.04.2014	1,900,000	140,000	1,680,000
			01.04.2016		165,000	1,980,000
			01.04.2018		190,000	2,280,000
2	Guest House-Pebble Bay	Amod Vig	01.09.2017	1,500,000	160,000	1,920,000
			01.09.2018		168,000	2,016,000
			01.09.2019		176,400	2,116,800
			01.09.2020		185,220	2,222,640
			01.09.2021		194,480	2,333,760
3	Mumbai Office	The Phoenix Mills Limited	18.12.2016	4,580,180	778,363	9,340,356

#### 42 (a) Details of Raw Materials Consumed

Particulars	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
<b>PHARMACEUTICALS</b>					
Calcium D Pantothenate IP	Kgs	3,510	100	3,920	124
Ascoric Acid	Kgs	56,135	291	61,267	477
Miscellaneous (None individually account for more than 10% of total consumption)		-	2,122	-	2,114
<b>FURNISHING FABRICS</b>					
Yarn	Kgs	-	-		
			<b>2,512</b>		<b>2,715</b>



## Anglo-French Drugs & Industries Limited

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

(₹ in Lakhs)

Description	Current Year		Previous Year	
	Amount	%	Amount	%
a) Raw Materials:				
Imported	-	-	-	0
<b>Indigenous</b>	<b>2,512</b>	<b>100</b>	<b>2,715</b>	<b>100</b>
	<b>2,512</b>	<b>100</b>	<b>2,715</b>	<b>100</b>
b) Stores and Spare Parts				
Imported	-	-	-	-
Indigenous	36	100	40	100
	<b>36</b>	<b>100</b>	<b>40</b>	<b>100</b>

### (c) Purchase of Stock -in-Trade

(₹ in Lakhs)

Description	Units	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
<b>Formulations:</b>					
a) Tablets	Million	204	997	262	949
b) Liquids	Bottles	6,406,487	646	5,748,054	631
c) Injections	Litres	136,401	179	135,546	261
d) Capsules	Million	48	381	85	574
e) Granules	Kgs	1,632	2	2,184	3
f) Powder	Kgs	97,473	84	141,443	129
g) Ointment	Kgs	45,150	269	42,080	243
h) Others	Nos.	737,874	37	295,186	22
			<b>2,595</b>		<b>2,812</b>

### (d) Value of Imports on CIF basis

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	121,419	79		122
F.O.B Value of Exports				
<b>In Foreign Currency</b>	<b>1,032,691</b>	<b>724</b>	<b>1,380,407</b>	<b>947</b>

**43** Though the subsidiary of the company 'Anglo French Drugs & Industries PTE. Limited Singapore (AFDIPL)' has incurred a net profit of Rs. 85 lakh during the year ended 31st March, 2020, but it has incurred losses for the last year and has accumulated negative reserves to the tune of Rs 146 lakhs as on 31st March, 2020 and, as of that date, AFDIPL current liabilities exceeded its current assets by Rs 25 lakhs and its total liabilities exceeded its total assets by Rs 36 lakhs. 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.

In addition, if the AFDIPL were unable to continue in operational existence for the foreseeable future, the AFDIPL may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to the financial statements of AFDIPL as on 31st March, 2020.



#### 44 Operating Segment

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

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
<b>Information about Geographical Areas:</b>		
<b>Revenue from customers</b>		
In India	12,312	11,967
Outside India	688	909
<b>Non-current assets</b>		
In India	1,655	1,616
Outside India	-	-
<b>Information about major customers</b>		
Consolidated Revenue-exceeding 10% from each single customer		NIL

#### 45 Earnings per Share

Particulars	March 31, 2020	March 31, 2019
a. Basic earnings per share	26.72	(7.31)
b. Diluted earnings per share	26.72	(7.31)

Particulars	March 31, 2020	March 31, 2019
<b>c. Reconciliations of earnings used in calculating earnings per share</b>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	311	(85)
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	311	(85)

Particulars	March 31, 2020	March 31, 2019
<b>d. Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,162,500	1,162,500
Adjustments for calculation of diluted earnings per share:		
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share.	1,162,500	1,162,500

#### 46 Research and Development Expenses

Particulars	March 31, 2020	March 31, 2019
Material Consumption	5	1
Laboratory consumption	9	3
Employee Benefits Expense	18	18
Others	1	1
	<b>33</b>	<b>23</b>

