

EMAMI FRANK ROSS LIMITED**Directors and KMP as on 31-March-21**

Mr. Goutam Jatia

**Managing Director and
Chief Executive officer****Others**

Mr Sujay Chattaraj

Mr Anurag Jatia

Mrs Chadaravalli Srinivasabhatta Nalini

Mr Debashish Bhaumik

Mr Pramod Kumar Shah

Mrs Karabi Sengupta

Mr Akhilesh Agarwal

Ms Amrita Bhattacharya

Whole time director

Whole time director

Whole time director

Independent director

Independent director

Independent director

Chief Financial Officer

Company Secretary

Registered Office :

7, Jawaharlal Nehru Road

Kolkata - 700 013

Banker :

IndusInd Bank Ltd.

3A, Upper Wood Street

Kolkata - 700 017

RBL Bank Ltd.

Thapar House

25, Brabourne Road, Kolkata-700001

Auditor :

M/s Agarwal Tondan & Co.

R.No.-7, 1st Floor, 59, Bentinck Street

Kolkata - 700069

CIN :

L24232WB1919PLC003123

Website :

www.frankrosspharmacy.com

www.starmark.in

Mail at:- info@frankrosspharmacy.com

Phone : 033 2228 6042 / 0066 / 0067

Register & Transfer Agent

Maheshwari Datematics Pvt. Ltd.

23, R. N. Mukherjee Road, 5th Floor,

Kolkata-700001

Ph. : (033) 2248-2248 / 2248-5029 / 2231-6839

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DIRECTORS' REPORT

To The Members,

The Directors have pleasure in presenting their Annual Report and Audited Accounts of the Company for the year ended 31st March 2021.

1. FINANCIAL HIGHLIGHTS AND PERFORMANCE

The standalone performance of the Company for the year ended on 31st March, 2021 is stated below:

| PARTICULARS | 2020 - 2021 | 2019 - 2020 |
|--|------------------|-------------------|
| | (Rupees in Lakh) | (Rupees in Lakh) |
| Profit before Depreciation, Tax & exceptional item | 2834.79 | 196.56 |
| Less: Depreciation | 2420.15 | 2,587.31 |
| Profit/(Loss) before Tax& exceptional item | (5254.94) | (2,390.75) |
| Exceptional Item | 0.00 | 0.00 |
| Profit /(Loss) before exceptional items and tax | (5254.94) | (2,390.75) |
| Less: Provision for Taxation | | |
| Deferred Tax | (1431.20) | (441.07) |
| Wealth Tax | 0.00 | 0.00 |
| (Excess)/Short Provision of Earlier years | 0.52 | 6.00 |
| Profit/(Loss) for the year (PAT) | (3824.26) | (1,955.68) |
| Other Comprehensive Income net of Tax | 72.69 | (7.37) |
| Total Comprehensive Income for the year | (3751.57) | (1,963.05) |
| Credit Balance Brought Forward | (3110.85) | (1,125.77) |
| Adjustment to Equity | - | (22.03) |
| Fund available for appropriation | (6862.42) | (3,110.85) |
| Balance Carried to Balance Sheet | (6862.42) | (3,110.85) |

Company has prepared the Financial Statements for the financial year ended 31st March, 2021 in terms of Section 129, 133 and Schedule III to the Companies Act, 2013 (as amended) (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

BUSINESS REVIEW/STATE OF COMPANY'S OPERATION AND INDUSTRY SCENARIO

The company runs pharmacy in name and style of "Frank Ross Pharmacy" and leisure business of books, CDs, toys and stationery in the name of "Starmark" having retail outlets in Kolkata at South City, Mani Square, City Centre, Quest Mall and in Chennai at Express Mall & Phoneix Mall.

The Company has shown some set back in turnover due to pandemic situation of economic depression which is for the year ended 31.03.2021 of ₹ 37088.24 Lakh whereas for the previous year ended 31.03.2020 it was of ₹ 44465.25 Lakh.

Frank Ross pharmacy is planning to open future new branches and doctor's chamber in greater Kolkata and in district town of West Bengal and may be trending for some of initiatives of franchise of pharmacies in others states.

CHANGE IN NATURE OF BUSINESS IF ANY

During the year under the review, there has been no change in the nature of business of the Company.

COVID 19-PANDEIC SITUATION

With the Covid-19 pandemic impacting people across the globe, socially and economically, the Company also witnessed severe disruption in its operations, which impacted the annual performance of the Company. The financial year under review began amidst nation-wide lockdowns imposed by both the Central Government and State Government to contain the spread of Covid-19 and the lock downs were followed by systematic/gradual removal of restrictions on the free movement of people by the Central and/or the State Governments. The country also witnessed a second wave of the pandemic beginning in the last quarter of the financial year under review.

While the novel Corona virus has had a terrible humanitarian impact, it is also taking a heavy toll of economies across the world. One of the worst hit sectors is Retail. Accordingly, the operations of the Company during the financial year 2020-21 have also been adversely impacted.

2. SHARE CAPITAL

During the financial year, the company has not changed its Share Capital and also has not issued any Equity Shares with Differential rights, any Sweat Equity Shares and any Employee Stock Options. The Authorized Share Capital of the Company as on 31st March, 2021 stood at ₹ 120,000,000 divided into 3,800,000 equity shares of ₹ 10 each and 820,000 of non-cumulative redeemable preference shares of ₹ 100 each. The paid up share capital is ₹ 20,827,070.

3. DIVIDEND

The directors have not recommended any dividend for the financial year 2020-2021 in view of inadequacy of profits of the Company.

4. TRANSFER TO RESERVE

The Company is not transferring any amount to General Reserve due to inadequacy of profits during the financial year 2021.

5. DEPOSITS

The Company has not accepted any deposits covered under Chapter V "Acceptance of Deposits" by the Company under the Companies Act, 2013 read with The Companies (Acceptance of Deposit) Rules, 2014.

6. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS

In terms of Section 186 of the Companies Act and Rules framed thereunder, details of the loans given and investment made by the Company have been disclosed as notes to accounts of the Financial Statements for the year ended 31st March, 2021 which forms part of the Annual Report. Company has not given any guarantee or provide any security during the year 2020-2021.

7. NON CONVERTIBLE BONDS

The Company has allotted 400 unlisted senior secured redeemable non-convertible bonds having face value of ₹ 1,00,00,000/- each aggregating to ₹ 400,00,00,000/- on private placement basis among 100% (full amount) was redeemed with the payment of interest at 12 percent per annum during the financial year 2020-2021.

In second trenches Company further allotted 150 unlisted senior secured redeemable non-convertible bonds having face value of ₹ 1,00,00,000/- each aggregating to ₹ 150,00,00,000/- on private placement basis among which 25% of issue amount i.e. ₹ 37,50,00,000 was redeemed with the payment of interest at 12 percent per annum during the financial year 2020-2021 .

8. RELATED PARTIES TRANSACTION

The particulars of material contracts or arrangements entered into by the Company with Related Parties referred to in Section 188(1) of the Act in **Form AOC-2** prescribed under the Companies (Accounts) Rules, 2014 are appended as "**Annexure - III**" hereto and forms part of this Report.

9. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the financial year 2020-2021 under review.

10. MATERIAL CHANGES AND COMMITMENTS OCCURRED AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the year 2020-2021 the Company issued 400 (Four Hundred) number of unlisted senior secured redeemable non-convertible bonds face value of ₹ 100,00,000/-(Rupees One Crore

Only) which has been fully redeemed on the issue amount and the Company further issued 150 (One Hundred Fifty) number of unlisted senior secured redeemable non-convertible bonds, face value of ₹ 100,00,000/- (Rupee One Crore Only) out of which 25% of the issue amount has also been redeemed.

11. EXTRACT OF THE ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, Extract of Annual Return in **Form MGT - 9** for the Financial Year ended 31.03.2021 is enclosed as **Annexure I** and forms part of Director's Report and same can be accessed from the website of the Company www.frankrosspharmacy.com

12. SUBSIDIARIES, JOINT VENTURE & ASSOCIATE COMPANIES AND THEIR PERFORMANCE

The Financial accounts of M/s Lyfresh Private limited (wholly owned subsidiary) are not yet finalised and therefore, not made available to the auditor for consolidation. Since the company has already provided in full the amount of investment in and loan to the above subsidiary aggregating to ₹15.50cr, included in other expenses, the non-consolidation as stated above, would not have any financial impact on the consolidated accounts.

Further pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statements of the subsidiary in the prescribed **Form AOC-1** (based on availability of data) enclosed as **Annexure- II** has also been provided as a part of the report.

The Company does not have any Associate Company and Joint Venture,

13. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company is maintaining adequate internal financial control in line with the business and size of the Company.

14. AUDIT AND AUDITORS

STATUTORY AUDITORS

At the Annual General Meeting held on 30th September, 2019, M/s. M/S Agrawal Tondon & Co., Chartered Accountants were appointed as Statutory Auditor of the Company for the term of 5 consecutive years subject to ratification of the Members annually.

In view of the amendment made to Section 139 of the Act vide the Companies (Amendment) Act, 2017 which is effective from 7th May, 2018, annual ratification of appointment of statutory auditors is no more necessary. Accordingly M/S Agrawal Tondon & Co., Chartered Accountants, shall be continue to be as Statutory Auditors of the Company till the conclusion of the Annual General Meeting to be held in the year 2024 and their appointment shall not be subject to ratification by the Members annually.

A certificate under section 141 of the companies Act, 2013 has been received from M/S Agrawal Tondon & Co Associates to the effect that they are eligible to appoint as Statutory Auditors of the company.

The reports given by the Auditors on the Standalone Financial Statements of the Company for the financial year ended March 31, 2021 form part of this Annual Report and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Reports. The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Act.

15. SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, Rules made thereunder & any other applicable provisions if any, the Company has appointed Mr. Sandip Kumar Kejriwal, Practising Company Secretary, as its Secretarial Auditor to undertake Secretarial Audit for the Financial Year Ending 31.03.2021. The Secretarial Audit Report certified by the Secretarial Auditor, in the specified Form MR-3 is annexed herewith and forms part of this report (enclosed as **Annexure-V**)

The Board of Directors has taken note of the observations pointed out by the Secretarial Auditor. The Directors wish to state that the same have inadvertently taken place and now ensure that proper procedures will be adopted for better compliance in future.

16. SECRETARIAL STANDARDS OF ICSI

The Ministry of Corporate Affairs has mandated Secretarial Standards -SS-I, SS-II and SS-III with respect to Board Meetings, General Meetings and Payment of Dividend respectively. The Company is in compliance with the same.

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS/COURTS AND TRIBUNALS

There is no significant and material order passed by Regulators/Courts/Tribunals impacting the going concern status and Company's operations in future.

18. LISTING

The Company's equity shares are listed on The Calcutta Stock Exchange Limited and listing fees for current year is paid. Company have opted for final approval on 4th August, 2021 of voluntary delisting under the Regulation 8(1) (d) of the SEBI (De-Listing of Equity Shares) Regulation 2009 as amended in the year 2015 & 2016 and your Company has duly received the in principal approval from the Calcutta Stock Exchange Limited for delisting of equity shares of the Company vide their letter reference number CSE/LD/15305/2021 dated 27th April, 2021.

19. RISK MANAGEMENT POLICY:

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

BOARD OF DIRECTORS, BOARD MEETING AND KEY MANAGERIAL PERSONNEL

A) Changes in Board Composition

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in section 164(2) of the Companies Act, 2013 and rules applicable thereof. Details changes in the Board Composition during the year 2020-2021 under review are as under:

| SL No. | NAME OF THE DIRECTORS | DESIGNATION & CATAGORY | REASONS AND DATE OF APPOINTMENT/ RESIGNATION/ RETIREMENT |
|--------|-------------------------------------|------------------------|---|
| 1. | Mr. Pramod Bajoria | Director | Resigned from the directorship of the Company due to some personal reasons w.e.f. 31st July, 2020. |
| 2. | Mr. Rajendra Kumar Jatia | Managing Director | Resigned from the directorship of the Company due to poor health w.e.f. 26th August, 2020. |
| 3. | Mr. Gautam Jatia (DIN: 00604926) | Managing Director | Appointed as an additional director w.e.f. 26th August, 2020, and further appointed as Managing director w.e.f. October 12th, 2020 to hold office up to the date of the 105th Annual General Meeting |
| 4. | Mr. Sujoy Chattaraj (DIN: 08818352) | Whole time Director | Appointed as an additional director w.e.f. 1st August, 2020, and further appointed as Whole time director w.e.f. October 12th, 2020 to hold office up to the date of the 105th Annual General Meeting |

| SL No. | NAME OF THE DIRECTORS | DESIGNATION & CATAGORY | REASONS AND DATE OF APPOINTMENT/ RESIGNATION/ RETIREMENT |
|--------|-------------------------------------|------------------------|---|
| 5. | Mrs.Karabi Sengupta (DIN: 02534951) | Additional Director | Appointed as an additional director w.e.f. October 19th, 2020 to hold office upto the date of the 103rd Annual General Meeting and further appointed as an Independent Director w.e.f. 28th September, 2021 |
| 6. | Mr. Anurag Jatia (DIN: 01184328) | Whole time Director | Reappointed as Whole time Director from 01st April 2021 to hold office up to the date 31st March, 2024 and revision of remuneration with the approval of shareholders on 103rd Annual General Meeting will be held on 28th September, 2021. |

DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT/CHANGES:

a. Appointment of Independent Director:

Mrs. Karabi Sengupta was inducted in the Board as an Additional Director with effect from 19th October, 2020 in compliance with the sections 149, 152 read with schedule IV of the Companies Act 2013 and section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions.

The Consent of Shareholders by way of Special Resolution is being sought at the ensuing Annual General Meeting for appointment of Mrs. Karabi Sengupta as Independent Director of The Company for the period of 3Years upto the conclusion of 106th Annual General Meeting of the Company.

b. Reappointment of Independent Director for second term:

Mr. Pramod Kumar Shah was inducted in the Board as an Independent Director with effect from 14th August, 2021 in compliance with the sections 149, 152 read with schedule IV of the Companies Act 2013 and section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions.

The Consent of Shareholders by way of Special Resolution is being sought at the ensuing Annual General Meeting for reappointment of Mr. Pramod Kumar Shah as an Independent Director

of the Company for the period of 3 Years upto the conclusion of 106th Annual General Meeting of the Company.

c. Reappointment of whole time director

The Consent of Shareholders is being sought at the ensuing Annual General Meeting for continuation of holding of office by Mr. Anurag Jatia, Whole time Director of the Company who retires by rotation and being eligible offers himself for reappointment for the period of 3 Years. Your Directors recommend his re-appointment.

d. Retire by rotation and reappointment of Managing director

The Consent of Shareholders is being sought at the ensuing Annual General Meeting for continuation of holding of office by Mr. Gautam Jatia, Managing Director of the Company who retires by rotation and being eligible offers himself for reappointment. Your Directors recommend his reappointment

e. Retire by rotation and reappointment of whole time director

The Consent of Shareholders is being sought at the ensuing Annual General Meeting for continuation of holding of office by Mrs. ChadaravalliSrinivasabhatta Nalini, Director of the Company who retires by rotation and being eligible offers herself for reappointment. Your Directors recommend her reappointment

B) Declaration by Independent Director(s)

The Board of Directors hereby certify that the Independent Directors appointed on the Board meets the criteria pursuant to section 149(6) of the Companies Act 2013.

Further the Company has received Declaration of Independence from the Independent Directors Mr. Debasish Bhaumik (DIN 06933306), Mr. Pramod Kumar Shah (DIN 00343256) & Mrs. Karabi Sengupta (DIN: 02534951) on 01.04.2021 and the same has been placed before the Board & taken on record.

C) Board Induction, Training and Familiarization Programme for Independent Directors.

Prior to the appointment of Independent Directors, Company sends the formal invitation along with the detail about the profile of Company, Board and other relevant information to the Independent Director and also explained them about the compliances required from him/her as a director under the provisions of Companies Act 2013, Code of Conduct of Company, SEBI (Prohibition of Insider Trading) Regulations, 2011, before appointing them. At the time of appointment, the Company issues a Letter of Appointment to the Independent Directors explaining them the term of appointment, commitments, role & duties of the Independent Director. The Director, upon appointment, is formerly inducted to the Board and they are updated periodically about the Financials & other information of the Company. The Company Secretary briefs the Director about their legal and regulatory responsibility as a Director.

D) Number of meetings of the Board of Directors

10(Ten) Board meetings were held during the financial year from 1st April, 2020 to 31st March, 2021. The dates on which the meetings were held are as follows:

| Sl. No. | Date of the meeting | No. of Directors attended the meeting |
|---------|---------------------|---------------------------------------|
| 1. | 17.04.2020 | 4 |
| 2. | 24.06.2020 | 5 |
| 3. | 31.07.2020 | 4 |
| 4. | 26.08.2020 | 4 |
| 5. | 15.09.2020 | 5 |
| 6. | 19.10.2020 | 5 |
| 7. | 12.11.2020 | 7 |
| 8. | 02.12.2020 | 6 |
| 9. | 18.12.2020 | 6 |
| 10. | 13.02.2021 | 7 |

The maximum gap between two Board Meetings was less than 120 days as prescribed under the Companies Act, 2013.

The Disclosure indicating number of Board & Committee meeting attained by each director as per Secretarial Standard 1 is detailed in Annexure (enclosed as **Annexure IV**)

E) Audit Committee

The Board has formed the audit committee vide its meeting dated 30.05.2014 and thereafter due to change in directorship the Audit Committee has also been reconstituted on 25.07.2014. As on 31st March, 2021 Mr. Pramod Kumar Shah (Chairman), Mr. Anurag Jatia, & Mr. Debasish Bhaumik are members of the Audit Committee. All the members of the Audit Committee are financially literate. The Chairman of the Committee is an Independent (Non-Executive) Director, nominated by the Board. The Company Secretary acts as the Secretary to the Committee. The minutes of the Audit Committee meetings were circulated to the Board, discussed and taken note. All recommendations made by the Audit Committee during the year was accepted by the Board.

At least one meeting of the Audit Committee was held in every quarter of the financial year ended March 31st, 2021 and the time gap between any two consecutive meetings of the Audit Committee did not exceed 120 days. During the financial year from 1st April, 2020 to 31st March, 2021, 6(Six) Audit Committee Meetings were held. The dates on which the meetings were held are as follows:

17th April, 2020; 30th July, 2020; 15th September, 2020; 19th October, 2020; 12th November, 2020 & 13th February 2021.

The detail composition and attendance of the members of the Audit Committee are as follows:

| Sl. No. | Name of the Directors | Position | No. Of meetings attended |
|---------|-----------------------|----------|--------------------------|
| 1 | Mr. Pramod Kumar Shah | Chairman | 6 out of 6 |
| 2 | Mr. Anurag Jatia | Member | 6 out of 6 |
| 3 | Mr. Debasish Bhaumik | Member | 6 out of 6 |

F) Nomination and Remuneration Committee and Company's Policy on Directors' Appointment and Remuneration

The Board of directors of the Company constituted a Nomination and Remuneration Committee in terms of the requirements of Section 178 of the Companies Act read with Rule 7 of companies (Meeting of Board and its powers) Rules, 2014 Act and Rules framed thereunder read with Regulation 19 of the Listing Regulations. Further The Board has reconstituted a Nomination and Remuneration Committee which as on date of 31st March, 2021 comprises of Mr. Debasish Bhaumik (Chairman), Mr. Pramod Kumar Shah & Mrs. Karabi Sengupta as the members of the Committee. The Committee has formulated the policy with respect to remuneration for the directors, key managerial personnel and other employees.

During the year ended 31.03.2020, 4 (Four) meetings of Nomination & Remuneration Committee was held on 30th July, 2020, 25th August, 2020, 19th October, 2020 & 12th November, 2020.

