



## EMAMI FRANK ROSS LIMITED DIRECTORS' REPORT

To  
The Members,

The Directors have pleasure in presenting the 104<sup>th</sup> Annual Report of your Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March 2022.

The Directors are pleased to share with you that your Company has maintained sustainable growth and earned profit in the financial year 2021-2022.

### 1. FINANCIAL HIGHLIGHTS AND PERFORMANCE

The performance of the Company for the year 2021-22 is stated below:

(₹ Lakhs)

PARTICULARS	Standalone		Consolidated	
	<u>2021 – 2022</u>	<u>2020 – 2021</u>	<u>2021 – 2022</u>	<u>2020 – 2021</u>
Profit/(Loss) before Depreciation, Tax & exceptional items	2479.19	(2834.79)	1573.70	(1269.76)
Less/(Add): Depreciation	2031.75	(2420.15)	2031.75	(2420.15)
Profit/(Loss) before Tax& exceptional items	447.44	(5254.94)	(458.05)	(3689.91)
Exceptional Items	0.00	0.00	0.00	0.00
Profit /(Loss) before exceptional items and tax	447.44	(5254.94)	(458.05)	(3689.91)
Less: Provision for Taxation				
Deferred Tax	(85.16)	(1431.20)	(85.16)	(1431.21)
Wealth Tax	0.00	0.00	0.00	0.00
(Excess)/Short Provision of Earlier years	0.05	0.52	0.05	0.53
<b>Profit/(Loss) for the year</b>	<b>532.55</b>	<b>(3824.26)</b>	<b>(372.95)</b>	<b>(2259.23)</b>
Other Comprehensive Income net of Tax	14.91	72.69	14.91	72.69
<b>Total Comprehensive Income for the year</b>	<b>547.46</b>	<b>(3751.57)</b>	<b>(358.03)</b>	<b>(2186.53)</b>
Credit Balance Brought Forward	(6862.42)	(3110.85)	(5920.68)	(3734.14)
Adjustment to Equity	-	-	-	-
Fund available for appropriation	(6314.99)	(6862.42)	(6278.74)	(5920.68)
Balance Carried to Balance Sheet	(6314.99)	(6862.42)	(6278.74)	(5920.68)



The Company has prepared the Financial Statements for the financial year ended 31<sup>st</sup> March, 2022 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.

➤ **NATURE OF BUSINESS**

Emami Frank Ross Limited is one of Eastern India’s largest and oldest pharmacy chain with retail stores operation in West Bengal, Odissa, Karnataka and Tamil Nadu. Emami Frank Ross Ltd has also initiated e-commerce pharmacy business, currently running in Kolkata and nearby districts with the vision to serve the entire Eastern India and Karnataka in near future.

Apart from just pharma, Emami Frank Ross Ltd also deals in several other product categories including medical devices, personal care, baby care, health food & drinks, sexual wellness, ayurvedic, herbal and natural products. The Company’s private label brand “ROSSCARE” has already introduced more than 200 sku’s in the pharma and non pharma categories and many of these products have been successfully launched.

➤ **BUSINESS REVIEW/STATE OF COMPANY’S OPERATIONS AND INDUSTRY SCENARIO**

The Company runs pharmacy in name and style of “Frank Ross Pharmacy” and leisure business of books, media, 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 considerable improvement in turnover which stands at Rupees 496 Crores for the year ended 31.03.2022 as against Rupees 370 Crores in the previous year recording a growth of 33%.

Frank Ross pharmacy is planning to aggressively open new branches and doctor’s chambers in greater Kolkata and in district town of West Bengal as well as in the neighbouring States of Bihar, Odissa, Chattisgarh, North East etc. The Company has also started giving ‘Franchise’ rights to various parties in all the above States.

➤ **CHANGE IN NATURE OF BUSINESS IF ANY**

There has been no changes in the nature of business of the Company.



## **2. SHARE CAPITAL**

During the financial year, the Company has not changed its Share Capital and has also 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 31<sup>st</sup> March, 2022 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 2021-2022 in view of carried forward losses.

## **4. TRANSFER TO RESERVE**

The Company is not transferring any amount to General Reserve due to inadequacy of profits during the financial year 2022.

## **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 LOANS, GUARANTEES AND INVESTMENTS**

In terms of Section 186 of the Companies Act and Rules framed thereunder, details of the loans given and investments made by the Company have been disclosed as notes to accounts of the Financial Statements for the year ended 31<sup>st</sup> March, 2022 which forms part of the Annual Report.

## **7. NON CONVERTIBLE BONDS/DEBENTURES**

The Company 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 of which 25% of issue amount i.e. ₹ 37,50,00,000 was redeemed with the payment of interest at 12 percent per annum.

Further the Company allotted 220 unlisted senior secured redeemable non-convertible debentures having face value ₹ 10,00,000/- (Rupees Ten Lakhs) on Private Placement basis.

## **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 2021-2022 under review.

## 10. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE BEEN OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THIS REPORT

There has been no material changes and commitments occurred during the above period affecting the Financial position of the Company.

## 11. 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, **Annual Return** (Annexure I) for the Financial Year ended 31.03.2022 is available and can be accessed from the website of the Company at <http://www.frankcrosspharmacy.com>.

## 12. SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES AND THEIR PERFORMANCE

In compliance with Ind AS 110, Your Company has prepared Consolidated Financial Statements, which forms part of this Annual Report. 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 is enclosed in Annexure II and forms part of this report.