#### 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 lakhs)

Nature	March 31, 2020	March 31, 2019
Revenue from contracts with customers		
Revenues from sale of goods	12,954	12,908
Revenues from sale of scrap (Other operating income)	8	9
	<b>12,962</b>	<b>12,917</b>

## Anglo-French Drugs & Industries Limited

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

Nature	March 31, 2020		March 31, 2019	
	Domestic	Exports (including deemed exports)	Domestic	Exports (including deemed exports)
Revenue from contracts with customers				
Revenues from sale of goods	11,601	1,353	11,608	1,300
Revenues from sale of scrap (Other operating income)	8	-	9	-
	<b>11,609</b>	<b>1,353</b>	<b>11,617</b>	<b>1,300</b>

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

(₹ in Lakhs)

Nature	Receivable	Contract Asset	Contract Liabilities
Balance as at the beginning of the year	3,075	40	81
Additions	-		
Adjustments	(511)		
Balance as at the end of the year	2,564	40	81

v The revenue from contracts with customers for the year includes variable consideration (discounts & rebates) of Rs 13 lakhs , 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 lakhs . The same has been deducted from the transaction price. The corresponding cost of materials to be returned to the company 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.

Name of entity	Place of business / Country of Incorporation	Ownership interest held by the group		Principal activities
		As at March 31, 2020	As at March 31, 2019	
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.



## 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 lakhs

1	Sr. No.	1
2	Name of the subsidiary	Anglo French Drugs & Industries Pte. Ltd.
3	Date on which subsidiary was acquired	5th April, 2013
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	US\$ (INR 75.42/US\$)
6	Share capital	25
7	Reserves & surplus	(61)
8	Total assets	32
9	Total Liabilities	68
10	Investments	
11	Turnover	98
12	Profit before taxation	85
13	Provision for taxation	-
14	Profit after taxation	85
15	Proposed Dividend	
16	% of shareholding	100%

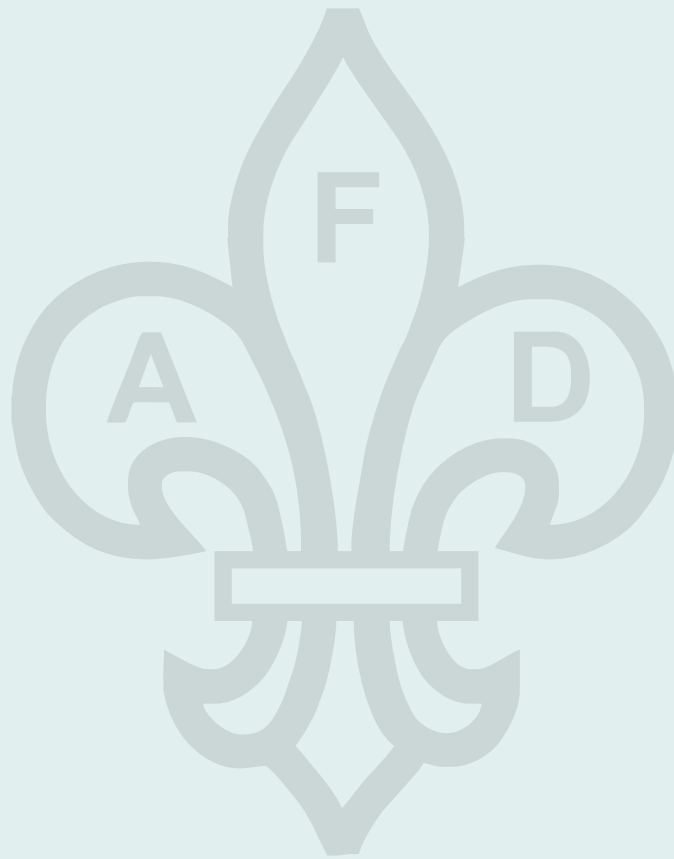
- Names of subsidiaries which are yet to commence operations : None
- Names of subsidiaries which have been liquidated or sold during the year : None

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

(₹ in lakhs)

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5	6	7	8	9
Parent								
Anglo French Drugs & Industries Ltd	107.73%	701	77.26%	240	100.00%	(24)	75.36%	216
Subsidiaries								
Indian	-	-	-	-	-	-	-	-
Foreign								
Anglo French Drugs & Industries Pte. Ltd.	-7.73%	(50)	22.74%	71	0.00%	-	24.64%	71

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



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