The detail composition and attendance of the members of the Nomination and Remuneration Committee are as follows:

| Sl. No. | Name of the Directors | Position | No. Of meetings attended |
|---------|-----------------------|---------------|--------------------------|
| 1 | Mr. Debasish Bhaumik | Chairman | 4 out of 4 |
| 2 | Mr. Pramod Kumar Shah | Member | 4 out of 4 |
| 3 | Mrs. Karabi Sengupta* | Member | 1 out of 4 |
| 4 | Mr. Anurag Jatia\$ | Member | 2 out of 4 |
| 5 | Mr. Pamod Bajoria# | Past Chairman | 1 out of 4 |

* Appointed as a member w.e.f. 19th October, 2020
\$ Inducted as a member w.e.f. 31st July, 2020 and ceased to be a member w.e.f. 19th October, 2020
#Ceased to be a member w.e.f. 31st July, 2020

The policy is laid down as follows:

- I. The Nomination and Remuneration committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- II. The Nomination and remuneration committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.
- III. At the time of appointment or reappointment, the Managing Director, other Whole Time Directors or Key Managerial Personnel shall be paid such remuneration as may be agreed mutually between the company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director, other Whole Time Directors or Key Managerial Personnel which should be within the overall limits prescribed as per Companies Act, 2013.
- IV. The Remuneration shall be subject to the approval of Members of the Company in General Meeting if falls under the criteria of Schedule V of the Companies Act.

- V. In determining Remuneration the Committee shall consider the following:
 - a. The level & composition of remuneration is reasonable and sufficient to attract and motivate Managing Director, other Whole Time Directors or Key Managerial Personnel.
 - b. Relationship of remuneration & performance benchmark is clear.
 - c. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to time working of the company and its goals.

G) Share Transfer Committee

The Board has formed the Share Transfer Committee vide its meeting dated 14.08.2017. As on 31st March, 2021Mr. DebashisBhaumik (Chairman), Mr. Gautam Jatia & Mr. Anurag Jatia are members of the Share Transfer Committee.

1 (One) Share Transfer Committee Meeting was held during the financial year from 1st April, 2020 to 31st March, 2021. The date on which the meeting was held are as follows:

18th December, 2020

The composition of the Share Transfer Committee and attendance of its members are as follows:

| Sl. No. | Name of the directors | Position | No. of meetings attended |
|---------|---------------------------|---------------|----------------------------|
| 1 | Mr. Rajendra Kumar Jatia* | Past Chairman | No meeting during the year |
| 2 | Mr. Debasish Bhaumik\$ | Chairman | 1 |
| 3 | Mr. Gautam Jatia# | Member | 1 |
| 4 | Mr. Anurag Jatia | Member | 1 |
| 5 | Mr. Pramod Bajoria@ | Member | No meeting during the year |

*Ceased to be a member w.e.f. 26th August, 2020
Appointed as a member w.e.f. 26th August, 2020
\$ Inducted as a member w.e.f. 31st July, 2020 and become Chairman w.e.f. 26th August, 2020
@ Ceased to be a member w.e.f. 31st July, 2020

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

To strengthen its policy of corporate transparency, the Company has established an innovative and empowering mechanism for employees. Employees can report to the management their concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

During the year ended 2020-2021, the Company has not received any complaint of fraud or violation under Vigil Mechanism.

FORMAL ANNUAL EVALUATION:

During the year, the Board adopted a formal mechanism for evaluating its performance as well as of its Committees and individual Directors. The Nomination and Remuneration committee carried out the exercise of evaluation of all Directors through a structured evaluation process covering various aspects of the functioning of Board and the composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Independent Directors were additionally evaluated on criteria like independence of views and judgment. The Independent Directors of the Company in their separate meeting, reviewed the performance of Non- Independent Directors, the Board as a whole and of the Chairperson of the Company

The Board, after taking into consideration the evaluation exercise carried out by the Nomination and Remuneration Committee and by the Independent Directors, carried out an evaluation of its own performance and that of its Committees. The individual performance of all Directors (including the Independent Directors) was also carried out by the entire Board (excluding the director being evaluated).

The Directors were satisfied with the evaluation process and results thereof, which reflected the overall engagement of Board and its Committees with the Company.

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 a separate meeting of the independent Directors of the Company was held on 13th February 2021 to review the performance of Non - Independent Directors and the Board as a whole. The independent Directors also reviewed the duality, content and timeliness of flow of information between the Management and the Board and its committees.

DISCLOSURES PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER:

| Sr. | Particulars | Name | |
|-------|--|--|--|
| i) | The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year | Name of the Directors: Mr. Rajendra Kumar Jatia/Mr. Gautam Jatia (Regination w.e.f. 26.08.2020 / Appointment w.e.f. 26.08.2020) Mr. Anurag Jatia Mrs. Chadaravalli Srinivasabhatta Nalini | Ratio: 38:1 21:1 13:1 |
| ii) | *Percentage increase in remuneration of each director and CEO, CFO & CS in the financial year | Mr. Gautam Jatia - Managing Director& CEO (Appointed as Managing Directorw.e.f. 26th August, 2020) Mr. Rajendra Kumar Jatia-Managing Director (Resigned w.e.f. 26th August, 2020) Mr. Anurag Jatia - Whole Time Director Mrs. Chadaravalli Srinivasabhatta Nalini - Whole Time Director Mr. Sujoy Chattaraj - Whole time Director(Appointed w.e.f. 01st August, 2020) Mr. Akhilesh Kumar Agarwal - Chief Financial Officer Ms. Amrita Bhattacharya-Company Secretary | NA NA NA NA NA NA NA |
| (iii) | *Percentage increase in the median remuneration of employees in the financial year | | NA |
| (iv) | Number of permanent employees on the rolls of company | | 1760 |
| (v) | *Average percentile increase in the salaries of employees other than the managerial personnel | | NA |
| (vi) | Affirmation | The Board affirms that the remuneration is as per the remuneration policy of the company | |

* It is not applicable because the company did not announce any increment for the Financial Year 2020-2021

DISCLOSURES PURSUANT TO SECTION 197 (14) OF THE COMPANIES ACT, 2013:

No Managing Director or Whole-Time Director of the Company was in receipt of any remuneration or commission from the Company's Holding or Subsidiary companies during the financial year.

EMPLOYEES AND OTHER REPORT

None of the employee is in receipt of remuneration in excess of amount as prescribed in the Rule No. 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. There is zero tolerance towards sexual harassment and any act of sexual harassment invites disciplinary action for which committee has formed.

The Company has established a policy against Sexual Harassment for its employees. The Policy allows every employee to freely report any such act and prompt action will be taken thereon.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility are not applicable to the Company for the financial year ended 31.03.2021.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, related to conservation of energy and technology absorption are not applicable to the Company as there has been no manufacturing activity.

Details of Foreign Exchange Earnings and Outgo

| | |
|---|----------------|
| Foreign exchange earned during the year | : NIL |
| Foreign exchange used during the year | : |
| Purchase (Imports) | : ₹ 1428075.00 |
| Product Listing | : NIL |
| Travelling (Boarding & Lodging) | : NIL |
| Total | : ₹ 1428075.00 |

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors wish to inform members that the Audited Accounts containing Financial Statements for the year 2020-2021 are in conformity with the requirements of the Companies Act, 2013. They believe that the Financial Statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations.

Pursuant to the requirements of section 134(5) of the Companies Act, 2013, your Directors further confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a going concern basis;
- v) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

APPRECIATION

The directors wish to convey their appreciation to all of the company's employees for their enormous personal efforts as well as their collective contribution to the company's performance. The directors would also like to thank shareholders, customers, suppliers, bankers and all the other business associates for the continuous support given by them to the company and their confidence in its management.

For and On behalf of the Board

Gautam Jatia
Managing Director
(DIN 00604926)

Anurag Jatia
Whole time Director
(DIN 01184328)

Place: Kolkata
Date: 14th August, 2021

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. Industry Structure & Development

The pharmaceutical industry, along with the healthcare sector globally, has been impacted in an unseen way due to the outbreak of the COVID-19 pandemic leading to material impact around consumer requirements and preferences accompanied by macroeconomic, structural and microeconomic changes in the end-to-end value chain. In the midst of the pandemic and a changed world, the pharmaceutical industry across the world has responded with agility - from the sequencing of the novel coronavirus in January to vaccines being administered to the first recipient in the United Kingdom by December 2020, with efficacy levels over 90%, exceeding all expectations of governments and markets across the world. This innovation has been possible owing to the most extraordinary global efforts: collaboration like never seen before, redeployment of resources and sharing of data on a real time basis. Barring the pace, which is critical in a public health emergency (progressing Phase 3 clinical trials with limited adherence to traditionally established safety norms).

The industry is witnessing an upward revision and anticipates a vaccine-powered recovery in the second half of 2021-22, however, there may remain a subdued economic activity in non-essential retail business. High uncertainty surrounds this outlook, due to the pandemic, to the speed of vaccine-powered normalization and the evolution of financial conditions. Under the "New Normal" as India Inc. shifted to "Work from Home" and with socializing becoming a rare occasion, shoppers are purchasing casual.

In 2020-2021, Indian Economy growth rate stood at 7.7% as compared to growth rate of 4.23% in FY 2019-2020 [As per estimation of National Statistical Office (NSO)]. The Pharmaceutical companies are generally dealing in generic or brand medications or medical devices. The pharma products are subject to a variety of laws and regulations in all countries. The following are the facts for the growth of Pharmaceuticals industry:

- > High Economic Growth in healthcare and medicine;
- > Foreign Direct Investment inflows in the Indian Drugs & Pharmaceuticals sector;
- > Low cost Production and R&D boosts efficiency in Indian pharma companies; and
- > Increased Pharma Export.

According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market is estimated at US\$ 42 billion in 2021 and likely to reach US\$ 65 billion by 2024 and further expand to reach US\$ 120-130 billion by 2030.

India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics. The Indian biotechnology industry was valued at US\$ 64 billion in 2019 and is expected to reach US\$ 150 billion by 2025.

INVESTMENT & RECENT DEVELOPMENTS

The Union Cabinet has given its nod for the amendment of existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100% under the automatic

route for manufacturing of medical devices subject to certain conditions. The drugs and pharmaceuticals sector attracted cumulative FDI inflow worth US\$ 17.75 billion between April 2000 and December 2020 according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT). Some of the recent developments/investments in the Indian pharmaceutical sector are as follows:

- In May 2021, the Government of India invited R&D proposals on critical components and innovations in oxygen concentrators by June 15, 2021.
- In May 2021, Indian Immunologicals Ltd. (IIL) and Bharat Immunologicals and Biologicals Corporation (BIBCOL) inked technology transfer pacts with Bharat Biotech to develop the vaccine locally to boost India's vaccination drive. The two PSUs plan to start production of vaccines by September 2021.
- In May 2021, Eli Lilly & Company issued non-exclusive voluntary licenses to pharmaceutical companies-Cipla Ltd., Lupin Ltd., Natco Pharma & Sun Pharmaceutical Industries Ltd. to produce and distribute Baricitinib, a drug for treating COVID-19.
- In April 2021, the CSIR-CMERI, Durgapur, indigenously developed the technology of Oxygen Enrichment Unit (OEU). The unit can deliver medical air in the range of 15 litres per minute, with oxygen purity of >90%. It transferred the technology to MSMEs-Conquerent Control Systems Pvt. Ltd., A B Elasto Products Pvt. Ltd. and Automation Engineers, Mech Air Industries and Auto Malleable.
- In April 2021, National Pharmaceutical Pricing Authority (NPPA) fixed the price of 81 medicines including off-patent anti-diabetic drugs allowing due benefits of patent expiry to the patients.
- In February 2021, Aurobindo Pharma announced plans to procure solar power from two open access projects of NVNR Power and Infra in Hyderabad. The company will acquire 26% share capital in both companies with an US\$ 1.5 million investment. The acquisition is expected to be completed by the end of March 2021.
- In February 2021, the Telangana government partnered with Cytiva to open a 'Fast Trak' lab to strengthen the biopharma industry of the state.
- In February 2021, Glenmark Pharmaceuticals Limited launched SUTIB, a generic version of Sunitinib oral capsules, for the treatment of kidney cancer in India.
- In February 2021, Natco Pharma launched Brivaracetam for the treatment of epilepsy in India.
- In February 2021, the Russian Ministry of Health allowed Glenmark Pharmaceuticals to market its novel fixed-dose combination nasal spray in Russia.
- In January 2021, the Central government announced to set up three bulk drug parks at a cost of ₹14,300 crore (US\$ 1,957 million) to manufacture chemical compounds or active pharmaceutical ingredients (APIs) for medicines and reduce imports from China.

The 'Pharma Vision 2020' by the government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery. The sector has received cumulative FDI worth

US\$ 15.98 billion between April 2000 and March 2019. Under Budget 2019-20, allocation to the Ministry of Health and Family Welfare increased by 3.1 per cent to ₹ 63,298 crores (US\$ 9.06 billion). Indian pharmaceutical sector is expected to grow at a CAGR of 15 per cent in the near future and medical device market expected to grow \$50 billion by 2025.

2. SWOT Analysis

Each industry in any country has its own strength for its development and weakness. The pharma industry is not an exception to this. The pharma industry in India is also having certain factors on strength and weakness.

➤ Strength& Weakness

In India the cost of manufacturing pharma products are less and effective comparing to other Countries. India has a strong manufacturing base. Due to technology development the high skilled work force is available in India. The marketing and distribution system is also on the higher side in India by communication development. The diverse ecosystem also strengthens the sectors.Even though the FDI limit is liberalized there is still less investment in research and development which has to be taken care of by the Industry and Government.When comparing to other expenditures by households the expenditure incurred on health care is negligible.

➤ Opportunities& Threats:

E-pharmacy, e-diagnostics and e-healthcare are still at developing stage In India, government's Digital India Initiative may act as a driving force for growth of Pharmaceutical Industry in India.

Some of the initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- To achieve self-reliance and minimise import dependency in the country's essential bulk drugs, the Department of Pharmaceuticals initiated a PLI scheme to promote domestic manufacturing by setting up greenfield plants with minimum domestic value addition in four separate 'Target Segments' with a cumulative outlay of ₹ 6,940 crore (US\$ 951.27 million) from FY21 to FY30.
- In May 2021, under Atmanirbhar Bharat 3.0, Mission COVID Suraksha was announced by the Government of India to accelerate development and production of indigenous COVID vaccines. To augment the capacity of indigenous production of Covaxin under the mission, the Department of Biotechnology, Government of India, provided financial support in the form of a grant to vaccine manufacturing facilities for enhanced production capacities, which is expected to reach >10 crore doses per month by September 2021.
- In April 2021, the Union Government decided to streamline and fast-track the regulatory system for COVID-19 vaccines that have been approved for restricted use by the US FDA, EMA, UK MHRA, PMDA Japan or those listed in the WHO Emergency Use Listing (EUL). This decision is likely to facilitate quicker access to foreign vaccines by India and encourage imports.

- In February 2021, the Punjab government announced to establish three pharma parks in the state. Of these, a pharma park has been proposed at Bathinda, spread across 1,300 acres area and project worth ₹ 1,800 crore (US\$ 245.58 million). Another medical park worth ₹ 180 crore (US\$ 24.56 million) has been proposed at Rajpura and the third project, a greenfield project, has been proposed at Wazirabad, Fatehgarh Sahib.
- Under Union Budget 2021-22, the Ministry of Health and Family Welfare has been allocated ₹ 73,932 crore (US\$ 10.35 billion) and the Department of Health Research has been allocated ₹ 2,663 crore (US\$ 365.68 billion). The government allocated ₹ 37,130 crore (US\$ 5.10 billion) to the 'National Health Mission'. PM AatmanirbharSwasth Bharat Yojana was allocated ₹ 64,180 crore (US\$ 8.80 billion) over six years. The Ministry of AYUSH was allocated ₹ 2,970 crore (US\$ 407.84 million), up from ₹ 2,122 crore (US\$ 291.39 million).

Our Company's strategy is designed to use digital technology network by way of providing benefits to customers like

- Availability to order medicine via Call Center platform
- Monthly reminders for Medicine
- Digital payment facility to customers
- Proper Home delivery, ambulance facility as well as complaint redressal customer service facility

3. Future Outlook

Medicine spending in India is projected to grow 9 12% over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers, which are on the rise.

The Indian Government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programs, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

4. Internal Control System and its adequacy

The Company has proper internal control procedures commensurate with its size and nature of Business. During the year company has appointed Saraf & Chandra LLPas Internal Auditors & also to perform professional services towards Internal Financial Controls over Financial Reporting.

★ Source/Reference taken for all above statistical data is

Consolidated FDI Policy, Press Information Bureau (PIB), Media Reports, Pharmaceuticals Export Promotion Council, AIOCD-AWACS, IQVIA

ANNEXURE I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2021

[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 | L24232WB1919PLC003123 |
| 2 | Registration Date | 31.01.1919 |
| 3 | Name of the Company | Emami Frank Ross Limited |
| 4 | Category / Sub-Category of the Company | Public Company limited by Shares/ Indian Non-Government Company |
| 5 | Address of the Registered office and contact details | 7, Jawaharlal Nehru Road, Kol-13 Ph: 033 22286042/ 0066/ 0067 Email: info@frankrosspharmacy.com Website: www.frankrosspharmacy.com |
| 6 | Whether listed company Yes / No | Yes |
| 7 | Name, Address and Contact details of Registrar and Transfer | Maheswari Datamatics Private Limited 23, R. N. Mukherjee Road, 5th Floor, Kolkata-700001 Tele: 033- 22482248/ 22435029 Fax: 033- 22484787 Email: mdpldc@yahoo.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl.No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turn over of the company |
|--------|--|-----------------------------------|-------------------------------------|
| 1 | RETAILING | 47721 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl.No. | Name and address of the Company | CIN/GLN | Holding/Subsidiary/ Associate | %of shares held | Applicable Section |
|--------|--|-----------------------|-------------------------------|-----------------|--------------------|
| 1 | Lyfresh Pvt. Ltd. Grandeur Building, 4th Floor, Opp. Gundecha Symphony, Veera Desai Road, Andheri (West), Mumbai- 400053 | U15100MH2016PTC288391 | Wholly Owned Subsidiary | 100% | 2 (87) |