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 financials 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 continue to be the 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 be appointed 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, 2022 forms 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 & other applicable provisions if any, the Company has appointed Mr. Sandip Kumar Kejriwal, Practicing Company Secretary, as its Secretarial Auditor to undertake Secretarial Audit for the Financial Year Ending 31.03.2022. The Secretarial Auditor's Report for the Financial Year ending 31.03.2022 is attached, which is self-explanatory (vide **Annexure-V**)

#### **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. DELISTING**

The Company's equity shares were listed on The Calcutta Stock Exchange Limited and listing fees for the year 2021-2022 was paid. The Company had opted for 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 it has duly received the in principal final approval from the Calcutta Stock Exchange Limited for delisting of equity shares of the Company vide their letter reference number CSE/LD/15489/2022 dated 25<sup>th</sup> March, 2022. Hence Your company has got delisted from the official list of the Calcutta Stock Exchange Limited consequent upon the approval of delisting by the Exchange under SEBI (Delisting of Equity Shares) Regulations 2021 w.e.f. 28<sup>th</sup> March, 2022.



## 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 of changes in the Board Composition during the year 2021-2022 under review are as under:

SL. NO.	NAME OF THE DIRECTORS	DESIGNATION & CATAGORY	REASONS AND DATE OF APPOINTMENT/RESIGNATION/RETIREMENT
1	Mrs.Karabi Sengupta (DIN: 02534951)	Independent Director	Appointed as an additional director w.e.f. October 19 <sup>th</sup> , 2020 to hold office upto the date of the 103 <sup>rd</sup> Annual General Meeting and further appointed as an Independent Director w.e.f. 28 <sup>th</sup> September, 2021
2	Mr. Pramod Kumar Shah (DIN: 00343256)	Independent Director	Reappointed for second term w.e.f 14 <sup>th</sup> August, 2021 and approval of shareholders taken on 28 <sup>th</sup> September, 2021
3	Mr. Anurag Jatia (DIN: 01184328)	Whole time Director	Reappointed as Whole time Director from 01 <sup>st</sup> April 2021 to hold office up to the date 31 <sup>st</sup> March, 2024 and revision of remuneration with the approval of shareholders on 103 <sup>rd</sup> Annual General Meeting to be held on 28 <sup>th</sup> September, 2021.

## DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT/CHANGES:

### a. Retirement 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 Mr. Anurag Jatia, Whole Time Director of the Company who retires by rotation and being eligible offers himself for reappointment. Your Directors recommend his reappointment.

### b. Retirement 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 Mr. Sujoy Chattaraj, Whole Time Director of the Company who retires by rotation and being eligible offers himself for reappointment. Your Directors recommend his reappointment.

#### **B) Declaration by Independent Director(s)**

The Board of Directors hereby certify that the Independent Directors appointed on the Board meet the criterias 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 01.04.2022 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, the Company sends the formal invitation along with the detail about the profile of Company, Board and other relevant information to the Independent Directors and also explains 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 their terms of appointment, commitments, role & duties etc. The Directors, upon appointment, are formerly inducted in the Board and they are updated periodically about the Financials & other information of the Company. The Company Secretary briefs the Directors about their legal and regulatory responsibility on a periodical basis.

#### **D) Number of meetings of the Board of Directors**

5(Five) Board meetings were held during the financial year 2021-2022 on the following dates:

SL. No.	Date of the meeting	No. of Directors attended the meeting
1	11.06.2021	7
2	28.06.2021	7
3	14.08.2021	7
4	12.11.2021	7
5	11.02.2022	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 meetings attended 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 reconstituted on 25.07.2014. As on 31<sup>st</sup> March, 2022 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 are circulated to the Board, discussed and taken note. All recommendations made by the Audit Committee during the year were accepted by the Board.

Atleast one meeting of the Audit Committee was held in every quarter of the financial year ended March 31<sup>st</sup>, 2022 and the time gap between any two consecutive meetings of the Audit Committee did not exceed 120 days. During the financial year from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022, 5(Five) Audit Committee Meetings were held. The dates on which the meetings were held are as follows and the same were attended by all the members:

**11<sup>th</sup> June 2021; 28<sup>th</sup> June, 2021; 14<sup>th</sup> August, 2021; 12<sup>th</sup> November, 2021&11<sup>th</sup> February 2022.**

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

The Board of directors of the Company was 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. The Nomination and Remuneration Committee 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 31.03.2022, 2 (Two) meetings of Nomination & Remuneration Committee were held on **14<sup>th</sup> August, 2021 and 11<sup>th</sup> February, 2022** and all the Committee members were present in these meeting.

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 it 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 31<sup>st</sup> March, 2022 Mr. Debashis Bhaumik (Chairman), Mr. Gautam Jatia, & Mr. Anurag Jatia are members of the Share Transfer Committee.

1 (One) Share Transfer Committee Meeting was held on 17<sup>th</sup> March, 2022 during the financial year 2021-22 and all the Committee members were present in the meeting.

#### **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 2021-2022, 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 14<sup>th</sup> August, 2021 to review the performance of Non-Independent Directors and the Board as a whole. The independent Directors also reviewed the quality, 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:**

<b>Sr.</b>	<b>Particulars</b>	<b>Name of the Directors and KMP (s)</b>	<b>Ratio</b>
(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. Gautam Jatia Mr. Anurag Jatia Mr. Sujoy Chattaraj Mrs. Chadaravalli Srinivasa Bhatta Nalini	Ratio: 38:1 21:1 26:1 13:1
(ii)	*Percentage increase in remuneration of each director and CEO, CFO & CS in the financial year	Mr. Gautam Jatia – Managing Director& CEO Mr. Anurag Jatia – Whole Time Director Mr. Sujoy Chattaraj – Whole time Director Mrs. Chadaravalli Srinivasabhatta Nalini – Whole Time Director Mr. Akhilesh Kumar Agarwal – Chief Financial Officer(Resigned w.e.f. 31 <sup>st</sup> March 2022) Ms. Amrita Bhattacharya-Company Secretary	14% 7% 10% 11% 7% 6%



(iii)	*Percentage increase in the median remuneration of employees in the financial year		11%
(iv)	Number of permanent employees on the rolls of company		1733
(v)	*Average percentile increase in the salaries of employees other than the managerial personnel		9%
(vi)	Affirmation	The Board affirms that the remuneration is as per the remuneration policy of the company	-----

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

The Managing Director or Whole-Time Director(s) of the Company were not 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 has become applicable to the Company w.e.f. 1<sup>st</sup> April, 2022. Necessary action will be taken to constitute a CSR committee and frame CSR policy soon.

### **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**

<b>Foreign exchange earned during the year</b>	<b>: NIL</b>
<b>Foreign exchange used during the year</b>	<b>:</b>
Purchase (Imports)	: ₹17.08 Lakhs
Product Listing	: NIL
Travelling (Boarding & Lodging)	: NIL
<b>Total</b>	<b>: ₹17.08 Lakhs</b>

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors wish to inform members that the Audited Accounts containing Financial Statements for the year 2021-2022 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 have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) The Directors have 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 have prepared the annual accounts on a going concern basis;
- v) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- vi) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.





## **APPRECIATION**

The directors wish to convey their appreciation to all 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 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)

Sujoy Chattaraj  
Whole time Director  
(DIN 08818352)

Place: Kolkata  
Date: 23<sup>rd</sup> August, 2022



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 1. Industry Structure & Development

In the recent Union Budget of 2022, the pharma industry of the country was recognized as the “sunrise sector” for India's economy and is expected to grow threefold over the next decade. As per the Economic Survey of 2021-2022, the Indian pharmaceutical industry is expected to reach \$65 billion by 2024.

Covid-19 vaccine production is likely to remain high in the coming years, as a large share of the global population has not yet been vaccinated. Any emergence of new virus variants would require additional rounds of booster vaccinations.

According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market stood at US\$ 42 billion in 2021 and is likely to reach US\$ 65 billion by 2024 and further expand to reach US\$ 130 billion by 2030. India's biotechnology industry comprises biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics. The Indian biotechnology industry was valued at US\$ 70.2 billion in 2020 and is expected to reach US\$ 150 billion by 2025. India's medical devices market stood at US\$ 10.36 billion in FY20. The market is expected to increase at a CAGR of 37% from 2020 to 2025 to reach US\$ 50 billion. As of August 2021, CARE Ratings expect India's pharmaceutical business to develop at an annual rate of ~11% over the next two years to reach more than US\$ 60 billion in value

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.

In June 2021, Hon'ble Finance Minister Ms. Nirmala Sitharaman announced an additional outlay of Rs. 197,000 crore (US\$ 26,578.3 million) that will be utilised over five years for the pharmaceutical PLI scheme in 13 key sectors such as active pharmaceutical ingredients, drug intermediaries and key starting materials.

In the global pharmaceuticals sector, India is a significant and rising player. India is the world's largest supplier of generic medications, accounting for 20% of the worldwide supply by volume and supplying about 60% of the global vaccination demand. The Indian pharmaceutical sector is worth US\$ 42 billion worldwide. In August 2021, the Indian pharmaceutical market increased at 17.7% annually, up from 13.7% in July 2020. According to India Ratings & Research, the Indian pharmaceutical market revenue is expected to be over 12% Y-o-Y in FY22.



### INVESTMENT & RECENT DEVELOPMENTS

The FDI inflows in the Indian drugs and pharmaceuticals sector reached US\$ 19.41 billion between April 2000 -March 2022.

The Union Cabinet has given its nod for the amendment of the 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 Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry. India ranks third worldwide in terms of production by volume and 14th by value.

In this regard the sector has seen a lot of investments and developments in the recent past:

- The Indian drugs and pharmaceuticals sector received cumulative FDIs worth US\$ 19.41 billion between April 2000-March 2022 reached USD during the year 2021-22.
- The foreign direct investment (FDI) inflows in the Indian drugs and pharmaceuticals sector reached US\$ 1,414 million between in FY 2021-22.
- The Indian pharmaceutical industry generated a trade surplus of US\$ 15.81 billion in FY22.
- In May 2022, Dr. Reddy's Laboratories enters into exclusive partnership with HK inno.N Corporation to commercialise novel molecule Tegoprazan in India & select emerging markets.
- In April 2022, Dr Reddy's Laboratories Ltd. inked a pact with MediCane Health to announce the launch of medical cannabis products in Germany.
- 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.



- In March 2022, Themis Medicare Ltd. (Themis), announced the approval of its antiviral drug VIRALEX by the Drug Controller General of India (DCGI).
- The National Digital Health Blueprint has the potential to generate nearly US\$ 200 billion in added economic value for India's healthcare industry over the next 10 years.
- In September 2021, the Indian government contributed US\$ 4 billion to the pharmaceutical and medical industries.