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 | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--------------------------|---|---|--------------|-------------------|--------------|---|---------------------|----------------|--------------|--------------------------|
| | | Demat | Physical | No. of Share hold | % of holding | Demat | Physical Share hold | No. of holding | % of | |
| [A] | Shareholding of Promoter and Promoter Group. | | | | | | | | | |
| 1 | Indian | | | | | | | | | |
| I | Individuals/Hindu Undivided Family. | 53216 | 15448 | 68664 | 3.30 | 53216 | 15448 | 68664 | 3.30 | - |
| II | Central Government/State Government(s) | - | - | - | - | - | - | - | - | - |
| III | Bodies Corporate | 1491136 | - | 1491136 | 71.59 | 1491136 | - | 1491136 | 71.59 | - |
| IV | Financial Institutions/Banks | - | - | - | - | - | - | - | - | - |
| V | Any Other (specify) | - | - | - | - | - | - | - | - | - |
| | SUBTOTAL (A) (1) | 1544352 | 15448 | 1559800 | 74.89 | 1544352 | 15448 | 1559800 | 74.89 | - |
| 2 | Foreign | | | | | | | | | |
| I | Individuals (Non-Resident Individuals /Foreign individuals) | | | | | | | | | |
| II | Other Individual | | | | | | | | | |
| III | Bodies Corporate | | | | | | | | | |
| IV | Institutions | | | | | | | | | |
| V | Any Other (specify) | | | | | | | | | |
| | SUBTOTAL (A) (2) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | TOTAL SHAREHOLDING OF PROMOTER(A)=(A)(1)+(A)(2) | 1544352 | 15448 | 1559800 | 74.89 | 1544352 | 15448 | 1559800 | 74.89 | - |

| Category of Shareholders | | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--------------------------|--|---|---------------|-------------------|---------------|---|---------------------|----------------|---------------|--------------------------|
| | | Demat | Physical | No. of Share hold | % of holding | Demat | Physical Share hold | No. of holding | % of | |
| [B] | Public Shareholding | - | - | - | - | - | - | - | - | - |
| 1 | Institutions | - | - | - | - | - | - | - | - | - |
| I | Mutual Funds/UTI | - | - | - | - | - | - | - | - | - |
| II | Financial Institutions /Banks | 30 | 0 | 30 | 0.0014 | 30 | 0 | 30 | 0.0014 | - |
| III | Central Govt./ State Govt.(s) | 0 | 360 | 360 | 0.0173 | 0 | 360 | 360 | 0.0173 | - |
| IV | Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| V | Insurance Companies | - | - | - | - | - | - | - | - | - |
| VI | Foreign Institutional Investors | - | - | - | - | - | - | - | - | - |
| VII | Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | - |
| VIII | Any Other (Specify) | | | | | | | | | |
| | SUBTOTAL (B) (1) | 30 | 360 | 390 | 0.0187 | 30 | 360 | 390 | 0.0187 | - |
| 2 | Non-Institutions | | | | | | | | | |
| I | Body Corporate | | | | | | | | | |
| | Indian | 51000 | 0 | 51000 | 2.45 | 51000 | 0 | 51000 | 2.45 | - |
| ii | Overseas | - | - | - | - | - | - | - | - | - |
| II | Individual | - | - | - | - | - | - | - | - | - |
| | Individual shareholders holding normal share capital up to Rs. 1 lakh. | 8913 | 20004 | 28917 | 1.39 | 8913 | 20004 | 28917 | 1.39 | - |
| ii | Individual shareholders holding nominal shares capital in excess of Rs. 1 lakh. | 247000 | 195600 | 442600 | 21.25 | 260200 | 182400 | 442600 | 21.25 | - |
| iii | Any Other (Specify) | | | | | | | | | |
| | SUBTOTAL (B) (2) | 306913 | 215604 | 522517 | 25.09 | 320113 | 202404 | 522517 | 25.09 | - |
| | TOTAL PUBLIC SHAREHOLDING (B) = (B) (1) + (B) (2) | 306943 | 215964 | 522907 | 25.11 | 320143 | 202764 | 522907 | 25.11 | - |
| [C] | Shares held by custodians and against which Depository Receipts have been issued | | | | | | | | | |
| | SUBTOTAL (C) | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 |
| | Grand Total (A + B + C) | 1851295 | 231412 | 2082707 | 100 | 1864495 | 218212 | 2082707 | 100 | - |

ii. Shareholding of Promoters

| Sl. No | Shareholder's Name | | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | |
|--------|-----------------------------|-------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|---|
| | | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | % change in share holding during the year |
| 1 | Jayant Goenka | | 15448 | 0.74 | - | 15448 | 0.74 | - | - |
| 2 | PrasantGoenka | | 2655 | 0.13 | - | 2655 | 0.13 | - | - |
| 3 | Usha Agarwal | | 4000 | 0.19 | - | 4000 | 0.19 | - | - |
| 4 | Priti Sureka | | 46561 | 2.24 | - | 46561 | 2.24 | - | - |
| 5 | BhanuVyapaar P. Ltd. | Sneha Gardens Pvt. Ltd. | 161696 | 7.76 | - | - | - | - | - |
| | SurajViniyog P Ltd. | | 80848 | 3.8819 | - | - | - | - | - |
| | RavirajViniyog Pvt., Ltd. | | 78193 | 3.7544 | - | 386137 | 18.54 | - | - |
| | PrabhakarViniyog Pvt. Ltd. | | 65400 | 3.1401 | - | - | - | - | - |
| 6 | DiwakarViniyog Pvt. Ltd. | Sneha Enclave Pvt. Ltd | 111798 | 5.3679 | - | - | - | - | - |
| | Suntrack Commerce Pvt. Ltd. | | 241880 | 11.6137 | - | 353678 | 16.98 | - | - |
| 7. | Pan Emami Cosmed Limited | | 52500 | 2.52 | - | 52500 | 2.52 | - | - |
| 8 | Karan Business Pvt. Ltd. | | 350800 | 16.84 | - | 350800 | 16.84 | - | - |
| 9 | Zen Business Pvt. Ltd. | | 348021 | 16.71 | - | 348021 | 16.71 | - | - |
| | Total | | 1559800 | 74.90 | - | 1559800 | 74.90 | - | - |

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

| Sl. No. | Period | 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 | 1559800 | 74.90 | 1559800 | 74.90 |
| Date wise Increase / Decreasein Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/ bonus/ sweat equityetc.): No Change | | | | | |
| | At the End of the year | | | 1559800 | 74.90 |

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

| Sl. No. | Name of Shareholder | 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 |
| | For Each of the Top 10 Shareholders | | | | |
| | At the beginning of the year | | | | |
| 1 | Birendra Pasari | 98000 | 4.71 | | |
| 2 | Girijesh Kumar Agarwal | 78400 | 3.76 | | |

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

| Sl. No. | Name of Shareholder | 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 |
| | For Each of the Top 10 Shareholders | | | | |
| 3 | Neha Marketing P Ltd | 51000 | 2.45 | - | - |
| 4 | Dilip Poddar | 41000 | 1.97 | - | - |
| 5 | Binod Kumar Agarwal | 39000 | 1.87 | - | - |
| 6 | Neena Poddar | 39000 | 1.87 | - | - |
| 7 | Manik Chand | 36000 | 1.73 | - | - |
| 8 | Krishna Gadodia | 25000 | 1.20 | - | - |
| 9 | Gouri Shankar Gadodia | 24000 | 1.15 | - | - |
| 10 | Sanjay Pasari | 20000 | 0.96 | - | - |

Datewise Increase/ Decreasein Shareholdingduringthe year specifying the reasonsfor increase /decrease(e.g. allotment/ transfer/ transmission /bonus/sweat equity): Change
Date of Transfer/ Transmission: 30/09/2020 (Demat)

| | | | | | |
|----|------------------------|---|---|-------|------|
| 1 | Birendra Pasari | - | - | 98000 | 4.71 |
| 2 | Girijesh Kumar Agarwal | - | - | 78400 | 3.76 |
| 3 | Neha Marketing P Ltd | - | - | 51000 | 2.45 |
| 4 | Dilip Poddar | - | - | 41000 | 1.97 |
| 5 | Binod Kumar Agarwal | - | - | 39000 | 1.87 |
| 6 | NeenaPoddar | - | - | 39000 | 1.87 |
| 7 | Manik Chand | - | - | 36000 | 1.73 |
| 8 | Vijaykumar G.Gadodia | - | - | 25000 | 1.20 |
| 9 | Dilip Kumar Gadodia | - | - | 24000 | 1.15 |
| 10 | Sanjay Pasari | - | - | 20000 | 0.96 |

v. Shareholding of Directors and Key Managerial Personnel

| Sl. No. | Name of Shareholder | 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 |
| | For Each of the Directors and KMP | | | | |
| | At the beginning of the year | | | | |
| 1 | Rajendra Kumar Jatia (Resigned 26.08.2020) | 7907 | 0.38 | 7907 | 0.38 |

Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat Equity etc.): No Change

| | | | | | |
|---|--|------|------|------|------|
| | At end of the year | | | | |
| 1 | Rajendra Kumar Jatia (Resigned 26.08.2020) | 7907 | 0.38 | 7907 | 0.38 |

V. INDEBTEDNESS

Indebtedness of the Company (including interest outstanding/accrued but not due for Payment.)

| | | | | | Amount in ₹ |
|-----|---|-------------------------------------|-------------------------|-----------|----------------------|
| | | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total |
| | Indebtedness at the beginning of the FY | | | | |
| | Principal Amount | 1,378,759,587 | 4,000,000,000 | NA | 5,378,759,587 |
| ii | Interest due but not paid | - | - | NA | - |
| iii | Interest accrued but not due | 3,974,765 | 65,573,770 | NA | 69,548,535 |
| | Total (i +ii +iii) | 1,382,734,352 | 4,065,573,770 | NA | 5,448,308,122 |
| | Change in Indebtedness during the FY | Principal Amount | Principal Amount | | |
| | Indebtedness attheend ofFY | | | | |
| i | Addition | 786,200,000 | 15,126,023,850 | NA | 15,912,223,850 |
| ii | Reduction | 383,827,216 | 14,048,000,000 | NA | 14,431,827,216 |
| | Indebtedness at theend of FY | | | | |
| i | Principal Amount | 1,781,132,371 | 5,078,023,850 | NA | 6,859,156,221 |
| ii | Interest due but not paid | - | - | NA | - |
| iii | Interest accrued but not due | 10,629,750 | 26,788,121 | NA | 37,417,871 |
| | Total(i +ii +iii) | 1,791,762,120.78 | 5,104,811,971.00 | NA | 6,896,574,092 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

| Sl. No. | Particularsof Remuneration | Rajendra Kumar Jatia (MD) resigned w.e.f. 26.08.2020 | Gautam Jatia (MD) appointed w.e.f. 26.08.2020 | Anurag Jatia (WTD) | Chadaravalli Srinivasa Bhatta Nalini (WTD) | Sujoy Chattaraj (WTD) appointed w.e.f. 01.08.2020 | TOTAL |
|---------|---|--|---|--------------------|--|---|-------------|
| 1 | Grosssalary | | | | | | |
| | (a)Salaryasperprovisions containedinsection17(1) of the Income-tax Act,1961 | 2446973.00 | 3302300 | 2525600.00 | 1594290.00 | 9401325 | 19270488.00 |
| | (b)Valueofperquisitesu/s17(2) Income-taxAct,1961 | 5191.00 | 434708 | 56400.00 | - | - | 496299 |
| | (c)Profitsinlieuofsalary undersection17(3) Income- taxAct,1961 | - | | - | - | - | - |
| 2 | StockOption | - | | - | - | - | - |
| 3 | SweatEquity | - | | - | - | - | - |
| 4 | Commission | | | | | | |
| | (a) as%ofprofit | - | | - | - | - | - |
| | (b) Others, Specify | - | | - | - | - | - |
| 5 | Others,pleasespecify | - | | - | - | - | - |
| | Total(A) | 2452164.00 | 3737008 | 2582000.00 | 1594290.00 | 9401325.00 | 19766787.00 |
| | CeilingaspertheAct | 12000000.00 | 12000000.00 | 12000000.00 | 12000000.00 | 12000000.00 | - |

B. Remuneration to other director

Amount in ₹

| Sl. No. | Particularsof Remuneration | PramodBajoria (D) Resigned w.e.f. 31.07.2020 | Pramod Kumar Shah (ID) | Debasish Bhaumik (ID) | KarabiSengupta (Additional Director) Appointed w.e.f. 19.10.2020 | TOTAL |
|---------|--|--|------------------------|-----------------------|--|---------------|
| 1 | Independent Directors | | | | | |
| | Fee for attending board committee meetings | - | 101000 | 101000 | 45000 | 247000 |
| | Commission | | - | - | | - |
| | Others, Specify | | - | - | | - |
| | Total (1) | - | 101000 | 101000 | 45000 | 247000 |
| 2 | Other Non- Executive Directors | | | | | |
| | Fee for attending board committee meetings | - | - | - | - | - |
| | Commission | - | - | - | - | - |
| | Others, Specify | - | - | - | - | - |
| | Total(2) | - | - | - | - | - |
| | Total (B) = (1) + (2) | - | 101000 | 101000 | 45000 | 247000 |
| | Total Managerial Remuneration | - | 101000 | 101000 | 45000 | 247000 |
| | Overall Ceiling as per the Act | | | | | |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Amount in ₹

| Sl. No. | Particularsof Remuneration | Gautam Jatia (CEO) | Akhilesh Kumar Agarwal (CFO) | Amrita Bhattacharya (CS) | TOTAL |
|---------|---|--------------------|------------------------------|--------------------------|-------------------|
| 1 | Grosssalary | | | | |
| | (a)Salaryasperprovisions containedinsection17(1) oftheIncome-taxAct, 1961 | 3302300.00 | 3613179.00 | 439,008.00 | 7354487.00 |
| | (b) Valueofperquisitesu/s17(2)Income-taxAct, 1961 | 434708.00 | - | - | 434708.00 |
| | (c) Profitsinlieuofsalary undersection17(3) Income- taxAct, 1961 | - | - | - | - |
| 2 | StockOption | - | - | - | - |
| 3 | SweatEquity | - | - | - | - |
| 4 | Commission | | | | |
| | (a) as%ofprofit | - | - | - | - |
| | (b) Others, Specify | - | - | - | - |
| 5 | Others,pleasespecify | - | - | - | - |
| | Total(C) | 3737008.00 | 3613179.00 | 439,008.00 | 7789195.00 |

VII. Penalties / Punishment / Compounding of offences :

| Type | Section of the Companies Act | Brief Descripttion | Details of Penalty / Punishment / Compounding Fees imposed | Authority [RD / NCLT / Court] | Appeal made it any (give Details) |
|-------------------------------------|------------------------------|--------------------|--|-------------------------------|-----------------------------------|
| A.COMPANY | NIL | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B.DIRECTORS | NIL | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | NIL | | | | |

For and On behalf of the Board

Gautam Jatia
Managing Director
(DIN 00604926)

Anurag Jatia
Whole time Director
(DIN 01184328)

Place: Kolkata
Date: 14th August, 2021

Annexure II
Form No. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures
Subsidiary Details as on- 31.03.2021

Rupees In Lakh

| No. | Particulars | Details |
|-----|---|-------------------------|
| 1 | Name of Subsidiary | Lyfresh Private Limited |
| 2 | Date since when the Subsidiary was acquired | 11.07.2017 |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | NA |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA |
| 5 | Share capital* | 600.00 |
| 6 | Reserves & surplus^ | |
| 7 | Total assets^ | |
| 8 | Total Liabilities^ | |
| 9 | Investments^ | |
| 10 | Turnover^ | |
| 11 | Profit before taxation^ | |
| 12 | Provision for taxation^ | |
| 13 | Profit after taxation^ | |
| 14 | Proposed Dividend^ | |
| 15 | % of shareholding of Holding Company | 100% |

*Data available from MCA portal

^Details enclosed Point No. 12 Page No. 4 under the head of “Subsidiaries, Joint ventures & Associate Companies and their performances” of Director’s Report.

For and On behalf of the Board

Gautam Jatia
Managing Director
(DIN 00604926)

Anurag Jatia
Whole time Director
(DIN 01184328)

Place: Kolkata
Date: 14th August, 2021

Annexure III
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of material contracts or arrangement or transactions not at arm's length basis

| | |
|---|----|
| Name(s) of the related party and nature of relationship | NA |
| Nature of contracts / arrangements / transactions | NA |
| Duration of the contracts / arrangements / transactions | NA |
| Salient terms of the contracts or arrangements or transactions including the value, if any | NA |
| Justification for entering into such contracts or arrangements or transactions | NA |
| date(s) of approval by the Board | NA |
| Amount paid as advances, if any: | NA |
| Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | NA |

2A. Details of material contracts or arrangement or transactions at arm's length basis Director/ Key Managerial Personnel (KMP) and Relatives

| Description | (1) | (2) | (3) | (4) |
|---|--|--|--|--|
| Name(s) of the related party and nature of relationship | Mr. Rajendra Kumar Jatia- Relative of Directors | Mr. Gautam Jatia- Managing Director | Mr. Anurag Jatia- Whole time Director | Mrs. Chadavalli Srinivasabhatta Nalini - Whole time Director |
| Nature of contracts / arrangements /transactions | 1. Sale of Goods 2. Act as a Consultant | Sale of Goods | Sale of Goods | Lease of Property |
| Duration of the contracts / arrangements /transactions | Yearly | Yearly | Yearly | Yearly |
| Salient terms of the contracts or arrangements or transactions including the value, if any | Sale of Goods to the Party | Sale of Goods to the Party | Sale of Goods to the Party | Lease of Property |
| Justification for entering into such contracts or arrangements or transactions | Regular Business Activity | Regular Business Activity | Regular Business | Regular Business Activity |
| date(s) of approval by the Board | 1. 11th June, 2021 2.15th September, 2020 | 11th June, 2021 | 11th June, 2021 | 11th June, 2021 |
| Amount paid as advances, if any: | No | No | No | No |
| Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | 12th October, 2020 Special Resolution for appointment as consultant | NA | NA | NA |

2B. Details of material contracts or arrangement or transactions at arm's length basis Other Parties

| Description | (1) | (2) | (3) | (4) | (5) | (6) |
|--|---|---|--|----------------------------|----------------------------|----------------------------|
| Name(s) of the related party and nature of relationship | Suraj Finvest Pvt. Ltd. (Formerly known as Sneha Gardens Pvt.Ltd.) | Sneha Enclave Pvt. Ltd. | Pan Emami Cosmed Limited | Mr. Jayant Goenka | Mr. Prasant Goenka | Mrs. Priti A Sureka |
| Nature of contracts / arrangements /transactions | Guarantor against the Bank Loan, Debenture/ Bonds & Misc. Expenditure | Guarantor against the Bank Loan, Debenture/ Bonds & Misc. Expenditure | Guarantor against the Loan | Sale of Goods | Sale of Goods | Sale of Goods |
| Duration of the contracts / arrangements /transactions | Yearly | Yearly | Yearly | Yearly | Yearly | Yearly |
| Salient terms of the contracts or arrangements or transactions including the value, if any | Commission Paid to the party against Guarantee provided for securing Bank Loan and issue of Non-Convertible Debentures/ Bonds | Commission Paid to the party against Guarantee provided for securing Bank Loan and issue of Non-Convertible Debentures/ Bonds | Commission Paid to the party against Guarantee provided for issue of Non-Convertible Debentures/ Bonds | Sale of Goods to the Party | Sale of Goods to the Party | Sale of Goods to the Party |
| Justification for entering into such contracts or arrangements or transactions | For availing Loan from Banks and for issue of Non-Convertible Debentures/ Bonds | For availing Loan from Banks and for issue of Non-Convertible Debentures/ Bonds | For issue of Non-Convertible Debentures/ Bonds | Regular Business Activity | Regular Business Activity | Regular Business Activity |
| date(s) of approval by the Board | 11th June, 2021 | 11th June, 2021 | 11th June, 2021 | 11th June, 2021 | 11th June, 2021 | 11th June, 2021 |
| Amount paid as advances, if any: | No | No | No | No | No | No |
| Date on which SR passed in general meeting as required under first proviso to Section 188 | NA | NA | NA | NA | NA | NA |

For and On behalf of the Board

Gautam Jatia
Managing Director
(DIN 00604926)

Anurag Jatia
Whole time Director
(DIN 01184328)

Place: Kolkata
Date: 14th August, 2021

Annexure IV
Detail of Board Meetings & Committee Meetings indicating number of meetings attended by each director as per Secretarial Standard 1

| I. Board Meetings | | | | | | | | | | |
|-------------------|-----------------|----------------------|--------------|--------------|--------------------------------------|-----------------|----------------|-------------------|------------------|-----------------|
| SL | Date of Meeting | Rajendra Kumar Jatia | Gautam Jatia | Anurag Jatia | Chadaravalli Srinivasa Bhatta Nalini | Sujoy Chattaraj | Pramod Bajoria | Pramod Kumar Shah | Debasish Bhaumik | Karabi Sengupta |
| 1 | 17.04.2020 | N | NA | Y | N | NA | Y | Y | Y | NA |
| 2 | 24.06.2020 | Y | NA | Y | N | NA | Y | Y | Y | NA |
| 3 | 31.07.2020 | Y | NA | Y | N | NA | NA | Y | Y | NA |
| 4 | 26.08.2020 | NA | NA | Y | N | Y | NA | Y | Y | NA |
| 5 | 15.09.2020 | NA | Y | Y | N | Y | NA | Y | Y | NA |
| 6 | 19.10.2020 | NA | Y | Y | N | Y | NA | Y | Y | NA |
| 7 | 12.11.2020 | NA | Y | Y | Y | Y | NA | Y | Y | Y |
| 8 | 02.12.2020 | NA | Y | Y | N | Y | NA | Y | Y | Y |
| 9 | 18.12.2020 | NA | Y | Y | N | Y | NA | Y | Y | Y |
| 10 | 13.02.2021 | NA | Y | Y | Y | Y | NA | Y | Y | Y |

| II. Audit Committee Meetings | | | | |
|------------------------------|-----------------|-------------------|--------------|-----------------|
| SL | Date of Meeting | Pramod Kumar Shah | Anurag Jatia | DebasishBhaumik |
| 1 | 17.04.2020 | Y | Y | Y |
| 2 | 30.07.2020 | Y | Y | Y |
| 3 | 15.09.2020 | Y | Y | Y |
| 4 | 19.10.2020 | Y | Y | Y |
| 5 | 12.11.2020 | Y | Y | Y |
| 6 | 13.02.2021 | Y | Y | Y |

| III. Nomination & Remuneration Committee Meetings | | | | | | |
|---|-----------------|----------------|-------------------|------------------|--------------|-----------------|
| SL | Date of Meeting | Pramod Bajoria | Pramod Kumar Shah | Debasish Bhaumik | Anurag Jatia | Karabi Sengupta |
| 1 | 30.07.2020 | Y | Y | Y | NA | NA |
| 2 | 25.08.2020 | NA | Y | Y | Y | NA |
| 3 | 19.10.2020 | NA | Y | Y | Y | NA |
| 4 | 12.11.2020 | NA | Y | Y | NA | Y |

Y= Meeting attended N= Meeting not attended NA= Not Applicable

For and On behalf of the Board

Gautam Jatia
Managing Director
(DIN 00604926)

Anurag Jatia
Whole time Director
(DIN 01184328)

Place: Kolkata
Date: 14th August, 2021

Annexure V
SECRETARIAL AUDIT REPORT

FOR THE PERIOD FROM APRIL 1, 2020 TO MARCH 31, 2021 ('AUDIT PERIOD')

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Emami Frank Ross Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Emami Frank Ross Limited (CIN.:L24232WB1919PLC003123) (hereinafter called "The 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,

' The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable Laws and Regulations.

Based on the verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also other information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the Audit period covering the financial year ended on 31st March, 2021, complied with statutory provisions listed hereunder and also that the Company has proper board processes and compliance-mechanism in place to an 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, 2021 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 Bye-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 (there is no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings)
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act ')to the extent applicable:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities Exchange Board of India (Registrars to an Issue And Share Transfer Agents) Regulations, 1993
- (g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and,
- (h) The Securities Exchange Board of India (Buyback of Securities) Regulations, 1998 and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- (i) The Laws as identified by the management, that are specifically applicable to the Company are as follows:
 - a) Pharmacy Act-to the extent applicable to the Company.
 - b) Narcotic Drugs & Psychotropic Substances Act
 - c) Food, Safety & Standards Act

I have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Limited (CSE) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015, as amended from time to time.

During the period under review the Company has complied with the provisions of the Act Rules, Regulation, Guidelines, Standards, etc. mentioned above.

I further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors.
- b) Adequate Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system

exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

I further report that, the compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in the audit since the same has been subject to review by statutory auditors and other designated professionals.

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

I further report that:

1. Quarterly Unaudited Financial Results for quarters of the financial year 2020-2021 was submitted with regular basis to the Stock Exchange as required under Reg. 33 of SEBI (Listing and Obligation Requirements) Regulations, 2015.
2. The Company has not published the quarterly Unaudited Financial Results in the Newspaper (one English daily and one Regional daily) except one quarter of the financial year 2020-21 as required under SEBI (Listing and Obligation Requirements) Regulations, 2015.
3. During the year, the Company has issued and allotted Secured Non-Convertible Debentures on private placement basis for an amount of Rs. 150 Crores with third party security through pledge of Equity Shares of Emami Limited.

I further report that during our review period:

Company has passed Special Resolution for :

- a. Increase in borrowing limits (power given to Board) u/s 180(1)(c) of the Companies Act, 2013;
- b. Increase in limits u/s 180(l)(a) of the Companies Act, 2013;
- c. Increase in investment Limits under section 186 of the Companies Act, 2013;

The report is to be read with our letter of even date which is annexed as Annexure-1 which forms an integral part of this report.

Sandip Kumar Kejriwal
FCS No.:5152
C P No.: 3821

Place: Kolkata
Date: 14.08.2021

Annexure-1"

To,
The Members,
Emami Frank Ross Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a 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.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company

Sandip Kumar Kejriwal
FCS No.:5152
C P No.: 3821

Place: Kolkata
Date: 14.08.2021

Independent Auditor’s Report
To the Members of EMAMI FRANK ROSS LIMITED
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **EMAMI FRANK ROSS LIMITED** ("the Company"), which comprise the standalone Balance Sheet as at 31st March 2021, and the standalone Statement of Profit and Loss (including other comprehensive income), standalone Statement of Changes in Equity and standalone Statement of Cash Flow for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, the loss and total comprehensive loss, 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 (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance of our audit of the standalone financial statements of the current period. These

matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matters | Auditor's Response thereon |
|--|--|
| <p>1) Accuracy of Recognition, measurement, presentation and disclosures of revenues and other related balances in view of Ind AS 115 "Revenue from Contracts with Customers"</p> <p>The application of the revenue recognition accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.</p> <p>In terms of Ind AS 115, revenue is recognized at a point of time upon satisfaction of performance obligation at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transfer of goods or services to a customer.</p> | <p>We assessed the Company's process to identify the impact of adoption of revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of internal controls and substantive testing as follows:</p> <p>a) Evaluated the design of internal controls relating to implementation of the revenue accounting standards.</p> <p>b) Selected a sample of continuing and new contracts and tested the operating effectiveness of internal control relating to identification of the distinct performance obligations and determination of transaction price.</p> <p>c) Selected a sample of continuing and new contracts and performed the procedures:</p> <p>i) Read, analyzed and identified the distinct performance obligations.</p> <p>ii) Compared these performance obligations with that identified and recorded by the company.</p> <p>iii) Considered the terms of the contracts to determine the transaction price.</p> <p>iv) Samples in respect of revenue recorded for time and material contracts were tested using contracts agreements, customer acceptance.</p> |

| Key Audit Matters | Auditor's Response thereon |
|---|---|
| <p>2) Related Party Transactions.</p> <p>The Company has entered into several transactions with related parties during the year 2020-21. We identified related party transactions as a key audit matter because of risks with respect to completeness of disclosures made in the financial statements including recoverability thereof; compliance with statutory regulations governing related party relationships such as the Companies Act, 2013 and SEBI Regulations and the judgement involved in assessing whether transactions with related parties are undertaken at arms' length.</p> | <p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ol style="list-style-type: none">1. We carried out an assessment of the key controls to identify and disclose related party relationships and transactions in accordance with the relevant accounting standard.2. We carried out an assessment of compliance with the listing regulations and the regulations under the Act, including checking of approvals/scrutiny as specified in Sections 177 and 188 of the Act with respect to the related party transactions. In cases where the matter was subject to interpretation, we exercised judgement to rely on opinions provided by legal practitioners.3. We considered the adequacy and appropriateness of the disclosures in the financial statements, including recoverability thereof, relating to the related party transactions.4. For transactions with related parties, we inspected relevant ledgers, agreements and other information that may indicate the existence of related party relationships or transactions. We also tested completeness of related parties with reference to the various registers maintained by the Company statutorily.5. We have tested on a sample basis, Company's assessment of related party transactions for arm's length pricing. |

| Key Audit Matters | Auditor's Response thereon |
|---|--|
| <p>3) Existence and valuation of Inventories.</p> <p>As indicated in Note 9, the value of the Company's inventories at year-end was ` 7934.38lakh, representing 11.30% of the Company's total assets. The existence of inventory is a key audit matter due to the involvement of high risk, basis the nature of the retail industry wherein value per unit is relatively insignificant but high volumes are involved which are distributed across different Point of Sales and warehouses.</p> | <p>In response to this key matter, our audit included, among others, the following principal audit procedures</p> <p>Understood Management's control over physical inventory counts and valuation</p> <ul style="list-style-type: none">● Evaluation of the design and testing the operating effectiveness of the internal controls relating to physical inventory counts at the stores and the warehouse. In testing this control, we observed the inventory cycle count process on a sample basis, inspected the results of the inventory cycle count and confirmed that the variances were approved and appropriately accounted for.● Evaluation of the design and testing the operating effectiveness of the internal controls relating to purchases, sales and inventories including automated controls● We have also performed roll-forward and alternate procedures on sample basis for establishing the existence of inventory as at year-end by validating purchases, sales, stock movement of inventory during the intervening period i.e. from the date physical verification was done till the year end date.● For a representative sample, verification that the finished goods inventories were correctly measured, using a recalculation of the measurement of those inventories based on the cost of acquiring them from suppliers and considering the costs directly attributable to such goods. |

| Key Audit Matters | Auditor's Response thereon |
|-------------------|--|
| | <ul style="list-style-type: none">Assessed the key estimates used by the Management to determine the net realisable value and the consistency thereof with the Company's policy on provision for non-moving inventory and performed a sensitivity analysis on the estimated selling price and compared with the cost per item. |

Emphasis Matters

The Financial accounts of M/s Lyfresh Private limited (wholly owned subsidiary) are not yet finalised and therefore, not made available to the company for consolidation.

Since the company has already provided in full the amount of invesment in and loan to the above subsidiary aggregating to Rs 15.50cr, included in other expenses, the non consolidation as stated above , would not have any financial impact on the consolidated accounts .

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

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

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

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors are 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 state of affairs, profit/loss and other 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 of 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 financial statement 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.

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also 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 standalone financial statements of

current period and are therefore 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

1. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 standalone Balance Sheet, the standalone Statement of Profit and Loss(including Other comprehensive income),the standalone Statement of Changes in Equity and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the accompanying standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies(Indian Accounting Standards) Rules 2015, as amended.
 - e) On the basis of the written representations received from the directors as on 31stMarch, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2021 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 current 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There is no such sum which needs to be transferred to the Investor Education and Protection Fund by the Company.
2. 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, to the extent applicable.

For AGRAWAL TONDON & CO.
Chartered Accountants
Firm's Registration No.: 329088E

Radhakrishan Tondon
Partner
(Membership No. : 060534)

Place : Kolkata
Date : 28th June, 2021
UDIN : 21060534AAAADB1855

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 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")

Opinion

We have audited the internal financial controls over financial reporting of **EMAMI FRANK ROSS LIMITED** as of 31st March 2021 to the extent of records available with us, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of the internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

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 and the Standards on Auditing, prescribed under Section 143(10) of the

Act, to the extent applicable, to an audit of internal financial controls over financial reporting. 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of such 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For AGRAWAL TONDON & CO.
Chartered Accountants
Firm's Registration No.: 329088E

Radhakrishnan Tondon
Partner
(Membership No. : 060534)

Place : Kolkata
Date : 28th June, 2021
UDIN : 21060534AAAADB1855

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 of even date)

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and intangible assets.
- b) The Company has a regular programme of physical verification of its Property, Plant & Equipment by which Property, Plant & Equipment are verified in a phased manner. In accordance with this programme, certain Property, Plant & Equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the Management at regular intervals. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- (iii) The Company has granted unsecured loans to companies covered in the Register maintained under section 189 of the Companies Act, 2013 ("the Act"). In respect of such loans:
 - a. In our opinion, the rate of interest and other terms and conditions on which loans has been granted to the companies listed in the register maintained under section 189 of the Act is not, prima facie, prejudicial to the interest of the company.
 - b. In case of the loans granted to the company listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - c. There are no overdue amounts in respect of the loan granted to the company listed in the register maintained under section 189 of the Act.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 & 186 of the Act with respect to the loans, investments. The company has not given any guarantees and securities.
- (v) The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2014 as amended.
- (vi) As explained to us, the Company is not required to maintain cost records prescribed by the Central Government under sub-section (1) of section 148 of the Act.
- vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Goods & Services Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March 2021 for a period of more than six months from the date on which they became payable. During the year, the Company did not have any dues towards duty of excise and duty of custom.
- (b) According to the information and explanations given to us, there are no material dues in respect of Sales Tax, Income Tax, Custom Duty, Goods & Services Tax and Cess.
- (viii) In our opinion and according to the information and explanations given to us by the management, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders during the year.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied by the Company for the purposes for which the loans were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- (xi) According to the information and explanations given to us, the Company has paid or provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3of the order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Act and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For AGRAWAL TONDON & CO.
Chartered Accountants
Firm's Registration No.: 329088E

Radhakrishan Tondon
Partner
(Membership No. : 060534)

Place : Kolkata
Date : 28th June, 2021
UDIN : 21060534AAAADB1855

Balance Sheet as at 31st March 2021

| | | ₹ In Lakhs | |
|--|-------|------------------|------------------|
| Particulars | Notes | As at 31.03.2021 | As at 31.03.2020 |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| a) Property, Plant and Equipment | 2 | 8,165.83 | 9,713.07 |
| b) Capital work-in-progress | 2 | 29.47 | 38.35 |
| c) Other Intangible Assets | 2 | 187.01 | 351.95 |
| d) Financial assets | | | |
| (i) Investments | 3 | 289.31 | 843.67 |
| (ii) Loans | 4 | 1,005.63 | 881.89 |
| (iii) Other Financial Assets | 6 | 72.83 | 148.60 |
| e) Deferred Tax Assets (Net) | 7 | 3,216.70 | 1,806.64 |
| f) Other non-current assets | 8 | 390.11 | 365.95 |
| Total Non Current Assets | | 13,356.89 | 14,150.12 |
| CURRENT ASSETS | | | |
| a) Inventories | 9 | 7,934.38 | 8,441.51 |
| b) Financial assets | | | |
| (i) Trade receivable | 5 | 3,771.35 | 4,487.78 |
| (ii) Cash and cash equivalents | 10 | 492.14 | 687.16 |
| (iii) Loans | 4 | 42,982.28 | 32,162.22 |
| (iv) Other Financial Assets | 11 | 1,171.21 | 1,263.08 |
| c) Other current assets | 12 | 216.19 | 175.61 |
| Total Current Assets | | 56,567.55 | 47,217.36 |
| TOTAL ASSETS | | 69,924.44 | 61,367.48 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| a) Equity Share Capital | 13 | 208.27 | 208.27 |
| b) Other Equity | 14 | (6,862.42) | (3,110.85) |
| Total Equity | | (6,654.15) | (2,902.58) |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| a) Financial liabilities | | | |
| (i) Borrowings | 15 | 23,831.93 | 11,965.07 |
| (ii) Other Financial Liabilities | 16 | 22.50 | 22.80 |
| Total Non Current Liabilities | | 23,854.43 | 11,987.87 |
| CURRENT LIABILITIES | | | |
| a) Financial liabilities | | | |
| (i) Borrowings | 15 | 44,852.17 | 44,102.18 |
| (ii) Trade payables | | | |
| Total outstanding dues of Micro enterprises and small enterprises | | 21.91 | 2.85 |
| Total outstanding dues of creditors other than Micro enterprises and small enterprises | | 2,801.06 | 3,855.47 |
| (iii) Other Financial Liabilities | 19 | 4,515.82 | 3,841.77 |
| b) Provisions | 17 | 209.62 | 138.91 |
| c) Other current liabilities | 20 | 323.58 | 341.01 |
| Total Current Liabilities | | 52,724.16 | 52,282.19 |
| TOTAL EQUITY AND LIABILITIES | | 69,924.44 | 61,367.48 |

Significant accounting policies 1
The accompanying notes are an integral part of these financial statements For & on behalf of Board of Directors

| | | | |
|--|--|---|---|
| In terms of our attached report of even date | For Agrawal Tondon & Co. Chartered Accountants FRN-329088E | Gautam Jatia Managing Director DIN - 00604926 | Akhilesh Agarwal Chief Financial Officer |
| Dated : 28-June-2021 Place : Kolkata | Radhakrishan Tondon Partner Membership No.060534 | Anurag Jatia Director DIN - 01184328 | Amrita Bhattacharya Company Secretary Membership No. - A53270 |

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2021

| | | ₹ In Lakhs | | |
|------|--|------------|----------------------------------|----------------------------------|
| | Particulars | Notes | Year ended 31st March 2021 | Year ended 31st March 2020 |
| I | Revenue from Operations | 21 | 37,243.46 | 44,688.04 |
| II | Other Income | 22 | 3,989.70 | 1,737.63 |
| III | Total Income (I+II) | | 41,233.16 | 46,425.67 |
| IV | Expenses : | | | |
| | Purchases of Stock-in-Trade | | 28,428.80 | 33,781.90 |
| | Changes in Inventories of Stock-in-Trade | 23 | 507.13 | 357.50 |
| | Employee Benefits Expense | 24 | 4,317.83 | 4,805.09 |
| | Finance Costs | 25 | 7,158.50 | 4,491.21 |
| | Depreciation and Amortisation Expense | 2 | 2,420.15 | 2,587.31 |
| | Other Expenses | 26 | 3,655.69 | 2,793.41 |
| | Total Expenses (IV) | | 46,488.10 | 48,816.42 |
| V | Profit/(Loss) before Exceptional Items and Tax (III-IV) | | (5,254.94) | (2,390.75) |
| VI | Tax Expense : | | | |
| | Tax relating to earlier years | | 0.52 | 6.00 |
| | Deferred Tax | 7 | (1,431.20) | (441.07) |
| VII | Profit / (Loss) for the year (V-VI) | | (3,824.26) | (1,955.68) |
| VIII | Other Comprehensive Income | | | |
| | <u>Items that will not be reclassified to profit & Loss</u> | | | |
| i | Fair value changes in Equity instrument | | 44.28 | (23.29) |
| ii | Remeasurement of defined benefit obligation | | 49.55 | 15.05 |
| iii | Income Tax relating to above | | (21.14) | 0.87 |
| | Other Comprehensive income net of tax | | 72.69 | (7.37) |
| IX | Total Comprehensive income for the year (VII+VIII) | | (3,751.57) | (1,963.05) |
| | Earnings per equity share | | | |
| i | Basic (Face value Rs. 10/- each) | | (183.62) | (93.90) |
| ii | Diluted (Face value Rs. 10/- each) | | (183.62) | (93.90) |

Significant accounting policies

The accompanying notes are an integral part of these financial statements

1

For & on behalf of Board of Directors

In terms of our attached report of even date

For Agrawal Tondon & Co.
Chartered Accountants
FRN:-329088E

Gautam Jatia
Managing Director
DIN - 00604926

Akhilesh Agarwal
Chief Financial Officer

Dated : 28-June-2021
Place : Kolkata

Radhakrishnan Tondon
Partner
Membership No.060534

Anurag Jatia
Director
DIN - 01184328

Amrita Bhattacharya
Company Secretary
Membership No. - A53270

Cash Flow Statement for the year Ended 31st March, 2021

| | | ₹ In Lakhs | |
|---|--|-------------|-------------|
| A | Cash flow from operating activities | 2020-21 | 2019-20 |
| | Net Profit before tax | (5,254.94) | (2,390.75) |
| | Adjustments for :- | | |
| | Depreciation and amortisation expense | 2,420.15 | 2,587.31 |
| | Dividend | (0.80) | (0.40) |
| | Finance costs | 7,158.50 | 4,491.21 |
| | Interest income | (3,823.70) | (1,677.49) |
| | Profit/(loss) on sale /(disposal) of property, Plant & equipment (net) | 0.65 | 62.31 |
| | Lease Payments | (1,448.15) | (1,683.68) |
| | Non Cash items | 1,714.22 | 434.76 |
| | | 765.93 | 1,823.27 |
| | Adjustments for working capital changes | | |
| | Increase/(Decrease) in Trade Payables and Other Liabilities | (1,452.78) | 1,059.55 |
| | Increase/(Decrease) in Inventories | 507.13 | 357.50 |
| | Increase/(Decrease) in Trade Receivables | 716.43 | (1,138.89) |
| | Increase/(Decrease) in Loans and Advances and other financial assets | (153.23) | 130.24 |
| | Increase/(Decrease) in Provisions | 28.09 | (69.89) |
| | | (354.36) | 338.51 |
| | | 411.57 | 2,161.78 |
| | Less:- Direct Taxes paid/(refund received)-Net | 20.96 | (31.29) |
| | Net Cash flow from operating activities | 390.61 | 2,193.07 |
| B | Cash flow from Investing activities | | |
| | Proceeds from Sale of Property, Plant & Equipment | 0.79 | 42.96 |
| | Interest received | 2,607.97 | 200.44 |
| | Dividend | 0.80 | 0.40 |
| | Purchase of Property,Plant & Equipment | (208.08) | (346.74) |
| | Investment in Subsidiary | - | - |
| | Loans given to Subsidiary company | - | - |
| | Loans given to related party and others | (10,550.32) | (14,902.46) |
| | Fixed deposit (made)/released | 75.38 | (117.62) |
| | Net cash used in investing activities | (8,073.46) | (15,123.02) |
| C | Cash flow from Financing activities | | |
| | Repayment of Borrowings | (96,730.00) | (20,056.95) |
| | Issue of Non Convertible Debentures | (28,750.00) | 30,000.00 |
| | Proceeds from Short term borrowings | 139,170.73 | 8,554.60 |
| | Interest paid | (7,316.13) | (5,029.06) |
| | Cash credit taken/(repaid) (net) | 1,113.23 | (154.64) |
| | Net cash used in financing activities | 7,487.83 | 13,313.95 |
| | | | |
| | Net increase /(decrease) in cash & cash equivalents (A+B+C) | (195.02) | 384.00 |
| | Add:- Cash & Cash Equivalents -Opening balance | 687.16 | 303.16 |
| | Cash & cash equivalents -Closing balance | 492.14 | 687.16 |