## 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**

Pharmaceuticals demand in emerging markets is set to increase due to improvements in healthcare systems and growing disposable household incomes. Generics and OTC drug producers will be the first to benefit from this development. High economic growth along with increasing penetration of health insurance to push expenditure on healthcare and medicine in India.

### ➤ **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.

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 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 the Company has appointed Saraf& Chandra LLP as 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, Indian Pharmaceuticals Industry**

For and on behalf of the Board

Gautam Jatia  
Managing Director  
(DIN 00604926)

Sujoy Chattaraj  
Whole time Director  
(DIN 08818352)

Place: Kolkata  
Date: 23<sup>rd</sup> August, 2022

**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- 31.03.2022**

(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	(599.98)
7	Total assets	1.91
8	Total Liabilities	1.89
9	Investments	-
10	Turnover	1.13
11	Profit before taxation	256.06
12	Provision for taxation	-
13	Profit after taxation	256.06
14	Proposed Dividend	-
15	% of shareholding of Holding Company	100%

For and on behalf of the Board

Gautam Jatia  
Managing Director  
(DIN 00604926)

Sujoy Chattaraj  
Whole time Director  
(DIN 08818352)

Place: Kolkata

Date: 23<sup>rd</sup> August, 2022

**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  
with Director(s)/Key Managerial Personnel (KMP) and Relatives**

Description	(1)	(2)	(3)	(4)	(5)
Name 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	Mr. Sujoy Chattaraj- Whole Time Director	Mrs. Chadavalli Srinivasabhattacha Nalini
Nature of Contracts / arrangements/transactions	1. Sale of Goods 2. Act as a consultant	Sale of Goods	Sale of Goods	Sale of Goods	Sale of Property
Duration of the contracts/arrangements/ transactions	Yearly	Yearly	Yearly	Yearly	Based on the Agreement
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	Sale of Goods to the Party	Sale of Property
Justification for entering into such contracts or arrangements or transactions	Regular Business Activity	Regular Business Activity	Regular Business Activity	Regular Business Activity	Sale of Property
date(s) of approval by the Board	11 <sup>th</sup> June, 2021	19 <sup>th</sup> April, 2022	19 <sup>th</sup> April, 2022	19 <sup>th</sup> April, 2022	14 <sup>th</sup> August, 2021
Amount paid as advances, if any:	No	No	No	Yes	Yes
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	28 <sup>th</sup> September, 2021 Special Resolution for appointment as consultant	NA	NA	NA	28 <sup>th</sup> September, 2021 Special Resolution for Sale of Property

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

Description	(1)	(2)	(3)
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.	Midkot Investment Private Limited
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
Duration of the contracts / arrangements /transactions	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



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
date(s) of approval by the Board	19 <sup>th</sup> April, 2022	19 <sup>th</sup> April, 2022	19 <sup>th</sup> April, 2022
Amount paid as advances, if any:	No	No	No
Date on which SR passed in general meeting as required under first proviso to Section 188	NA	NA	NA

For and on behalf of the Board

Gautam Jatia  
Managing Director  
(DIN 00604926)

Sujoy Chattaraj  
Whole time Director  
(DIN 08818352)

Place: Kolkata  
Date: 23<sup>rd</sup> August, 2022

**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	Gautam Jatia	Anurag Jatia	Chadaravalli Srinivasa Bhatta Nalini	Sujoy Chattaraj	Pramod Kumar Shah	Debasish Bhaumik	Karabi Sengupta
1	11.06.2021	Y	Y	Y	Y	Y	Y	Y
2	28.06.2021	Y	Y	Y	Y	Y	Y	Y
3	14.08.2021	Y	Y	Y	Y	Y	Y	Y
4	12.11.2021	Y	Y	Y	Y	Y	Y	Y
5	11.02.2022	Y	Y	Y	Y	Y	Y	Y

**II. Audit Committee Meetings**

SL	Date of Meeting	Pramod Kumar Shah	Anurag Jatia	Debasish Bhaumik
1	11.06.2021	Y	Y	Y
2	28.06.2021	Y	Y	Y
3	14.08.2021	Y	Y	Y
4	12.11.2021	Y	Y	Y
5	11.02.2022	Y	Y	Y

**III. Nomination & Remuneration Committee Meeting**

SL	Date of Meeting	Pramod Kumar Shah	Debasish Bhaumik	Karabi Sengupta
1	14.08.2021	Y	Y	Y
2	11.02.2022	Y	Y	Y

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

For and On behalf of the Board

Gautam Jatia  
Managing Director  
(DIN 00604926)

Sujoy Chattaraj  
Whole time Director  
(DIN 08818352)

Place: Kolkata  
Date: 23<sup>rd</sup> August, 2022

**Annexure V**

**FORM NO. MR – 3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR  
ENDED 31<sup>ST</sup> MARCH, 2022**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**To,  
The Members,  
Emami Frank Ross Limited  
CIN: L24232WB1919PLC003123  
7, Jawaharlal Nehru Road, Kolkata-700013, West Bengal**

I have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **Emami Frank Ross Limited, CIN: L24232WB1919PLC003123** (hereinafter called 'the Company') for the **Financial Year ended 31<sup>st</sup> March, 2022**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