₹ In Lakhs

Notes:-

(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7)-Statement of Cash Flow

b)

| Particulars | As at 31-Mar-21 | As at 31-Mar-20 |
|---|--------------------|--------------------|
| Cash & cash equivalents includes:- | | |
| Cash in hand | 163.19 | 134.72 |
| Balances with Banks | | |
| -Current account | 328.95 | 552.44 |
| Cheques in hand | - | - |
| Cash & Cash Equivalents in Cash Flow Statement | 492.14 | 687.16 |

Significant accounting polices 1
The accompanying notes are an integral part of these financial statements For & on behalf of Board of Directors

In terms of our attached report of even date

| | | |
|---|---|---|
| For Agrawal Tondon & Co. Chartered Accountants FRN:-329088E | Gautam Jatia Managing Director DIN - 00604926 | Akhilesh Agarwal Chief Financial Officer |
| Radhakrishan Tondon Partner Membership No.060534 | Anurag Jatia Director DIN - 01184328 | Amrita Bhattacharya Company Secretary Membership No. - A53270 |

Dated : 28-June-2021
Place : Kolkata

Statement of Changes in Equity for the year ended March 31, 2021

| A) Equity Share Capital | Number of Shares | Amount |
|---|---------------------|--------|
| Balance at 1st April 2019 | 2082707 | 208.27 |
| Changes in equity share capital during the year | - | - |
| Balance at March 31,2020 | 2082707 | 208.27 |
| Changes in equity share capital during the year | - | - |
| Balance at March 31,2021 | 2082707 | 208.27 |
| | | |
| | | |

| Particulars | Reserves & Surplus | | Other Comprehensive Income | | Total Equity |
|---|----------------------|--------------------|--------------------------------------|--|-----------------|
| | Retained Earnings | General Reserve | Equity Instruments through OCI | Remeasurement of Defined Benefit Plans | |
| Balance at 01-04-2019 | (3,452.48) | 2,199.73 | 140.65 | (13.67) | (1,125.77) |
| Total Comprehensive Income for the financial year 2019-20 | | | | | |
| Fair value changes in Equity instrument | - | - | (23.29) | - | (23.29) |
| Tax Effect on above | - | - | 4.78 | - | 4.78 |
| Remeasurement of Defined benefit obligation | - | - | - | 15.05 | 15.05 |
| Tax Effect on above | - | - | - | (3.91) | (3.91) |
| Adjustment on disposal of PPE | 53.03 | (108.62) | - | - | (55.59) |
| Tax Effect on above | - | 33.56 | - | - | 33.56 |
| Profit/(loss) for the year | (1,955.68) | - | - | - | (1,955.68) |
| Balance at 31-03-20 | (5,355.13) | 2,124.67 | 122.14 | (2.53) | (3,110.85) |
| Total Comprehensive Income for the financial year 2020-21 | | | | | |
| Fair value changes in Equity instrument | - | - | 44.28 | - | 44.28 |
| Tax Effect on above | - | - | (5.68) | - | (5.68) |
| Remeasurement of Defined benefit obligation | - | - | - | 49.55 | 49.55 |
| Tax Effect on above | - | - | - | (15.46) | (15.46) |
| Tax Effect on above | - | - | - | - | - |
| Profit/(loss) for the year | (3,824.26) | - | - | - | (3,824.26) |
| Balance at 31-03-21 | (9,179.39) | 2,124.67 | 160.74 | 31.56 | (6,862.42) |

Significant accounting polices 1
The accompanying notes are an integral part of these financial statements For & on behalf of Board of Directors

In terms of our attached report of even date

| | | |
|---|---|---|
| For Agrawal Tondon & Co. Chartered Accountants FRN:-329088E | Gautam Jatia Managing Director DIN - 00604926 | Akhilesh Agarwal Chief Financial Officer |
| Radhakrishan Tondon Partner Membership No.060534 | Anurag Jatia Director DIN - 01184328 | Amrita Bhattacharya Company Secretary Membership No. - A53270 |

Dated : 28-June-2021
Place : Kolkata

1. **Notes to Financial Statements**

Corporate Information

Emami Frank Ross Limited, the Company, is primarily engaged in pharmacy business. The Company is domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Kolkata

1 **Significant Accounting Policies**

Basis of Preparation and compliance with Ind AS

- (i) This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a **Basis of Preparation**

These accounts have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and the relevant amendment rules issued thereafter. These IndAS Financial Statements have been prepared on a going concern basis using historical cost convention, except for the following:-

- 1 Derivative Financial Instruments at FVTPL
- 2 Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial Instruments)
- 3 Defined Benefit Plans which have been measured at Actuarial Valuation as required by relevant Ind AS.

Functional and presentation currency

These IndAS Financial Statements are prepared in Indian Rupee which is the Company's functional and presentation currency. All figures are rounded off to nearest lacs.

2.1 **Summary of significant accounting policies**

a) **Property, Plant and equipment**

"Property, Plant and Equipment are stated at cost, less accumulated depreciation (other than Freehold Land) and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties

and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production. Depreciation is provided on the written down value method. The company has used written down value method based on the useful life with the requirements of Part C of Schedule II of the Companies Act, 2013.

Leasehold property is amortised during the period of lease.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as Capital Advances under other Non-Current Assets and the cost of assets not put to use before such date are disclosed under 'Capital Work in Progress'. The cost and related accumulated depreciation are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit & Loss. The method of depreciation, useful lives and residual values are reviewed at each financial year end.

When significant parts of property, plant & equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Subsequent expenditure related to an item of property, plant & equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the estimated / actual disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Depreciation and useful lives

Depreciation is provided on the written down value method (except unit Chisel where straight line method is used). The company has used written down value method based on the useful life with the requirements of Part C of Schedule II of the Companies Act, 2013.

b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The Company's intangible assets constitutes

- i) Computer software which has finite useful economic lives and these are amortised on a straight line basis, over their useful life of 3 years.
- ii) Tenancy right is depreciated over a period of 10 years from the date it is available for use.
- iii) Online Application Software is written off in 6 years on Straight Line basis over the estimated useful life.

The amortisation period and the amortisation method are reviewed at the end of each reporting period.

c) Impairment of property plant and equipment and intangible assets

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external or internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value using pre-tax discount rates and risks specific to the asset.

d) Revenue Recognition

The Company derives revenue on retail trade of Pharmaceutical products and Leisure products. "Revenue is recognised on satisfaction of performance obligation at an amount that reflects the consideration to which the Company expects to be entitled in exchange for of Pharmaceutical products and Leisure products.

The Company's performance obligation is to trade of Pharmaceutical products and Leisure products. The Company has adopted IND AS 115 'Revenue from Contracts with Customers' which introduces a five-step approach to measuring and recognising revenue from contracts with customers. Under IND AS 115, revenue is recognised on satisfaction of performance obligation at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company has elected to apply the Cumulative catch up method in adopting IND AS 115. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was nil.

Contract assets and Contract Liability

Revenue in excess of invoicing are classified as contract assets (which we referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer as unearned revenue)

Revenue from retail sales is measured at the fair value of the consideration received. Revenue is reduced for discounts and rebates and value added tax, sales tax and Goods and Service tax.

Revenue is recognised on the delivery of the merchandise to the customer, when the property in goods and control are transferred for a price and no effective ownership control is retained

Facility management fees are recognised pro-rata over the period of the contract. Revenue from stores displays and sponsorships are recognised based on the periods for which the products or the sponsors advertisement are promoted.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of a financial liability or a financial asset to their gross carrying amount.

Interest and Dividend income are included under the head "other income" in the Statement of Profit and Loss. Dividend is recognised when the company's right to receive dividend is established.

e) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

f) Inventories

Inventories are valued as lower of cost and realizable value. Cost is determined on First in First Out basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

g) Employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short term employee benefits. These benefits include salaries and wages, bonus and exgratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

h) Post-employment benefits

The Company operates the following post employment schemes:

- i) Gratuity is funded with Life insurance corporation of India and Aviva Life Insurance Company Limited. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method done at the end of each financial year in accordance with the provision of Ind AS 19 - Employee Benefits. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in the Statement of Profit & Loss.

The long-term and short term classification of gratuity is based on the actuarial valuations.
- ii) Retirement benefits in the form of provident fund is a defined benefit contribution scheme and the Company recognizes the contribution payable to the provident fund scheme as expenditure when an employee renders the related services. The Company

has no obligations other than the contribution payable to the respective funds already paid.

iii) Leave encashment

The Group provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

- iv) Re-measurements, comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss.

i) Leases

The Company has applied Ind AS 116, which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. The Company has applied Ind AS 116 using the modified retrospective approach . The Company at the inception of a contract, assesses whether a contract, is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Ind AS 116 introduces a single balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company has elected not to recognise right-of-use of assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term . Lessor accounting remains similar to the accounting under the previous standard i.e. lessor continues to classify leases as finance or operating lease. For contracts entered into before 1st April 2019, the determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The

arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated over the useful life of the asset. On the balance sheet date, the right-of-use of asset is included in property, plant and equipment and lease liabilities have been included in the borrowings and other financial liabilities.

Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

As a lessor

Lease income from operating leases, where the Company is a lessor, is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

i) **Taxes**

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act. Management periodically evaluates positions taken in the tax returns vis a vis position taken in books of account which are subject to interpretation and creates provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available in future supported by convincing evidence against which the deductible temporary differences, and the carried forward unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Such deferred tax items are recognized, in correlation to the underlying transaction either, in OCI or directly in equity.

k) **Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used the increase in the provision due to the passage of time is recognised as a finance cost.

l) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that

is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

m) **Earnings Per Share**

Basic Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n) **Cash Flow Statement**

Cash flows are reported using indirect method as set out in Ind AS -7 “Statement of Cash Flows”, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

o) **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

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if they are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through Other Comprehensive Income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income(FVTOCI). There is no recycling of the amounts from OCI to Statement of Profit & Loss, even on sale of investment. However, the company may transfer the cumulative gain/loss within Other Equity.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company’s management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company’s right to receive the dividend is established.

Preference Shares

The Company measures all investments in Preference shares at amortised cost. Subsequently Interest income from these financial assets is included in finance income on EIR basis.

Impairment of financial assets

In accordance with Ind AS 109: Financial Instruments, the Company recognizes impairment loss allowance on trade receivables based on historically observed default rates. Impairment loss allowance recognized during the year is charged to Statement of Profit and Loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Offsetting of financial instruments

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends

either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p) **Segment Reporting**

Identification of Segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Company are located. Since the Company operates only in India there is no geographical segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

q) **Cash & Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and Balances with Bank.

r) **Borrowing Costs**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2 **Critical estimates and judgements**

The following are the key assumptions concerning the future and other key sources of estimating uncertainty as at the balance sheet date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

A. **Useful lives of property, plant and equipment**

The company has adopted the useful lives as specified in Schedule II of Companies Act, 2013 for Property, Plant & Equipment . The Company reviews the estimated useful lives at the end of each reporting period. Such useful lives depend upon various factors such as usage, maintenance practices etc. and can involve estimation uncertainty. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised.

B. **Impairment of property, plant and equipment**

An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model and requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

C. **Fair value measurements and valuation processes**

Some of the Company's assets are measured at fair value for financial reporting purposes.

Significant estimates are used in fair valuation of assets.

D. **Employee Defined Benefit Plans**

The determination of Company's liability towards defined benefit obligations to employees is made through independent actuarial valuation including determination of amounts to

be recognized in the income statement and in the other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, promotion and other relevant factors such as supply and demand factors in the employment market.

E. Provisions and Contingencies

Provisions and contingencies are based on management's best estimate of the liabilities based on the facts known at the balance sheet date.

F. Estimation of current tax expenses and payable

Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the group operates. Any difference between the estimates and final tax assessments will impact the income tax as well the resulting assets and liabilities.

G. Impairment of financial assets (including trade receivable)

Allowance for doubtful receivables represent the estimate of losses that could arise due to inability of the Customer to make payments when due. These estimates are based on the customer ageing, customer category, specific credit circumstances and the historical experience of the group as well as forward looking estimates at the end of each reporting period.

₹ In Lakhs

2. Property, Plant, Equipment and Intangible Assets [Current year]

| Particulars | Gross Block | | | Accumulated Depreciation and Amortisations | | | | Net Block | |
|-------------------------------------|------------------------------|---------------------------|-------------------------|--|------------------------------|-----------------------------------|-------------------------|-------------------------------|--------------------------------|
| | Balance as at 1st April 2020 | Additions during the year | Disposals/ Adjust ments | Balance as at 31st March 2021 | Balance as at 1st April 2020 | Depreciation/ Charge for the year | Disposals/ Adjustm ents | Balance as at 31st March 2021 | Balance as at 31 st March 2020 |
| a Tangible Assets | | | | | | | | | |
| Right of Use Assets-Building | 5,876.19 | 533.86 | 59.04 | 6,351.01 | 1,445.05 | 1,440.34 | 22.57 | 2,862.82 | 4,431.14 |
| Building | 4,826.06 | 36.70 | - | 4,862.76 | 1,364.98 | 258.21 | - | 1,623.19 | 3,461.08 |
| Plant & Equipment | 22.70 | 0.50 | - | 23.20 | 9.54 | 2.40 | - | 11.94 | 13.16 |
| Electrical Installation | 526.58 | 5.84 | 4.38 | 528.04 | 300.24 | 57.00 | 3.84 | 353.40 | 226.34 |
| Furniture & Fixture | 3,078.26 | 68.89 | 28.28 | 3,118.87 | 1,736.99 | 346.73 | 22.81 | 2,060.91 | 1,341.27 |
| Office Equipments | 592.46 | 23.66 | 4.47 | 611.65 | 447.70 | 67.00 | 4.21 | 510.49 | 144.76 |
| Computers | 415.14 | 53.01 | 2.26 | 465.89 | 344.27 | 47.04 | 2.15 | 389.16 | 70.87 |
| Vehicles | 72.57 | 0.19 | 0.04 | 72.72 | 48.12 | 8.32 | 0.04 | 56.40 | 24.45 |
| Total (A) | 15,409.96 | 722.65 | 98.47 | 16,034.14 | 5,696.89 | 2,227.04 | 55.62 | 7,868.31 | 9,713.07 |
| b Intangible Assets | | | | | | | | | |
| Computer Software | 266.26 | 28.17 | - | 294.43 | 231.03 | 20.06 | - | 251.09 | 35.23 |
| Online application software | 924.38 | - | - | 924.38 | 647.81 | 163.98 | - | 811.79 | 276.57 |
| Tenancy Rights | 91.48 | - | - | 91.48 | 51.33 | 9.07 | - | 60.40 | 40.15 |
| Total (B) | 1,282.12 | 28.17 | - | 1,310.29 | 930.17 | 193.11 | - | 1,123.28 | 351.95 |
| c Capital Work-in-Progress | 38.35 | 17.95 | 26.83 | 29.47 | - | - | - | - | 38.35 |
| Total (C) | 38.35 | 17.95 | 26.83 | 29.47 | - | - | - | - | 38.35 |
| Grand Total (A+B+C) | 16,730.43 | 768.77 | 125.30 | 17,373.90 | 6,627.06 | 2,420.15 | 55.62 | 8,991.59 | 10,103.37 |

The above includes following assets given on operating lease

| Particulars | Balance As at 31st March 2021 | | | 2020-21 | Balance As at 31st March 2020 | | | 2019-20 |
|-----------------------|-------------------------------|--------------------------|---------------|----------------------------------|-------------------------------|--------------------------|---------------|----------------------------------|
| | Gross Block | Accumulated depreciation | Net Block | Depreciation charge for the year | Gross Block | Accumulated Depreciation | Net Block | Depreciation charge for the year |
| Buildings | 791.84 | 511.97 | 279.87 | 55.60 | 791.84 | 456.37 | 335.47 | 72.60 |
| Leasehold shop | 39.50 | 4.29 | 35.21 | 0.86 | 39.50 | 3.43 | 36.07 | 0.86 |

₹ In Lakhs

Notes to Financial Statements

3 Non Current Investments

| Particulars | | 31st March, 2021 | 31st March, 2020 |
|--|---|------------------|------------------|
| A [Investments carried at Cost] | | | |
| 1 Investment in Equity Instruments (Unquoted) | | | |
| i Subsidiary | | | |
| a | Lyfresh Pvt Ltd | 600.00 | 600.00 |
| | Equity Shares of Rs. 10/- each fully paid up | | |
| | Less:- Provision for diminution in value of investment | (600.00) | - |
| ii Others | | | |
| a | Medico Association # | 0.42 | 0.42 |
| | 12 Shares** | 0.42 | 0.42 |
| | -: Provision for diminution in value of investment | - | - |
| b | All India Origin Chemists & Distributors Limited # | 0.20 | 0.20 |
| | 2000 Equity Shares of Rs. 10/- each fully paid up | 0.20 | 0.20 |
| | Less:- Provision for diminution in value of investment | - | - |
| c | Shoppers City Maintenance Co. P Ltd # | 0.20 | 0.20 |
| | 19800 Equity Shares of Re. 1/- each fully paid up | 0.20 | 0.20 |
| | Less:- Provision for diminution in value of investment | - | - |
| B [Investments carried at Fair Value through OCI] | | | |
| 1 | M. Bhattacharyya & Co. Private. Limited | 165.09 | 165.09 |
| | 222 Equity Shares of Rs. 500/- each fully paid up | | |
| 2 | PAN Emami Cosmed Limited | 60.48 | 48.00 |
| | 22750 Equity Shares of Rs. 10/- each fully paid up | | |
| Investment in Equity Instruments (Quoted) | | | |
| 3 | Emami Limited | 48.77 | 17.00 |
| | 10000 Equity shares of Rs.1/- each fully paid up. | | |
| 4 | Emami Realty Limited | 0.13 | 0.09 |
| | 333 Shares of Rs. 10/- each fully paid up | | |
| | Total(A) | 274.47 | 830.18 |
| C Investment in Preference Shares (Unquoted) | | | |
| [Investments carried at amortised cost] | | | |
| Others | | | |
| | M. Bhattacharyya & Co. Private Limited | 14.84 | 13.49 |
| | 3500010% Cumulative Preference Shares of Rs.100/-each fully paid up | | |
| | Redeemable at par at any time within 20 years from date of issue | | |
| | Total(B) | 14.84 | 13.49 |
| | Grand Total (A+B) | 289.31 | 843.67 |
| Aggregate value of Quoted Investment and market value thereof | | | |
| Aggregate value of Unquoted Investment | | | |
| #Aggregate provision for diminution in value of investments | | | |
| ** Formed under Bombay Non - Trading Corporations Act, 1959 not having Face va | | | |

** For credit risk and provision for loss allowance refer note no 37

₹ In Lakhs

2. Property, Plant, Equipment and Intangible Assets (Previous Year)

| Particulars | Gross Block | | | | Accumulated Depreciation and Amortisations | | | | Net Block | |
|-----------------------------------|------------------------------|-------------------------------|---------------------------|-------------------------|--|------------------------------|-----------------------------------|-------------------------|-------------------------------|--------------------------------|
| | Balance as at 1st April 2019 | Transition impact of INDAS116 | Additions during the year | Disposals/ Adjust ments | Balance as at 31st March 2020 | Balance as at 1st April 2019 | Depreciation/ Charge for the Year | Disposals/ Adjustm ents | Balance as at 31st March 2020 | Balance as at 31 st March 2019 |
| a Tangible Assets | | | | | | | | | | |
| Right of Use Assets-Building | 200.33 | 5,675.86 | - | - | 5,876.19 | 18.16 | 1,426.89 | - | 1,445.05 | 182.17 |
| Building | 4,942.82 | - | 28.40 | 145.16 | 4,826.06 | 1,110.99 | 293.59 | 39.60 | 1,364.98 | 3,831.83 |
| Plant & Equipment | 22.69 | - | 0.11 | 0.10 | 22.70 | 6.65 | 2.94 | 0.05 | 9.54 | 16.04 |
| Electrical Installation | 521.58 | - | 32.21 | 27.21 | 526.58 | 248.43 | 71.61 | 19.80 | 300.24 | 273.15 |
| Furniture & Fixture | 2,918.31 | - | 238.96 | 79.01 | 3,078.26 | 1,369.44 | 421.28 | 53.73 | 1,736.99 | 1,548.87 |
| Office Equipments | 544.20 | - | 61.12 | 12.86 | 592.46 | 364.09 | 94.38 | 10.77 | 447.70 | 180.11 |
| Computers | 395.77 | - | 25.83 | 6.46 | 415.14 | 292.28 | 57.75 | 5.76 | 344.27 | 103.49 |
| Vehicles | 84.91 | - | 5.00 | 17.34 | 72.57 | 51.52 | 11.72 | 15.12 | 48.12 | 33.39 |
| Total (A) | 9,630.61 | 5,675.86 | 391.63 | 288.14 | 15,409.96 | 3,461.56 | 2,380.16 | 144.83 | 5,696.89 | 6,169.05 |
| b Intangible Assets | | | | | | | | | | |
| Computer Software | 259.53 | - | 7.46 | 0.73 | 266.26 | 197.70 | 34.02 | 0.69 | 231.03 | 61.83 |
| Online application software | 924.38 | - | - | - | 924.38 | 483.83 | 163.98 | - | 647.81 | 440.55 |
| Tenancy Rights | 92.15 | - | - | 0.67 | 91.48 | 42.66 | 9.15 | 0.48 | 51.33 | 49.49 |
| Total (B) | 1,276.06 | - | 7.46 | 1.40 | 1,282.12 | 724.19 | 207.15 | 1.17 | 930.17 | 551.87 |
| c Capital Work-in-Progress | 108.00 | - | 20.84 | 90.49 | 38.35 | - | - | - | - | 108.00 |
| Total (C) | 108.00 | - | 20.84 | 90.49 | 38.35 | - | - | - | - | 108.00 |
| Grand Total (A+B+C) | 11,014.67 | 5,675.86 | 419.93 | 380.03 | 16,730.43 | 4,185.75 | 2,587.31 | 146.00 | 6,627.06 | 6,828.92 |

The above includes following assets given on operating lease

| Particulars | Balance As at 31st March 2020 | | 2019-20 | Balance As at 31st March 2019 | | | 2018-19 |
|-----------------------|-------------------------------|--------------------------|---------------|-------------------------------|--------------------------|---------------|----------------------------------|
| | Gross Block | Accumulated depreciation | Net Block | Gross Block | Accumulated Depreciation | Net Block | Depreciation charge for the year |
| Buildings | 791.84 | 456.37 | 335.47 | 791.84 | 383.77 | 408.06 | 94.53 |
| Leasehold shop | 39.50 | 3.43 | 36.07 | 39.50 | 2.58 | 36.92 | 0.86 |

4 Notes to Financial Statements

₹ In Lakhs

| Loans | 31st March, 2021 | 31st March, 2020 |
|---|------------------|------------------|
| Non-Current | | |
| Security Deposits- Trade | | |
| Other than subsidiary , KMP and related parties | 1,005.63 | 881.89 |
| Total Non Current- A | 1,005.63 | 881.89 |
| Current | | |
| <u>Loan</u> Considered Good, Unsecured unless otherwise stated | | |
| To Subsidiary | | |
| Considered Good, Unsecured | - | 950.00 |
| Considered Doubtful | 1,087.76 | 137.76 |
| | 1,087.76 | 1,087.76 |
| Less:- Allowance for doubtful debts (Refer Note-30) | 1,087.76 | 137.76 |
| | - | 950.00 |
| To related party (Refer Note-30) | 8,455.47 | 31,167.22 |
| To others | 34,526.81 | 45.00 |
| Total Current- B | 42,982.28 | 32,162.22 |
| Total Loans (A+B) | 43,987.91 | 33,044.11 |

**- For credit risk and provision for loss allowance refer note no 37

| 5. Trade receivables | 31st March, 2021 | 31st March, 2020 |
|--|------------------|------------------|
| Current | | |
| Considered good -Unsecured** | 3,771.35 | 4,487.78 |
| Considered Doubtful | 7.09 | 7.09 |
| | 3,778.44 | 4,494.87 |
| Less:- Allowance for doubtful debts and advances | 7.09 | 7.09 |
| Total Current -A | 3,771.35 | 4,487.78 |

**- For credit risk and provision for loss allowance refer note no 37

| 6. Other Financial Assets | 31st March, 2021 | 31st March, 2020 |
|---|------------------|------------------|
| Other Advances | | |
| Fixed Deposits pledged with Banks [including interest accrued]* | 42.95 | 119.74 |
| Advance to Employees | 29.88 | 28.86 |
| Total | 72.83 | 148.60 |

*- PY-Lien marked towards Bank Guarantee

Notes to Financial Statements

₹ In Lakhs

7. Movements in Deferred Taxes

| Particulars | 31-Mar-21 | 31-Mar-20 |
|---|-------------------|-------------------|
| Deferred Tax Liability | 31.78 | 32.30 |
| Deferred Tax Assets | 3,216.98 | 1,807.44 |
| Deferred Tax Liabilities/(Asset) (Gross) | (3,185.20) | (1,775.14) |
| Add:- MAT Credit Entitlement | (31.50) | (31.50) |
| Deferred Tax Liabilities/(Asset) (Net) | (3,216.70) | (1,806.64) |

| Movement in Deferred Tax Liabilities/(Assets) | Liabilities/Provisions that are deducted for tax purposes when paid | Defined Benefit Obligation | On Unabsorbed Losses | Depreciation differences | Financial Assets (FVOCI)- Equity Shares | Total |
|---|---|----------------------------|----------------------|--------------------------|---|-------------------|
| As at 1st April 2019 | (77.33) | (8.40) | (1,352.56) | 107.77 | 30.88 | (1,299.64) |
| Add:- MAT Credit Entitlement | - | - | - | - | - | (31.50) |
| Net Deferred Tax Liabilities / (Asset) as at 01-April-2019 | (77.33) | (8.40) | (1,352.56) | 107.77 | 30.88 | (1,331.14) |
| As at 01 April, 2019 Charged/(Credited) | | | | | | |
| Recognised in Profit & Loss | 0.32 | 10.69 | (175.52) | (276.56) | - | (441.07) |
| Recognised in Other Comprehensive Income | - | 3.91 | - | - | (4.78) | (0.87) |
| Recognised in Other Equity | - | - | - | (33.56) | - | (33.56) |
| As at 31st March, 2020 | (77.01) | 6.20 | (1,528.08) | (202.35) | 26.10 | (1,775.14) |
| Add:- MAT Credit Entitlement | - | - | - | - | - | (31.50) |
| Net Deferred Tax Liabilities / (Asset)-as at 31-Mar-2020 | (77.01) | 6.20 | (1,528.08) | (202.35) | 26.10 | (1,806.64) |
| As at 01 April, 2020 Charged/(Credited) | | | | | | |
| Recognised in Profit & Loss | 48.08 | (44.74) | (1,304.01) | (130.53) | - | (1,431.20) |
| Recognised in Other Comprehensive Income | - | 15.46 | - | - | 5.68 | 21.14 |
| Recognised in Other Equity | - | - | - | - | - | - |
| As at 31st March, 2021 | (28.93) | (23.08) | (2,832.09) | (332.88) | 31.78 | (3,185.20) |
| Add:- MAT Credit Entitlement | - | - | - | - | - | (31.50) |
| Net Deferred Tax Liabilities / (Asset)-as at 31-Mar-2021 | (28.93) | (23.08) | (2,832.09) | (332.88) | 31.78 | (3,216.70) |

Notes to Financial Statements ₹ In Lakhs

| 8. Other non-current assets | 31st March, 2021 | 31st March 2020 |
|-----------------------------|------------------|-----------------|
| Capital Advances | 55.53 | 73.98 |
| Other advances | | |
| Advance Against Purchase | 3.00 | 10.19 |
| Advance Against Expenses | | |
| To Related Party | 100.00 | - |
| Others | 9.00 | 4.25 |
| Prepaid Expenses | 8.17 | 8.97 |
| Rent paid in advance | 214.41 | 268.56 |
| Total | 390.11 | 365.95 |

| 9. Inventories-At lower of cost and Net realisable value | 31st March, 2021 | 31st March 2020 |
|--|------------------|-----------------|
| Stock- In-Trade | 7,934.38 | 8,441.51 |
| Total | 7,934.38 | 8,441.51 |

| 10. Cash and cash equivalents | 31st March, 2021 | 31st March 2020 |
|-------------------------------|------------------|-----------------|
| Balances with Banks | | |
| On Current Accounts | 328.95 | 552.44 |
| Cash in hand | 163.19 | 134.72 |
| Total | 492.14 | 687.16 |

Notes to Financial Statements ₹ In Lakhs

| 11. Other Financial Assets | 31st March, 2021 | 31st March 2020 |
|--|------------------|-----------------|
| Considered Good, Unsecured unless other wise stated Interest accrued but not due | | |
| To Subsidiary | | |
| Considered good, Unsecured | - | - |
| Considered Doubtful | 163.00 | 163.00 |
| | 163.00 | 163.00 |
| Less:-Provision for doubtful debts [Refer Note 30] | 163.00 | 163.00 |
| | - | - |
| To related Party [Refer Note 30] | 83.77 | 1,216.94 |
| To Others | 1,065.39 | 2.82 |
| Interest receivable | | |
| Advance to Employees | 22.05 | 43.32 |
| Total | 1,171.21 | 1,263.08 |

| 12. Other current assets | 31st March, 2021 | 31st March 2020 |
|-------------------------------------|------------------|-----------------|
| Considered good ,Unsecured | | |
| Advance against Purchase | 4.84 | 51.28 |
| Advances with Statutory Authorities | 70.37 | 56.99 |
| Prepaid Expenses | 60.26 | 47.30 |
| Advance against Expenses | 80.72 | 20.04 |
| Total | 216.19 | 175.61 |

Notes to Financial Statements ₹ In Lakhs

13. Equity Share Capital

| Particulars | 31st March, 2021 | 31st March 2020 |
|--|------------------|-----------------|
| Authorised | | |
| 3,800,000 Equity Shares of Rs. 10/- each | 380.00 | 380.00 |
| 820,000 Non Cumulative Redeemable Preference shares of Rs 100/- each . | 820.00 | 820.00 |
| | 1,200.00 | 1,200.00 |
| Issued,Subscribed &Paid up | | |
| 2,082,707 Equity Shares Rs.10/- Each fully paid up | 208.27 | 208.27 |
| Total | 208.27 | 208.27 |

Reconciliation of Number of Shares

| Particulars | 31st March, 2021 | | 31st March, 2020 | |
|---|------------------|--------|------------------|--------|
| | Number of Shares | Amount | Number of Shares | Amount |
| Balance at the Beginning | 2,082,707 | 208.27 | 2,082,707 | 208.27 |
| Shares Issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 2,082,707 | 208.27 | 2,082,707 | 208.27 |

Rights, Preferences and Restrictions Attached to Shares

The Company has only one class of Equity shares having a par value of Rs.10/- per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees . The dividend proposed , if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company the holders of Equity Shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. However, no such preferential amounts exist currently.The distribution will be in proportion to the number of equity shares held by the shareholders.

The details of shareholder holding more than 5% shares as at the end of the reporting period is stated as below:-

| Name of the shareholder | 31st March, 2021 | | 31st March, 2020 | |
|---|-----------------------|--------------|-----------------------|--------------|
| | Number of Shares Held | % of Holding | Number of Shares Held | % of Holding |
| Bhanu Vyapaar Private limited- Note 1 | - | - | 161,696 | 7.76 |
| Sneha Gardens Pvt Ltd-Note 1 | 386,137 | 18.54 | | |
| Karan Business Private limited | 350,800 | 16.84 | 350,800 | 16.84 |
| Zen Business Private limited | 348,021 | 16.71 | 348,021 | 16.71 |
| Diwakar Viniyog Private limited-Note 2 | - | - | 111,798 | 5.37 |
| Suntrack Commerce Private limited- Note 2 | - | - | 241,880 | 11.61 |
| Sneha Enclave Pvt Ltd- Note 2 | 353,678 | 16.98 | | |

Note

- 1

Bhanu Vyapaar Private limited , Suraj Viniyog Pvt Ltd, Raviraj viniyog Pvt Ltd, Prabhakar Viniyog Pvt Ltd amalgamated with Sneha Gardens Pvt Ltd vide National Company Law Tribunal order dated 02-Feb-2021
- 2

Diwakar Viniyog Private limited & Suntrack Commerce Private limited amalgamated with Sneha Enclave Pvt Ltd vide National Compnay Law Tribunal order dated 02-Feb-2021 .

Notes to Financial Statements ₹ In Lakhs

14 Other Equity

| Particulars | As At 31st March, 2021 | As At 31st March, 2020 |
|---|------------------------|------------------------|
| a) Reserves & Surplus Includes General Reserves and retained earnings. | (7,054.72) | (3,230.46) |
| b) Other Comprehensive Income Includes re-measurement gains/losses on defined benefit plans and gain/loss on fair value of investments | 192.30 | 119.61 |
| Total | (6,862.42) | (3,110.85) |

| 15. Borrowings | 31st March, 2021 | 31st March, 2020 |
|---|-------------------|-------------------|
| Secured Term Loans | | |
| From Bank # | 12,428.86 | 9,562.79 |
| Less:- Current Maturities of Long term debt [Refer Note 19] | 2,599.71 9,829.15 | 1,000.00 8,562.79 |
| Vehicle Loan # | 2.39 | 3.90 |
| Less:- Current Maturities of Long term debt [Refer Note 19] | 1.66 0.73 | 1.51 2.39 |
| Unsecured # | | |
| Non Convertible Debentures | 11,226.06 | - |
| Long Term Maturities of Lease Obligation | 2,775.99 | 3,399.89 |
| Total-Non Current- A | 23,831.93 | 11,965.07 |
| Loans Repayable on Demand | | |
| Secured Loan from Bank | | |
| Cash Credit [Note 15.1] | 1,121.93 | 4,208.70 |
| Working Capital Demand Loan [Note 15.1] | 4,200.00 5,321.93 | - 4,208.70 |
| Unsecured | | |
| Short Term Overdraft | 39,530.24 | - |
| Unsecured Loans | | |
| Non Convertible Bonds | - | 39,893.48 |
| Total-Current-B | 44,852.17 | 44,102.18 |
| Total Borrowings (A+B) | 68,684.10 | 56,067.25 |

Refer Note 29

Notes to Financial Statements

₹ In Lakhs

15.1. Bank-1 - Cash Credit And Working Capital Demand Loan are secured primarily by way of hypothecation on the entire Current Assets of the company existing and future comprising of Stock-in-trade, receivables , book debts and other current assets. These loans are further secured Collateraly by way of Hypothecation / mortgage on all fixed assets (excluding vehicles) of the company, both present and future.

Bank-2 - Subservient charge by way of Hypothecation over entire Current asset & moveable Fixed assets of the company (both present & future). Also, exclusive charge by way of pledge of shares of promoter shareholder and also corporate guarantee by a promoter shareholder.

| 16. Other Non Current-Financial Liabilities | 31st March, 2021 | 31st March, 2020 |
|---|------------------|------------------|
| Advance received from customers | - | 0.30 |
| Deposit against rent | 22.50 | 22.50 |
| Total Non Current | 22.50 | 22.80 |

| 17. Provisions | 31st March, 2021 | 31st March, 2020 |
|---------------------------------|------------------|------------------|
| Provision for Employee Benefits | | |
| For Gratuity | 102.87 | 24.42 |
| For Leave | 106.75 209.62 | 114.49 138.91 |
| Total | 209.62 | 138.91 |

| 18. Trade Payables | 31st March, 2021 | 31st March, 2020 |
|--|------------------|------------------|
| Total outstanding dues of Micro enterprises and small enterprises | 21.91 | 2.85 |
| Total outstanding dues of creditors other than Micro enterprises and small enterprises | 2,801.06 | 3,855.47 |
| Total | 2,822.97 | 3,858.32 |

Notes to Financial Statements

₹ In Lakhs

| 19. Other Financial Liabilities | 31st March, 2021 | 31st March, 2020 |
|--|------------------|------------------|
| At amortised cost | | |
| Current Maturities of Long Term Debt | 2,601.37 | 1,001.51 |
| [Refer Note 15] | | |
| Current Maturities of Lease Obligation | 1,031.54 | 1,236.30 |
| Interest accrued but not due on Borrowings | 374.18 | 695.49 |
| Creditors for Capital Goods | 28.98 | 63.76 |
| Other Payables | | |
| Employee Expense | 203.82 | 233.18 |
| Liabilities for Expenses | 275.93 479.75 | 611.53 844.71 |
| Total | 4,515.82 | 3,841.77 |

| 20. Other current liabilities | 31st March, 2021 | 31st March, 2020 |
|-------------------------------|------------------|------------------|
| Statutory Liabilities | 18.20 | 126.89 |
| Advance from Customers | 305.38 | 214.12 |
| Total | 323.58 | 341.01 |

| 21. Revenue from Operations | 2020-21 | 2019-20 |
|-----------------------------|--------------|--------------|
| Sale of Products | 37,088.24 | 44,465.25 |
| Other Operating Revenues | | |
| Rent | 38.65 | 47.82 |
| Income From Store Displays | 103.04 | 148.33 |
| Facility Management Fees | 13.53 155.22 | 26.64 222.79 |
| Total | 37,243.46 | 44,688.04 |

Notes to Financial Statements

₹ In Lakhs

| 22. Other Income | 2020-21 | 2019-20 |
|---|-----------------|-----------------|
| Interest Income | | |
| Interest on Loan given | 3,749.35 | 1,581.82 |
| Interest on Others | | |
| Interest income on financial assets at amortised cost | 67.97 | 79.39 |
| Interest on Deposit | 3.71 | 3.50 |
| Interest on Income Tax refund | 2.67 | 12.78 |
| | 74.35 | 95.67 |
| Dividend on Long Term Non-Trade Investment | 0.80 | 0.40 |
| Profit on sale of Fixed Assets | 0.22 | 0.61 |
| Provision for Doubtful Debts & Advances Written Back | - | 0.60 |
| Insurance claim | 38.54 | - |
| Compensation-Business claim | 61.00 | - |
| Liabilities Written Back | 54.34 | 53.48 |
| Miscellaneous Receipts | 11.10 | 5.05 |
| Total | 3,989.70 | 1,737.63 |

| 23. Changes in Inventories of Stock-in-Trade | 2020-21 | 2019-20 |
|--|---------------|---------------|
| (I) Opening Inventory | 8,441.51 | 8,799.01 |
| (II) Closing Inventory | 7,934.38 | 8,441.51 |
| (Increase)/Decrease | 507.13 | 357.50 |

| 24. Employee Benefits Expense | 2020-21 | 2019-20 |
|---|-----------------|-----------------|
| Salaries and Wages | 3,926.80 | 4,368.25 |
| Contribution to Provident and Other Funds | 280.38 | 318.45 |
| Staff Welfare Expense | 110.65 | 118.39 |
| Total | 4,317.83 | 4,805.09 |

| 25. Finance Costs | 2020-21 | 2019-20 |
|---|-----------------|-----------------|
| Finance cost on Lease obligation | 127.03 | 644.01 |
| Interest Expense- Non convertible debenture | - | 95.86 |
| Interest Expense- Non Convertible Bonds | 2,916.84 | 693.61 |
| Other Interest Expense | 3,115.50 | 2,832.22 |
| Other Borrowing Cost | 999.13 | 225.51 |
| Total | 7,158.50 | 4,491.21 |

Notes to Financial Statements

₹ In Lakhs

| 26. Other Expenses | 2020-21 | 2019-20 |
|--|-----------------|-----------------|
| Power & Fuel | 261.93 | 333.65 |
| Rent & License Fees | 83.23 | 133.06 |
| Repairs to Building | 0.89 | 9.57 |
| Maintenance Charges | 693.54 | 697.67 |
| Security Charges | 52.16 | 67.68 |
| Insurance | 17.96 | 13.32 |
| Rates & Taxes excluding Taxes on Income | 29.60 | 39.46 |
| Advertisement & Sales Promotion | 84.59 | 104.32 |
| Commission | 65.94 | 63.51 |
| Professional & Legal Charges [Refer note - 27] | 285.95 | 233.81 |
| Internet and other communication expenses | 75.36 | 122.00 |
| Loss on sale / discard of Fixed Assets | 5.79 | 62.92 |
| Provision for Diminution in value of Investments in subsidiary | 600.00 | |
| Loss allowance for doubtful debts to subsidiary | 950.00 | 307.43 |
| Miscellaneous Expenses | 448.75 | 605.01 |
| Total | 3,655.69 | 2,793.41 |

27. Payment To Auditors

| Particulars | Year ended 31st March 2021 | Year ended 31st March 2020 |
|----------------|----------------------------|----------------------------|
| Audit Fees | 12.54 | 12.54 |
| Tax Audit Fees | 0.96 | 0.96 |
| Limited Review | 1.50 | 1.50 |
| Other Services | 0.03 | 0.04 |
| Total | 15.03 | 15.04 |