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

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

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable for External Commercial Borrowings as there was no reportable event during the financial year under review;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (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, 2018 – **Not applicable as there was no reportable event during the financial year under review;**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021– **Not applicable as there was no reportable event during the financial year under review;**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable as the Company as there was no reportable event during the financial year under review;**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable as there was no reportable event during the financial year under review;** and

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

(vi) Management has identified and confirmed the following laws as being specifically applicable to the Company:

(a). The Drugs and Cosmetics Act, 1940;

(b). Food Safety and Standards Act, 2006 and Rules 2011 with allied rules and Regulations;

(c). Narcotic Drugs & Psychotropic Substances Act, 1985

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

(ii) Listing Agreements entered into by the Company with CSE Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to our observations given below:

Where a company has one or more subsidiaries or associate company, it shall, in addition to financial statements provided under sub section (2), prepare a consolidated financial statement of the company and of all the subsidiaries and associate companies in the same form and manner as that of its own and in accordance with applicable accounting standards, which shall also be laid before the annual general meeting of the company along with the laying of its financial statement under section (2) vide section 129(3) of the Companies Amendment Act, 2017.

As indicated in the Annual Audited Accounts for the year 2020-21 due to non-finalization of the Financial Statements of its Subsidiary Company Viz. Lyfresh Pvt. Ltd., the Company could not place the Consolidated Financial Statements (CFS) before its last AGM held on 28.09.2021 for adoption of the shareholders.

**I further report that:**

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including a Woman

Independent Director. Changes in the composition of Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Act; **2013**

(ii) Adequate notice is given to all Directors to schedule 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 agenda items before the meeting and for meaningful participation at the meeting;

(iii) All the decisions of the Board and Committees thereof were carried through unanimously.

**I further report that** based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**I further report that** during the financial year under review, following events/ actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred:

The Calcutta Stock Exchange has approved voluntary delisting of the equity shares of the Company w.e.f. 28<sup>th</sup> March, 2022 under The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 vide its Letter No.CSE/LD/15489/2022 dated 25<sup>th</sup> March, 2022. Consequently, the Company has now become an Unlisted Company and ROC, West Bengal has been requested to update the Master Date by changing the status of the Company from Listed Company to an Unlisted Company.

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

Place: Kolkata

Date: 23<sup>rd</sup> August, 2022

Sandip Kumar Kejriwal

FCS No.:5152 C P No.: 3821

UDIN: F005152D000831956



## **Annexure A**

To,

**The Members,**

**Emami Frank Ross Limited**

**CIN: L24232WB1919PLC003123**

### **Management's Responsibility**

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### **Auditor's Responsibility**

1. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for our opinion.
3. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### **Disclaimer**

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

Place: Kolkata

Date: 23<sup>rd</sup> August, 2022

Sandip Kumar Kejriwal

FCS No.:5152 C P No.: 3821

UDIN: F005152D000831956



## **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 Ind AS financial statements of **EMAMI FRANK ROSS LIMITED** ("the Company"), which comprise the standalone Balance Sheet as at 31st March 2022, the standalone Statement of Profit and Loss including other comprehensive income, the standalone Statement of Cash Flow and the standalone Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 2022, its profits including other comprehensive income, its cash flows and its changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 Companies Act, 2013 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 Ind AS financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of standalone Ind AS financial statements for the year ended 31<sup>st</sup> March, 2022. These matters were addressed in the context of our audit of standalone Ind AS 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
<p><b>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".</b></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> <ul style="list-style-type: none"> <li>a) Evaluated the design of internal controls relating to implementation of the new revenue accounting standards.</li> <li>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.</li> <li>c) Selected a sample of continuing and new contracts and performed the procedures: <ul style="list-style-type: none"> <li>i) Read, analyzed and identified the distinct performance obligations.</li> <li>ii) Compared these performance obligations with that identified and recorded by the company.</li> <li>iii) Considered the terms of the contracts to determine the transaction price.</li> <li>iv) Samples in respect of revenue recorded for time and material contracts were tested using contracts agreements, customer acceptance.</li> </ul> </li> </ul>

<p><b>2) Related Party Transactions</b></p> <p>The Company has entered into several transactions with related parties during the year 2021-22. 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"> <li>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.</li> </ol>
	<ol style="list-style-type: none"> <li>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.</li> <li>3. We considered the adequacy and appropriateness of the disclosures in the financial statements, including recoverability thereof, relating to the related party transactions.</li> <li>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.</li> <li>5. We have tested on a sample basis, Company's assessment of related party transactions for arm's length pricing.</li> </ol>

Key Audit Matters	Auditor's Response thereon
<p><b>3) Existence and valuation of Inventories.</b></p> <p>As indicated in Note 9, the value of the Company's inventories at year-end was Rs. 6983.96 lakh, representing 15.82% 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> <ul style="list-style-type: none"> <li>● Understood Management's control over physical inventory counts and valuation</li> <li>● 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.</li> <li>● Evaluation of the design and testing the operating effectiveness of the internal controls relating to purchases, sales and inventories including automated controls</li> <li>● 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.</li> <li>● 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.</li> </ul>

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

The Company's Board of Directors is responsible for the other information. 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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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 on the other information obtained prior to the date of this auditor's report, 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.

### **Responsibility of Management and Those Charged with Governance for Standalone Ind AS Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the 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 Ind AS 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.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We 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 the standalone Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards 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 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 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 requirement of section 197(16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanation given to us, the remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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 statement.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no such sum which needs to be transferred to the Investor Education and Protection Fund by the Company.

- iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party



("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our attention that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) above, contain any material misstatement

- v. The Company has neither declared nor paid any dividend during the year nor in the previous year.

For Agrawal Tondon & Co  
Chartered Accountants  
Firm's Registration Number – 329088E

Radhakrishnan Tondon  
Partner  
Membership No: 060534

Place: Kolkata

Date: 23. 08 - 2022

UDIN: 22060534 A 8 NW F 8 1363

## **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 Subsection 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 ("the Company") as of March 31<sup>st</sup>, 2022 to the extent of records available with us in conjunction with our audit of the standalone Ind AS 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 2022, based on the internal financial controls over financial reporting criteria established by the Company considering the essentials 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

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

reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

### **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 Number – 329088E

Radhakrishnan Tondon  
Partner  
Membership No: 060534

Place: Kolkata  
Date: 23.08.2022  
UDIN: 22060534A0NWFB1363

## 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) In respect of the Company's Property, Plant and Equipment:
  - (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
(B) The Company has maintained proper records showing full particulars of intangibles assets.
  - (b) The Company has a regular program of verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given by the management, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
  - (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) during the year ended 31<sup>st</sup> March, 2022.
  - (e) There were no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii)
  - (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed.
  - (b) According to the information and explanations given to us, at any point of time during the year, the Company has not been sanctioned any working capital facility in excess of Rs 5 crores from banks or financial institutions on the basis of security of current assets of the company. Based on the records examined by us in the normal course of audit of the financial statements, the monthly returns/statements filed by the company with such banks are in agreement with the books of accounts of the company.

iii)

- (a) As disclosed in Note 4 to the financial statements, the Company has provided loans to parties other than subsidiaries, joint ventures and associates.
- (b) During the year, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- (c) In respect of loans and advances in the nature of loans, the loans and advances in the nature of loans are repayable on demand and hence, no schedule of repayment of principal and payment of interest has been stipulated. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) In respect of loans and advances in the nature of loans, the loans and advances in the nature of loans are repayable on demand. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) In respect of any loan or advance in the nature of loan granted which has fallen due during the year, the loan or advance in the nature of loan has neither been renewed nor extended nor any fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) As disclosed in Note 4 to the financial statements, all the loans or advances in the nature of loans granted by the company are repayable on demand. The details of loans granted to related parties as defined in clause (76) of section 2 of the Companies Act, 2013 are disclosed in Note 30 to the financial statements.

- iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- v) According to the information and explanations given to us, the Company has not accepted any deposit from the public nor accepted any amounts which are deemed to be deposits during the year within the meaning of Sections 73 and 76 of the Companies Act, 2013. Hence the requirement to report on clause (v) of the Order is not applicable to the company.
- vi) In our opinion and according to information and explanations given to us, the Company is not required to maintain cost records prescribed by the Central Government under

section 148(1) of the Companies Act, 2013. Hence the requirement to report on clause (vi) of the Order is not applicable to the company

vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities and no undisputed dues are in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute.

(c) According to the information and explanations given to us there are no disputes on account of dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues not been deposited.

viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix)

(a) 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 government during the year. Hence, reporting under clause (ix)(a) of the Order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender;

(c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the Company has utilized the loan amount taken during the year for intended purpose and there is no unutilized term loan at the beginning of the year.

(d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, as defined under the Act. Hence, the requirement to report on clause (ix)(e) of the Order is not applicable to the company.

(f) The company has not raised loans during the year on the pledge of securities held in its Subsidiary. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the company.

x)

(a) According to the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

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

xi)

(a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) To the best of our knowledge and according to the information and explanations given to us, there were no whistle-blower complaints received during the year by the company.

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) (a) to (c) of the Order is not applicable to the Company.

xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party



transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv)

- (a) The Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv)

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them as referred to in Section 192 of Companies Act, 2013. Accordingly, paragraph 3 (xv) of the Order is not applicable.

xvi)

- (a) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) The Group has two CICs as part of the Group.

xvii) The company has not incurred any cash losses in the financial year and in the immediately preceding financial year;

xviii) There has been no resignation of the statutory auditors during the year;

xix)

On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

- xx) According to the information and explanations given to us and based on our examination of the records of the Company, the compliance with second proviso to sub-section (5) of section 135 of the Companies Act, 2013 is not applicable to the company. Accordingly, the requirement to report on clause 3(xx) of the Order is not applicable to the Company.

For Agrawal Tondon & Co  
Chartered Accountants  
Firm's Registration Number – 329088E