28. Information for Earnings per share as per IND AS 33

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|--------------------------------------|-----------------------|-----------------------|
| Net Profit | (3,824.26) | (1,955.68) |
| Weighted average number of shares | 2,082,707 | 2,082,707 |
| Earnings per share - Basic & diluted | (183.62) | (93.90) |

Notes to Financial Statements

₹ In Lakhs

29. Details of Borrowings :-

A. Details of Term Loans from Bank :-

| Sl. No. | Type of Loan | ROI as on 31 Mar 21 | Security | | Amount outstanding as on 31-Mar-21 | Amount outstanding as on 31-Mar-20 |
|---------|---|------------------------------|---|-----------------------------|------------------------------------|------------------------------------|
| 1 | Working Capital_term Loan- Under ECLGS of NCGTC | 9.25% p.a on outstanding INR | Second charge over all existing primary & collateral securities including mortgages created in favour of the bank, subject to the subsisting charges created over various primary and collateral securities, including securities charged by third parties. | Principal amount | 2,662.00 | - |
| | | | | Amortised cost as per INDAS | 2,616.10 | - |
| | | | | | Repayment Schedule | |
| | | | | | Date | Amount |
| | | | | | 31-Jan-22 | 55.46 |
| | | | | | 28-Feb-22 | 55.46 |
| | | | | | 31-Mar-22 | 55.46 |
| | | | | | 30-Apr-22 | 55.46 |
| | | | | | 31-May-22 | 55.46 |
| | | | | | 30-Jun-22 | 55.46 |
| | | | | | 31-Jul-22 | 55.46 |
| | | | | | 31-Aug-22 | 55.46 |
| | | | | | 30-Sep-22 | 55.46 |
| | | | | | 31-Oct-22 | 55.46 |
| | | | | | 30-Nov-22 | 55.46 |
| | | | | | 31-Dec-22 | 55.46 |
| | | | | | 31-Jan-23 | 55.46 |
| | | | | | 28-Feb-23 | 55.46 |
| | | | | | 31-Mar-23 | 55.46 |
| | | | | | 30-Apr-23 | 55.46 |
| | | | | | 31-May-23 | 55.46 |
| | | | | | 30-Jun-23 | 55.46 |
| | | | | | 31-Jul-23 | 55.46 |
| | | | | | 31-Aug-23 | 55.46 |
| | | | | | 30-Sep-23 | 55.46 |
| | | | | | 31-Oct-23 | 55.46 |
| | | | | | 30-Nov-23 | 55.46 |
| | | | | | 31-Dec-23 | 55.46 |
| | | | | | 31-Jan-24 | 55.46 |
| | | | | | 29-Feb-24 | 55.46 |
| | | | | | 31-Mar-24 | 55.46 |
| | | | | | 30-Apr-24 | 55.46 |
| | | | | | 31-May-24 | 55.46 |

₹ In Lakhs

| Sl. No. | Type of Loan | ROI as on 31 Mar 21 | Security | | Amount outstanding as on 31-Mar-21 | Amount outstanding as on 31-Mar-20 |
|---------|-----------------|--|--|-----------------------------|------------------------------------|------------------------------------|
| | | | | | 30-Jun-24 | 55.46 |
| | | | | | 31-Jul-24 | 55.46 |
| | | | | | 31-Aug-24 | 55.46 |
| | | | | | 30-Sep-24 | 55.46 |
| | | | | | 31-Oct-24 | 55.46 |
| | | | | | 30-Nov-24 | 55.46 |
| | | | | | 31-Dec-24 | 55.46 |
| | | | | | 31-Jan-25 | 55.46 |
| | | | | | 28-Feb-25 | 55.46 |
| | | | | | 31-Mar-25 | 55.46 |
| | | | | | 30-Apr-25 | 55.46 |
| | | | | | 31-May-25 | 55.46 |
| | | | | | 30-Jun-25 | 55.46 |
| | | | | | 31-Jul-25 | 55.46 |
| | | | | | 31-Aug-25 | 55.46 |
| | | | | | 30-Sep-25 | 55.46 |
| | | | | | 31-Oct-25 | 55.46 |
| | | | | | 30-Nov-25 | 55.46 |
| | | | | | 31-Dec-25 | 55.46 |
| 2 | Term Loan-Rupee | 1yr MCLR+0.45% - At present-9.10% p.a on outstanding INR | Subservient charge by way of hypothecation over entire current asset and moveable fixed asset of the company (both present and future). The same is further secured by pledge of shares by a promoter shareholder .Further secured by way of corporate guarantee of a promoter shareholder | Principal amount | 1,000.00 | - |
| | | | | Amortised cost as per INDAS | 995.25 | - |
| | | | | | Repayment Schedule | |
| | | | | | Date | Amount |
| | | | | | 01-Jun-21 | 83.33 |
| | | | | | 01-Sep-21 | 83.33 |
| | | | | | 01-Dec-21 | 83.33 |
| | | | | | 01-Mar-22 | 83.33 |
| | | | | | 01-Jun-22 | 83.33 |
| | | | | | 01-Sep-22 | 83.33 |
| | | | | | 01-Dec-22 | 83.33 |
| | | | | | 01-Mar-23 | 83.33 |
| | | | | | 01-Jun-23 | 83.33 |
| | | | | | 01-Sep-23 | 83.33 |
| | | | | | 01-Dec-23 | 83.33 |
| | | | | | 01-Mar-24 | 83.33 |
| | | | | | Repayment Schedule | |
| | | | | | Date | Amount |
| | | | | | 01-Jun-21 | 83.33 |
| | | | | | 01-Sep-21 | 83.33 |
| | | | | | 01-Dec-21 | 83.33 |
| | | | | | 01-Mar-22 | 83.33 |
| | | | | | 01-Jun-22 | 83.33 |
| | | | | | 01-Sep-22 | 83.33 |
| | | | | | 01-Dec-22 | 83.33 |
| | | | | | 01-Mar-23 | 83.33 |
| | | | | | 01-Jun-23 | 83.33 |
| | | | | | 01-Sep-23 | 83.33 |
| | | | | | 01-Dec-23 | 83.33 |
| | | | | | 01-Mar-24 | 83.33 |

Notes to Financial Statements

₹ In Lakhs

29. Details of Borrowings :-
A. Details of Term Loans from Bank :-

| Sl. No. | Type of Loan | ROI as on 31 Mar 21 | Security | | Amount outstanding as on 31-Mar-21 | Amount outstanding as on 31-Mar-20 |
|---------|-----------------|---------------------------|---|-----------------------------|------------------------------------|------------------------------------|
| 3 | Term Loan-Rupee | 15%p.a on outstanding INR | First Charge by way of Hypothecation / mortgage on all the fixed assets (movable and Immovable) of the company, both present and future excluding Vehicles..The same is further secured by pledge of shares by a promoter shareholder | Principal amount | 2,700.00 | 2,925.00 |
| | | | | Amortised cost as per INDAS | 2,700.00 | 2,925.00 |
| | | | | | Repayment Schedule | Repayment Schedule |
| | | | | | Date Amount | Date Amount |
| | | | | | 01-Apr-21 75.00 | 30-Jun-20 75.00 |
| | | | | | 30-Jun-21 75.00 | 30-Sep-20 75.00 |
| | | | | | 30-Sep-21 75.00 | 31-Dec-20 75.00 |
| | | | | | 31-Dec-21 75.00 | 31-Mar-21 75.00 |
| | | | | | 31-Mar-22 225.00 | 30-Jun-21 75.00 |
| | | | | | 30-Jun-22 225.00 | 30-Sep-21 75.00 |
| | | | | | 30-Sep-22 225.00 | 31-Dec-21 75.00 |
| | | | | | 31-Dec-22 225.00 | 31-Mar-22 225.00 |
| | | | | | 31-Mar-23 300.00 | 30-Jun-22 225.00 |
| | | | | | 30-Jun-23 300.00 | 30-Sep-22 225.00 |
| 4 | Term Loan-Rupee | 15%p.a on outstanding INR | 1st Charge by way of Hypothecation / mortgage on all the fixed assets (movable and Immovable) of the company, both present and future excluding Vehicles. .The same is further secured by pledge of shares by a promoter shareholder | Principal amount | 6,125.00 | 6,650.00 |
| | | | | Amortised cost as per INDAS | 6,117.51 | 6,637.79 |
| | | | | | Repayment Schedule | Repayment Schedule |
| | | | | | Date Amount | Date Amount |
| | | | | | 01-Apr-21 175.00 | 30-Jun-20 175.00 |
| | | | | | 30-Jun-21 175.00 | 30-Sep-20 175.00 |
| | | | | | 30-Sep-21 175.00 | 31-Dec-20 175.00 |
| | | | | | 31-Dec-21 525.00 | 31-Mar-21 175.00 |
| | | | | | 31-Mar-22 525.00 | 30-Jun-21 175.00 |
| | | | | | 30-Jun-22 525.00 | 30-Sep-21 175.00 |
| | | | | | 30-Sep-22 525.00 | 31-Dec-21 525.00 |
| | | | | | 31-Dec-22 700.00 | 31-Mar-22 525.00 |
| | | | | | 31-Mar-23 700.00 | 30-Jun-22 525.00 |
| | | | | | 30-Jun-23 1,050.00 | 30-Sep-22 525.00 |

Notes to Financial Statements

₹ In Lakhs

29. Details of Borrowings :-
A. Details of Term Loans from Bank :-

| Sl. No. | Type of Loan | ROI as on 31 Mar 21 | Security | | Amount outstanding as on 31-Mar-21 | Amount outstanding as on 31-Mar-20 |
|--|---|-------------------------------------|--|-----------------------------|---|--|
| | | | | | 28-Sep-23 1,050.00 | 31-Dec-22 700.00 31-Mar-23 700.00 30-Jun-23 1,050.00 28-Sep-23 1,050.00 |
| 5 | Rated unlisted Redeemable Non-Convertible Debentures | 12% interest p.a | 112.5 Bonds issued at face value of Rs 1cr each repayable by way of bullet repayment on the expiry of the term of debenture . Secured by way of pledge of shares by promoter shareholding and also guaranteed by a promoter shareholder. Also, hypothecation over a designated account . | Principal amount | 11,250.00 | - |
| | | | | Amortised cost as per INDAS | 11,226.06 | - |
| | | | | | Repayment Schedule | Repayment Schedule |
| | | | | | Date Amount | Date Amount |
| | | | | 10-Jul-23 11,250.00 | | |
| 6 | Unlisted, Senior, Secured, redeemable Non convertible Bonds | 12% interest p.a | 400 Bonds issued at face value of Rs 1 Cr each reapeyable by way of bullet repayment on the expiry of term of debenture . Secured by way of pledge of shares by promoter shareholding and also guaranteed by a promoter shareholder. Also, hypothecation over a designated account . | Principal amount | - | 40,000.00 |
| | | | | Amortised cost as per INDAS | - | 39,893.48 |
| | | | | | Repayment Schedule | Repayment Schedule |
| | | | | | Date Amount | Date Amount |
| | | | | | | 30-Apr-21 40,000.00 |
| Sl. No. | Type of Loan | ROI as on 31 Mar 21 | Security | | Amount outstanding as on 31-Mar-21 | Amount outstanding as on 31-Mar-20 |
| 1 | Vehicle Loan | 9.50% pa. on monthly reducing basis | Secured by first charge /mortgage on the respective vehicles | Principal amount | 2.39 | 3.90 |
| | | | | Amortised cost as per INDAS | 2.39 | 3.90 |
| | | | | | Repayment Schedule | Repayment Schedule |
| | | | | | Equated Monthly Instalment of Rs.15099/- each , upto 15/08/2022 | Equated Monthly Instalment of Rs.15099/- each , upto 15/08/2022 |
| | | | | FY 2021-22 1.66 | FY 2020-21 1.51 | |
| | | | | FY 2022-23 0.74 | FY 2021-22 1.66 | |
| | | | | | | FY 2022-23 0.74 |
| Total Outstanding as at year end-Principa | | | | | 23,739.39 | 49,578.90 |
| Total Outstanding as at year end-amortised cost as per INDAS | | | | | 23,657.31 | 49,460.17 |
| Current Maturities-Principal | | | | | 2,601.37 | 1,001.51 |

Notes to Financial Statements

30 Related Party Disclosure :

I Parties where control exists

Subsidiary

Lyfresh Pvt Ltd- wholly owned subsidiary

II Key Managerial Personnel & Other Directors

Key Managerial Personnel

| S.No. | Name | Description of Relationship |
|-------|---|--|
| 1. | Mr. R.K. Jatia | Managing Director [resigned w.e.f 26-Aug-2020] |
| 2 | Mr Gautam Jatia | Managing Director [appointed w.e.f. 26-Aug-2020] & Chief Executive Officer |
| 3 | Mr Sujay Chattaraj | Whole time director [appointed w.e.f 01-Aug-2020] |
| 4 | Mr. Akhilesh Agarwal | Chief Financial Officer |
| 5 | Mrs Mansi Pilaniwala | Company Secretary [resigned w.e.f-01-Dec-2019] |
| 6 | Ms Amrita Bhattacharya | Company Secretary [w.e.f 06-Jan-2020] |
| 7 | Ms Chadaravalli Srinivasa Bhatta Nalini | Wholetime Director |
| 8 | Mr. Anurag Jatia | Wholetime Director |

Other Directors

| | | |
|---|-----------------------|---|
| 1 | Mr. Pramod Bajoria | Director [resigned w.e.f 31-July-2020] |
| 2 | Mr. Debashish Bhaumik | Independent Director |
| 3 | Mr. Pramod Kumar Shah | Independent Director |
| 4 | Mrs Karabi Sengupta | Independent Director [appointed w.e.f. 19-Oct-2020] |

III Relatives of Key Managerial personnel

| S.No. | Name |
|-------|-------------------|
| 1 | Mr. R.K. Jatia |
| 2 | Mrs Vandana Jatia |
| 3 | Mrs Neeta Agarwal |

Notes to Financial Statements

... Note 30 continued

IV Other related parties with which Company has transaction

| S. No. | Name |
|--------|--|
| 1 | AMRI Hospitals Ltd. |
| 2 | Archana promoters & Developers Pvt Ltd |
| 3 | Bhanu Vyapaar Pvt Ltd. [amalgamated with Sneha Gardens Pvt Ltd] |
| 4 | Diwakar Viniyog Pvt Ltd [amalgamated with Sneha Enclave Pvt Ltd] |
| 5 | Emami Agrotech Ltd. |
| 6 | Emami Capital Markets Ltd |
| 7 | Emami Cement Ltd. |
| 8 | Emami Ltd. |
| 9 | Emami Paper Mills Ltd. |
| 10 | Emami Realty Ltd |
| 11 | Emami Foundation |
| 12 | M Bhattacharyya & Co. Pvt. Ltd. |
| 13 | Midkot Investments Pvt Ltd |
| 14 | New Way constrcutions ltd |
| 15 | Niramay Distributors Pvt Ltd. |
| 16 | Prabhakar Viniyog Pvt. Ltd. [amalgamated with Sneha Gardens Pvt Ltd] |
| 17 | PAN Emami Cosmed Ltd . |
| 18 | Premier Ferro Alloys & Securities Ltd . |
| 19 | Raviraj Viniyog Pvt. Ltd. [amalgamated with Sneha Gardens Pvt Ltd] |
| 20 | Shopper's city maintenance company Pvt Ltd |
| 21 | South city Projects kolkata Ltd. |
| 22 | Suntrack Commerce Pvt Ltd [amalgamated with Sneha Enclave Pvt Ltd] |
| 23 | Suraj Viniyog Private Limited [amalgamated with Sneha Gardens Pvt Ltd] |
| 24 | Sneha Enclave pvt Ltd |
| 25 | Sneha Gardens Pvt Ltd |
| 26 | Saroj Goenka & Others |
| 27 | Smt Shruti Goenka |
| 28 | Smt Jyoti Goenka |
| 29 | Smt Mansi Agarwal |
| 30 | Shri Prashant Goenka |
| 31 | Nayee Disha Communications Pvt Ltd |

Notes to Financial Statements

₹ In Lakhs

... Note 30 continued

| Description of Relationship with party | Nature of Transaction | For the Financial Year | | Amount ** Outstanding | |
|--|---|------------------------|-----------|-----------------------|---------------|
| | | 2020-21 | 2019-20 | as on 31.3.21 | as on 31.3.20 |
| Subsidiary | Investment in subsidiary | - | - | 600.00 | 600.00 |
| | Provision for diminution in value of Investment | 600.00 | - | - | - |
| | Loss Allowance for Bad and Doubtful debts | 950.00 | 300.76 | - | - |
| | Loan Given including interest accrued | | | 1,250.76 | 1,250.76 |
| Key Managerial Personnel | Salary | 239.46 | 164.10 | - | - |
| | Perquisites | 9.17 | 13.25 | - | - |
| | Rent received | 0.51 | 0.51 | 0.60 | - |
| Other Directors | Sitting fees | 2.47 | 1.24 | - | - |
| Relatives of Key Managerial Personnel | Salary | 15.26 | 11.62 | - | - |
| | Perquisites | 0.83 | 2.06 | - | - |
| | Retainership | 20.30 | 4.80 | - | - |
| | | | | | |
| Other Entities | Sale of Goods | 5,789.14 | 6,530.61 | 1,302.37 | 2,202.48 |
| | Display Charges | 23.77 | 25.22 | - | 7.49 |
| | Rent Received | 1.61 | 1.61 | 0.51 | - |
| | Ambulance Hire Charges | 6.42 | 5.74 | - | - |
| | Reimbursement of exp-Income | 4.07 | 6.92 | - | - |
| | | - | - | - | - |
| | Purchase of Goods | 4,865.20 | 4,029.04 | (17.50) | 98.31 |
| | Guarantee Commission Paid | 164.65 | 84.93 | (84.62) | (95.97) |
| | Interest on Loan taken | 901.93 | 327.64 | (267.88) | - |
| | Rent & maintenance paid | 212.70 | 350.47 | (22.41) | 23.82 |
| | Royalty | 10.00 | 10.00 | - | (10.80) |
| | Electricity Charges | 13.24 | 33.76 | (2.11) | 1.70 |
| | Interest Income on Loan Given | 2,673.20 | 1,218.32 | 83.77 | 1,216.94 |
| | Advance/Deposit given | 100.00 | - | 120.17 | 20.17 |
| | Reimbursement of exp | 1.79 | 2.98 | (0.16) | (3.35) |
| | Miscellaneous Expenditure | - | 110.13 | - | - |
| | | | | | |
| | Loan Given | 22,776.00 | 31,305.25 | 8,455.47 | 31,167.22 |
| | Loan refunded back including interest accrued | 49,294.11 | 13,163.00 | - | - |
| | Loan Taken | 96,730.00 | 8,550.00 | - | - |
| | Loan refund including interest | 97,364.05 | 8,550.00 | - | - |

** Figures in brackets denote credit balances

Notes to Financial Statements

₹ In Lakhs

31. 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. Therefore, Net Deferred Tax Asset of Rs. 3216.70 lakhs (P.Y.- Rs.1806.64 lakh) has been recognised till date in the accounts in compliance with IND AS 12 on" Income Taxes"

32. Contingent Liabilities & Commitments :-

a Contingent Liabilities

| Particulars | 31-Mar-21 | 31-Mar-20 |
|----------------|-----------|-----------|
| Bank Guarantee | 297.84 | 279.30 |

Contingent Liability disclosed above represents possible obligations where the possibility of cash outflow to settle the obligation is remote .

b Commitments

Estimated amount of Commitment not provided for Rs NIL(P.Y- Rs. NIL/-)

33 Assets given on Operating Lease

- a The company has given assets under non-cancellable operating lease . The total lease rent received on the same is Rs 0.40 Lakh- [P.Y - Rs 0.40 Lakh]
- b The minimum future lease rentals receivable in respect of non-cancellable lease as at 31-March-21 are as under:

| Particulars | 31-Mar-21 | 31-Mar-20 |
|--|-----------|-----------|
| Lease contributions for the year | 0.40 | 0.40 |
| Minimum Lease payment contributions | | |
| -Not later than one Year | 0.40 | 0.40 |
| -Later than one year but not later than five years | 2.00 | 2.00 |
| -Later than 5 years | 14.40 | 14.80 |

34 Assets given on Operating Lease

- a The company has taken buildings on rent. The total minimum lease payments and present value of minimum lease payments are as follows:-

| Particulars | 31-Mar-21 | | 31-Mar-20 | |
|--------------------------|------------------------|---|------------------------|---|
| | Minimum Lease payments | Present value of Minimum lease payments | Minimum Lease payments | Present value of Minimum lease payments |
| -Not later than one Year | 1,648.60 | 1,031.54 | 1,749.75 | 1,236.30 |
| -Later than 1 Year | 3,378.59 | 2,776.00 | 4,367.41 | 3,399.89 |

The difference between minimum lease payments and the present value of minimum lease payments of Rs.1219.65 lakh (P.Y- Rs 1480.97 lakh) represents interest not due

Notes to Financial Statements

₹ In Lakhs

35. Defined benefit Plan
35.1 Defined benefit Plan (Gratuity)

i) Gratuity: The Company has a defined Gratuity Plan for its employees. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded with an insurance company in the form of qualifying insurance policy.

| | Particulars | Year ended 31st March 2021 | Year ended 31st March 2020 |
|----------|---|----------------------------|----------------------------|
| | | Gratuity Funded | Gratuity Funded |
| A | Components of Employer Expenses | | |
| 1 | Current Service Cost | 58.88 | 71.45 |
| 2 | Past service Cost | - | - |
| 3 | Loss/(Gain) on settlement | - | - |
| 4 | Net interest income/(cost) on the net defined benefit liability (Asset) | 1.61 | (0.31) |
| 5 | Total Expenses recognised in the Statement of Profit & Loss | 60.49 | 71.14 |
| B | Net asset/(liability) recognised in balance sheet as at 31st March 2021 | | |
| 1 | Present value of Defined Benefit Obligation | 520.75 | 487.02 |
| 2 | Fair value of plan assets | 417.88 | 462.60 |
| 3 | Funded Status [Surplus/(deficit)] | (102.87) | (24.42) |
| 4 | Net asset/(liability) recognised in balance sheet | (102.87) | (24.42) |
| C | Change in Defined Benefit Obligation during the year ended 31st March 2021 | | |
| 1 | Present value of DBO at beginning of period | 487.02 | 437.08 |
| 2 | Current Service Cost | 58.88 | 71.45 |
| 3 | Interest Cost | 32.14 | 33.22 |
| 4 | Re-measurement (or actuarial)(gain)/loss arising from | - | - |
| | -Change in demographic assumptions | - | 0.30 |
| | -Change in financial assumptions | 39.68 | (57.12) |
| | -Experience variation (i.e Actual experience vs assumptions) | (73.97) | 28.55 |
| 5 | Past Service cost | - | - |
| 6 | Benefits Paid | (23.02) | (26.45) |
| 7 | Acquisition adjustment | - | - |
| 8 | Effect of business combinations or disposals | - | - |
| 9 | Present value of DBO at the end of period | 520.73 | 487.03 |
| D | Change in Fair Value of Assets | | |
| 1 | Fair value of Planned assets at beginning of period | 462.59 | 441.10 |
| 2 | Investment income | 30.53 | 33.52 |
| 3 | Employer's contribution | - | 27.64 |
| 4 | Benefits paid | (23.02) | (26.45) |
| 5 | Return on plan assets, excluding amount recognised in net interest expense | 15.27 | (13.22) |
| 6 | Acquisition adjustment | (67.51) | - |
| 7 | Fair value of Plan assets at end of the period | 417.86 | 462.59 |
| E | Other Comprehensive Income | | |
| 1 | Actuarial (gains)/Losees | - | 0.30 |
| | -Changes in demographic assumptions | 39.68 | (57.12) |
| | -Changes in financial assumptions | (73.97) | 28.55 |
| | -Experience variance (i.e Actual experience vs assumptions) | - | - |
| 2 | Return on plan assets, excluding amount recognised in net interest expense | (15.27) | 13.22 |
| 3 | Components of defined benefit costs recognised in other comprehensive income | (49.55) | (15.06) |

Notes to Financial Statements

₹ In Lakhs

| ii | The Major categories of plan assets as a % of total plan assets | As at 31st March 2021 | As at 31st March 2020 |
|-----|--|---------------------------------------|---------------------------------------|
| | Fund managed by insurer | 100% | 100% |
| iii | Assumptions | As at 31st March 2021 | As at 31st March 2020 |
| | Financial assumptions | | |
| | Discount rate % | 6.90% | 6.60% p.a |
| | Rate of increase in salaries | 9% p.a | 8% p.a |
| | Demographic assumptions | | |
| | Mortality rate (% of IALM 2012-14) | 100% | 100% |
| | Normal retirement age | 58 years | 58 years |
| | Attrition rates, based on age (% p.a) for all ages | 2% p.a | 2% p.a |
| iv | Sensitivity analysis | | |
| | Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate expected salary increase and mortality . The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period , while holding all other assumptions constant. The results of sensitivity analysis is given below:- | | |
| | Revenue from operations | As at 31st March 2021 | As at 31st March 2020 |
| | Defined benefit obligation base | 520.75 | 487.02 |
| | | As at 31st March 2021 | As at 31st March 2020 |
| | Particulars | Decrease Increase | Decrease Increase |
| a | Discount rate (-/ +1%) (% change compared to base due to sensitivity) | 589.44 463.49 13.19% -10.99% | 549.96 434.63 12.92% -10.76% |
| b | Salary growth rate (-/ +1%) (% change compared to base due to sensitivity) | 464.74 585.6 -10.75% 12.45% | 434.13 547.39 -10.86% 12.40% |
| c | Attrition rate (-/ +50%) (% change compared to base due to sensitivity) | 532.09 510.85 2.18% -1.90% | 494.56 480.41 1.55% -1.36% |
| d | Mortality rate (-/ +10%) (% change compared to base due to sensitivity) | 522.15 519.37 0.27% -0.26% | 487.94 486.12 0.19% -0.19% |
| | The sensitivity analysis presented above may not be representative of the actual change in defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated . | | |

Notes to Financial Statements

₹ In Lakhs

v Effect of plan on Entity's Future Cash Flows

a) Funding arrangements and funding policy

The company has purchased an insurance policy to provide for payment of gratuity to the employees . Every year , the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the company

b) Expected contibution during the next annual reporting period

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|--|-----------------------|-----------------------|
| The Company's best estimate of Contribution during the next year | 164.09 | 85.63 |

c) Maturity profile of Defined benefit obligation

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|--|-----------------------|-----------------------|
| Weighted average duration (based on discounted cash flows) | 13 years | 13 years |

| Expected cash flows over the next years (valued on undiscounted basis) | As at 31st March 2021 | As at 31st March 2020 |
|--|-----------------------|-----------------------|
| 1 year | 32.29 | 44.17 |
| 2 to 5 years | 119.68 | 79.33 |
| 6 to 10 years | 177.45 | 188.57 |
| More than 10 years | 1,126.35 | 965.26 |

Notes to Financial Statements

₹ In Lakhs

35. Defined benefit Plan -
35.2 Defined benefit Plan - Leave

| | Particulars | Year ended 31st March 2021 | Year ended 31st March 2020 |
|----------|---|----------------------------|----------------------------|
| | | Leave encashment Unfunded | Leave encashment Unfunded |
| A | Components of Employer Expenses | | |
| 1 | Current Service Cost | 17.97 | 24.83 |
| 2 | Past service Cost | - | - |
| 3 | Loss/(Gain) on settlement | - | - |
| 4 | Net interest income/(cost) on the net defined benefit liability (Asset) | 7.57 | 8.92 |
| 5 | Change in demographic assumptions | | |
| 6 | Actuarial (gains)/ Losses due to Change in financial assumption | 9.52 | (16.85) |
| 7 | Actuarial (gains)/ Losses due to Change in experience variance | (3.38) | 22.34 |
| 8 | Total Expenses recognised in the Statement of Profit & Loss | 31.68 | 39.24 |
| B | Net asset/(liability) recognised in balance sheet as at 31st March 2021 | | |
| 1 | Present value of Defined Benefit Obligation | 106.75 | 114.50 |
| 2 | Fair value of plan assets | - | - |
| 3 | Funded Status [Surplus/(deficit)] | (106.75) | (114.50) |
| 4 | Net asset/(liability) recognised in balance sheet | (106.75) | (114.50) |
| C | Change in Defined Benefit Obligation during the year ended 31st March 2021 | | |
| 1 | Present value of DBO at beginning of period | 114.50 | 117.42 |
| 2 | Current Service Cost | 17.97 | 24.83 |
| 3 | Interest Cost | 7.56 | 8.92 |
| 4 | Re-measurement (or actuarial)(gain)/loss arising from | - | - |
| | -Change in demographic assumptions | - | 0.08 |
| | -Change in financial assumptions | 9.52 | (16.85) |
| | -Experience variation (i.e Actual experience vs assumptions) | (3.38) | 22.34 |
| 5 | Past Service cost | - | - |
| 6 | Benefits Paid | (39.42) | (42.25) |
| 7 | Acquisition adjustment | - | - |
| 8 | Effect of business combinations or disposals | - | - |
| 9 | Present value of DBO at the end of period | 106.75 | 114.49 |
| D | Change in Fair Value of Assets | | |
| 1 | Fair value of Planned assets at beginning of period | - | - |
| 2 | Investment income | - | - |
| 3 | Employer's contribution | 39.42 | 42.25 |
| 4 | Benefits paid | (39.42) | (42.25) |
| 5 | Return on plan assets , excluding amount recognised in net interest expense | - | - |
| 6 | Acquisition adjustment | - | - |
| 7 | Fair value of Plan assets at end of the period | - | - |

Notes to Financial Statements ₹ In Lakhs

| ii | The Major categories of plan assets as a % of total plan assets | As at 31st March 2021 | As at 31st March 2020 |
|-----|--|--|---------------------------------|
| | Fund managed by insurer | NA | NA |
| iii | Assumptions | As at 31st March 2021 | As at 31st March 2020 |
| | Financial assumptions | | |
| | Discount rate % | 6.90% p.a | 6.60% p.a. |
| | Rate of increase in salaries | 9% p.a. | 8% p.a. |
| | Demographic assumptions | | |
| | Mortality rate (% of IALM 2012-14) | 100% | 100% |
| | Normal retirement age | 58 years | 58 years |
| | Attrition rates, based on age(% p.a) for all ages | 2% p.a | 2% p.a |
| iv | Sensitivity analysis | Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate expected salary increase and mortality . The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period , while holding all other assumptions constant. The results of sensitivity analysis is given below:- | |
| | Revenue from operations | As at 31st March 2021 | As at 31st March 2020 |
| | Defined benefit obligation base | 106.75 | 114.5 |
| | | As at 31st March 2021 | As at 31st March 2020 |
| | Particulars | Decrease Increase | Decrease Increase |
| a | Discount rate (-/ +1%) (% change compared to base due to sensitivity) | 121.96 94.19 14.25% -11.76% | 130.39 101.38 13.88% -11.46% |
| b | Salary growth rate (-/ +1%) (% change compared to base due to sensitivity) | 93.69 122.29 -12.23% 14.56% | 100.76 130.87 -12.00% 14.30% |
| c | Attrition rate (-/ +50%) (% change compared to base due to sensitivity) | 109.49 104.39 2.57% -2.21% | 116.49 112.78 1.74% -1.50% |
| d | Mortality rate (-/ +10%) (% change compared to base due to sensitivity) | 107.09 106.41 0.32% -0.31% | 114.74 114.26 0.21% -0.21% |
| | The sensitivity analysis presented above may not be representative of the actual change in defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. | | |

Notes to Financial Statements ₹ In Lakhs

V Effect of plan on Entity's Future Cash Flows

a. Maturity profile of Defined benefit obligation

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|-----------------------|-----------------------|
| Weighted average duration (based on discounted cash flows) | 13 years | 13 years |
| Expected cash flows over the next years (valued on undiscounted basis) | As at 31st March 2021 | As at 31st March 2020 |
| 1 year | 6.10 | 8.07 |
| 2 to 5 years | 17.37 | 14.88 |
| 6 to 10 years | 33.37 | 40.33 |
| More than 10 years | 264.51 | 257.81 |

Notes to Financial Statements

36 Fair Value Measurement

a Financial Instruments by category

₹ In Lakhs

| Particulars | 31-03-21 | | | 31-03-20 | | |
|--|----------------|--------|-------|----------------|--------|--------|
| | Amortised Cost | FVTOCI | FVTPL | Amortised Cost | FVTOCI | FVTPL |
| Financial Assets | | | | | | |
| Investment in Equity shares (Quoted) | - | 48.90 | - | - | 17.09 | - |
| Investment in Equity shares (Unquoted) | - | 225.57 | - | - | 213.09 | - |
| Investment in Equity shares (Unquoted)-Deemed cost | - | - | - | - | - | 600.00 |
| Investment in Preference Shares (Unquoted) | 14.84 | - | - | 13.49 | - | - |
| Trade Receivables | 3,771.35 | - | - | 4,487.78 | - | - |
| Loans and Advances | 43,987.91 | - | - | 33,044.11 | - | - |
| Other Financial Assets | 1,244.04 | - | - | 1,411.68 | - | - |
| Cash and Cash Equivalents | 492.14 | - | - | 687.16 | - | - |
| Financial Liabilities | | | | | | |
| Borrowings(including interest accrued) | 68,883.66 | - | - | 54,364.35 | - | - |
| Trade Payables | 2,822.97 | - | - | 3,858.32 | - | - |

Notes to Financial Statements

₹ In Lakhs

b. Fair Value Hierarchy

| Particulars | Fair Value Hierarchy | As at 31-03-21 | As at 31-03-20 |
|--------------------------------------|----------------------|----------------|----------------|
| Financial Assets | | | |
| Investment in Equity Share(Quoted) | Level 1 | 48.90 | 17.09 |
| Investment in Equity Share(Unquoted) | Level 2 | 225.57 | 213.09 |

The fair value of financial assets & liabilities is classified in various fair value hierarchy based on following three levels:-

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidated sale.

Based on the evaluation of Trade Receivables, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amount of such receivables , net of allowances (if any) , are not materially different from their calculated Fair values.

There were no transfers between Level 1 and Level 2 during the year.

When the fair value of unquoted instruments cannot be measured with sufficient reliability, the group carries such instruments at cost less impairment, if applicable.

(c) Fair value of financial assets and liabilities measured at amortised cost :

The Company uses Discounted Cash Flow Valuation Technique which involves determination of present value of expected receipt discounted using appropriate discounting rate.

Notes to Financial Statements

₹ In Lakhs

| Particulars | 31-03-2021 | | 31-03-2020 | |
|--|----------------|------------|----------------|------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Financial Assets | | | | |
| Investment in Preference Shares (Unquoted) | 14.84 | 14.84 | 13.49 | 13.49 |
| Security Deposit | 1,005.63 | 1,005.63 | 881.89 | 881.89 |
| Financial Liabilities | | | | |
| Borrowings(including interest accrued) | 68,883.66 | 68,883.66 | 54,364.35 | 54,364.35 |

The Management has assessed that the Fair Value of other financial assets and liabilities (fixed deposits, short term loans and advances and other current liabilities) approximates their carrying amounts largely due to the short term nature of these instruments. Fair value of non-current financial instruments (other than above) approximates to their carrying value which is based on effective interest rate.

Notes to Financial Statements

₹ In Lakhs

37 Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, the company has risk management policies as described below :-

(A) Credit risk

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The company is exposed to credit risk for receivables, cash and cash equivalents, financial guarantees. None of the financial instruments of the Company result in material concentration of credit risks. Credit risk on receivables is minimum since sales through different mode are made after judging credit worthiness of the customers or advance payment . The history of defaults has been minimal and outstanding receivables are regularly monitored. For credit risk on the loans to parties, the company is not expecting any material risk on account of non-performance by any of the parties.The company creates allowances for all unsecured receivables and advances based on lifetime expected credit loss . The company has provided the Expected credit loss amounting to Rs. 1550 Lakh (P.Y- Rs 307.43 lakh)

(B) Liquidity risk

Liquidity risk refers to the risk that the company fails to honour its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Company does not have any derivative financial liability.The following are the remaining contractual maturities of non derivative financial liabilities at the reporting period:

Notes to Financial Statements

₹ In Lakhs

Year ended 31.3.2021

| Particulars | Less than 1 year | 1 to 5 years | More than 5 years | Total |
|---------------------------|------------------|------------------|-------------------|------------------|
| Borrowings | 2,601.36 | 65,908.12 | - | 68,509.48 |
| Interest on borrowings | 374.18 | - | - | 374.18 |
| Trade Payables | 2,822.97 | - | - | 2,822.97 |
| Employee Benefits Payable | 203.82 | - | - | 203.82 |
| Other Liabilities | 275.93 | - | - | 275.93 |
| Total | 6,278.26 | 65,908.12 | - | 72,186.38 |

Year ended 31.3.2020

| Particulars | Less than 1 year | 1 to 5 years | More than 5 years | Total |
|---------------------------|------------------|------------------|-------------------|------------------|
| Borrowings | 1,001.51 | 52,667.35 | - | 53,668.86 |
| Interest on borrowings | 695.49 | - | - | 695.49 |
| Trade Payables | 3,858.32 | - | - | 3,858.32 |
| Employee Benefits Payable | 233.18 | - | - | 233.18 |
| Other Liabilities | 611.53 | - | - | 611.53 |
| Total | 6,400.03 | 52,667.35 | - | 59,067.38 |

Notes to Financial Statements

₹ In Lakhs

(C) Market risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

There is no transaction which will result in foreign currency exposure during the year.

Foreign Currency paid for the year w.r.t imports amounts to Rs14.21 lakh (PY: Rs.99.78lakh), and w.r.t travelling amounts to Rs. NIL (PY:: Rs.1.75 Lakh]

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's main interest rate risk arises from short term and long-term borrowings with variable rates, which expose the company to cash flow interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible changes in interest rates on that portion of loans and borrowings affected. With all other variables remaining constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars | Increase/ decrease in Basis points | Effect on Profit before tax |
|-------------|------------------------------------|-----------------------------|
| 31.03.2020 | +0.50 | (344.42) |
| | -0.50 | 344.42 |
| 31.03.2019 | +0.50 | (177.02) |
| | -0.50 | 177.02 |

(iii) Price risk

The company's exposure to equity securities price risk arises from investments held - both quoted and unquoted and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. The company is not expecting high risk exposure from its investment in securities.

38 Capital Management

For the purpose of the Company's Capital Management, Capital includes issued equity capital and all other Equity Reserves attributable to the Equity holders . The Primary objective of the Company's capital management is to maximise the Shareholder value.

Notes to Financial Statements ₹ In Lakhs

| Particulars | 31st March 2021 | 31st March 2020 |
|--|-----------------|-----------------|
| Long term Borrowings incl current maturities | 23,657.31 | 12,966.58 |
| Short term Borrowings | 44,852.17 | 44,102.18 |
| Less:- Cash & Cash equivalent | (492.14) | (687.16) |
| Net Debt | 68,017.34 | 56,381.60 |
| Equity | (6,654.15) | (2,902.58) |
| Gearing Ratio | NIL | NIL |

- In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.
- There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.
- 39 Since the company operates only in one segment i.e retailing and also in one country i.e India ,hence information on segment reporting with respect to opearting and geographical segment is not provided.
- 40 The Company has accessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of Receivables, Inventories, Investments and other assets/ liabilities. Based on the internal and external sources of information, the Company is of the view that the impact of COVID-19 is not material. Due to the nature of pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.
- 41 The Financial accounts of M/s Lyfresh Private limited (wholly owned subsidiary) are not yet finalised and therefore, not made available to the company for consolidation . Since the company has already provided in full the amount of invesment in and loan to the above subsidiary aggregating to Rs 15.50cr, included in other expenses, the non consolidation as stated above , would not have any financial impact on the consolidated accounts.
- 42 Previous year's figures have been regrouped and rearranged wherever necessary.

Significant accounting polices 1
The accompanying notes are an integral part of these financial statements For & on behalf of Board of Directors

In terms of our attached report of even date

| | | |
|---|---|---|
| For Agrawal Tondon & Co. Chartered Accountants FRN:-329088E | Gautam Jatia Managing Director DIN - 00604926 | Akhilesh Agarwal Chief Financial Officer |
| Radhakrishnan Tondon Partner Membership No.060534 | Anurag Jatia Director DIN - 01184328 | Amrita Bhattacharya Company Secretary Membership No. - A53270 |

Dated : 28-June-2021
Place : Kolkata