Radhakrishnan Tondon  
Partner  
Membership No: 060534

Place: Kolkata  
Date: 23.08.2022  
UDIN: 22060534A 9NWFG 1363

**Emami Frank Ross Ltd**  
**Balance Sheet as at 31st March 2022**

		Rs in Lakh	
Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
a) Property, Plant and Equipment	2.1	4,085.42	4,677.64
b) Capital work-in-progress	2.1	67.46	11.52
c) Other Intangible Assets	2.2	72.97	187.01
d) Right of Use Assets	2.3	2,242.60	3,488.19
e) Intangible Assets under Development	2.2	189.96	17.95
f) Financial assets			
(i) Investments	3	702.20	289.31
(ii) Other Financial Assets	6	1,046.80	1,048.58
g) Deferred Tax Assets (Net)	7	3,293.43	3,216.70
h) Other non-current assets	8	223.05	419.99
<b>Total Non Current Assets</b>		<b>11,923.89</b>	<b>13,356.89</b>
<b>CURRENT ASSETS</b>			
a) Inventories	9	6,983.96	7,934.38
b) Financial assets			
(i) Trade receivable	5	4,969.37	3,771.35
(ii) Cash and cash equivalents	10	579.43	492.14
(iii) Loans	4	19,431.35	44,047.68
(iv) Other Financial Assets	11	-	83.76
c) Other current assets	12	254.67	238.24
<b>Total Current Assets</b>		<b>32,218.78</b>	<b>56,567.55</b>
<b>TOTAL ASSETS</b>		<b>44,142.67</b>	<b>69,924.44</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity Share Capital	13	208.27	208.27
b) Other Equity	14	(6,314.99)	(6,862.42)
<b>Total Equity</b>		<b>(6,106.72)</b>	<b>(6,654.15)</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
a) Financial liabilities			
(i) Borrowings	15	22,966.61	21,055.94
(i)(a) Lease Liabilities	15	1,889.61	2,775.99
(ii) Other Financial Liabilities	16	23.47	22.50
<b>Total Non Current Liabilities</b>		<b>24,879.69</b>	<b>23,854.43</b>
<b>CURRENT LIABILITIES</b>			
a) Financial liabilities			
(i) Borrowings	15	20,890.37	47,453.53
(i)(a) Lease Liabilities	15	745.29	1,031.54
(ii) Trade payables	18		
(a) Total outstanding dues of Micro enterprises and small enterprises		43.99	21.91
(b) Total outstanding dues of creditors other than Micro enterprises and small enterprises		2,568.75	2,801.06
(iii) Other Financial Liabilities	19	732.84	882.92
b) Other current liabilities	20	121.66	323.58
c) Provisions	17	266.80	209.62
<b>Total Current Liabilities</b>		<b>25,369.70</b>	<b>52,724.16</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44,142.67</b>	<b>69,924.44</b>

Significant accounting policies

The accompanying notes are an integral part of these financial statements

In terms of our attached report of even date

For Agrawal Tandon & Co.

Chartered Accountants

FRN:-329088E

For & on behalf of Board of Directors

Gautam Jafra	Sujay Chatteraj
Managing Director	Director
DIN - 00604926	DIN - 08818352

Radhakrishnan Tandon  
 Partner  
 Membership NO. 060534

Amrit Agarwal  
 Chief Financial Officer

Dated : 23-08-2022  
 Place : Kolkata

Amrita Bhattacharya  
 Company Secretary  
 Membership No.- A53270

**Emami Frank Ross Ltd**  
**Statement of Profit & Loss**  
**For the year ended 31st March 2022**

Rs in Lakh

PARTICULARS		Notes	Year ended 31st March 2022	Year ended 31st March 2021
<b>I</b>	Revenue from Operations	21	49,681.02	37,243.46
<b>II</b>	Other Income	22	5,919.16	3,989.70
<b>III</b>	<b>Total Income (I+II)</b>		<b>55,600.18</b>	<b>41,233.16</b>
<b>IV</b>	<b>Expenses :</b>			
	Purchases of Stock-in-Trade		37,771.11	28,428.80
	Changes in Inventories of Stock-in-Trade	23	950.42	507.13
	Employee Benefits Expense	24	4,783.84	4,317.83
	Finance Costs	25	7,034.83	7,158.50
	Depreciation and Amortisation Expense	2	2,031.75	2,420.15
	Other Expenses	26	2,580.79	3,655.69
	<b>Total Expenses (IV)</b>		<b>55,152.74</b>	<b>46,488.10</b>
<b>V</b>	<b>Profit/(Loss) before Exceptional Items and Tax (III-IV)</b>		<b>447.44</b>	<b>(5,254.94)</b>
<b>VI</b>	<b>Tax Expense :</b>			
	Tax relating to earlier years		0.05	0.52
	Deferred Tax	7	(85.16)	(1,431.20)
<b>VII</b>	<b>Profit/ (Loss) for the year (V-VI)</b>		<b>532.55</b>	<b>(3,824.26)</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
	<b>Items that will not be reclassified to Profit &amp; Loss</b>			
<b>i</b>	Fair value changes in Equity instrument		(13.60)	44.28
<b>ii</b>	Remeasurement of defined benefit obligation		36.94	49.55
<b>iii</b>	Income Tax relating to above		(8.43)	(21.14)
	<b>Other Comprehensive income net of tax</b>		<b>14.91</b>	<b>72.69</b>
<b>IX</b>	<b>Total Comprehensive income for the year (VII+VIII)</b>		<b>547.46</b>	<b>(3,751.57)</b>
	<b>Earnings per equity share</b>			
<b>i</b>	Basic (Face value Rs. 10/- each)		25.57	(183.62)
<b>ii</b>	Diluted (Face value Rs. 10/- each)		25.57	(183.62)

Significant accounting policies

The accompanying notes are an integral part of these financial statements

In terms of our attached report of even date

For Agrawal Tondon & Co.

Chartered Accountants

FRN:-329088E

For & on behalf of Board of Directors

Gautam Jafia  
Managing Director  
DIN - 00604926

Sujoy Chattaraj  
Director  
DIN - 08818352

Amit Agarwal  
Chief Financial Officer

Radhakrishnan Tondon  
Partner  
Membership NO. 060534

Dated : 23-08-2022

Place : Kolkata

Amrita Bhattacharya  
Company Secretary  
Membership No. - A53270

**Emami Frank Ross Ltd**  
**Cash Flow statement**  
**For the year ended 31st-March-2022**

	2021-22	2020-21
<b>A Cash flow from operating activities</b>	<b>447.43</b>	<b>(5,254.94)</b>
Net Profit before tax		
Adjustments for :-		
Depreciation and amortisation expense	2,031.74	2,420.15
Dividend	(0.80)	(0.80)
Finance costs	7,034.95	7,158.50
Interest income	(5,408.69)	(3,823.70)
Provision for Doubtful Debts & Advances Written Back	(32.00)	
Profit/(loss) on sale / (disposal) of property, Plant & equipment (net)	(452.36)	0.65
Lease Payments	(1,311.45)	(1,448.15)
Non Cash items	80.49	1,714.22
	<b>2,389.32</b>	<b>765.93</b>
<b>Adjustments for working capital changes</b>		
Increase/ (Decrease) in Trade Payables and Other Liabilities	(272.36)	(1,452.78)
(Increase)/Decrease in Inventories	950.42	507.13
(Increase)/Decrease in Trade Receivables	(1,198.02)	716.43
(Increase)/Decrease in Loans and Advances and other financial & non financial	191.79	(153.23)
Increase/ (Decrease) in Provisions	94.12	28.09
	<b>(234.06)</b>	<b>(354.36)</b>
Less:- Direct Taxes paid/(refund received)-Net	2,155.26	411.57
Net Cash flow from operating activities	<b>(54.03)</b>	<b>20.96</b>
	<b>2,101.23</b>	<b>390.61</b>
<b>B Cash flow from Investing activities</b>		
Proceeds from Sale of Property, Plant & Equipment	828.56	0.79
Interest received	1,510.89	2,607.97
Dividend	0.80	0.80
Purchase of Property, Plant & Equipment	(668.93)	(208.08)
Investment in Optionally Convertible Debentures	(425.00)	-
Loans (given)/repayment received from Subsidiary company	32.00	-
Loans (given)/repayment received from others	28,526.40	(10,550.32)
Fixed deposit made	32.24	75.38
Net cash flow from ( used ) investing activities	<b>29,836.96</b>	<b>(8,073.46)</b>
<b>C Cash flow from Financing activities</b>		
Repayment of Borrowings	(43,688.10)	(96,730.00)
Issue/ (redemption) of Non Convertible Debentures	-	(28,750.00)
Proceeds from borrowings	19,241.00	1,39,170.73
Interest Including Borrowing costs	(7,307.00)	(7,316.13)
Cash credit taken/(repaid) (net)	(96.79)	1,113.23
Net cash flow from ( used ) financing activities	<b>(31,850.89)</b>	<b>7,487.83</b>
Net increase / (decrease) in cash & cash equivalents (A+B+C)	<b>87.29</b>	<b>(195.02)</b>
Add:- Cash & Cash Equivalents -Opening balance	492.14	687.16
Cash & cash equivalents -Closing balance	579.43	492.14

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

Particulars	As at	As at
	31-Mar-22	31-Mar-21
<b>Cash &amp; cash equivalents includes:-</b>		
Cash in hand	132.52	163.19
Balances with Banks		
-Current account	437.80	328.95
Fixed Deposits with Banks [including interest accrued]	9.11	-
<b>Cash &amp; Cash Equivalents in Cash Flow Statement</b>	<b>579.43</b>	<b>492.14</b>

Significant accounting policies

The accompanying notes are an integral part of these financial statements

In terms of our attached report of even date  
For Aggarwal Tondon & Co.  
Chartered Accountants  
FRN:-329088E

For & on behalf of Board of Directors

Gautam Jatia                      Sujoy Chatteraj  
Managing Director                  Director  
DIN - 00604926                  DIN - 08818352

Amit Agarwal  
Chief Financial Officer

Radhakrishnan Tondon  
Partner  
Membership NO. 060534

Dated : 23-08-2022  
Place : Kolkata

Amrita Bhattacharya  
Company Secretary  
Membership No.- A53270

Emami Frank Ross Ltd  
Statement of Changes in Equity for the year ended 31st March, 2022

A Equity Share Capital

1 Current reporting period (2021-22)				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
208.27				208.27
2 Previous reporting period (2020-21)				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
208.27				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 01-04-20	(5,355.14)	2,124.67	122.14	(2.52)	(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)
Total Comprehensive Income for the financial year 2021-22					
Fair value changes in Equity instrument			(13.60)		(13.60)
Tax Effect on above			(0.74)		(0.74)
Remeasurement of Defined benefit obligation				36.94	36.94
Tax Effect on above				(7.69)	(7.69)
Tax Effect on above				-	-
Profit/(loss) for the year	532.52	-	-	-	532.52
Balance at 31-03-22	(8,646.87)	2,124.67	146.40	60.81	(6,314.99)

## Significant accounting policies

The accompanying notes are an integral part of these financial statements

In terms of our attached report of even date

For Agrawal Tondon & Co.

Chartered Accountants

FRN:-329088E

Gautam Jatia  
Managing Director  
DIN - 00604926

Sujoy Chattaraj  
Director  
DIN - 08818352

Amit Agarwal  
Chief Financial Officer

Radhakrishan Tondon  
Partner  
Membership NO. 060534

Dated : 23-08-2022

Place : Kolkata

Amrita Bhattacharya  
Company Secretary  
Membership No.- A53270

## 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 Ind AS 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 Ind AS 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.

#### 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 ex-gratia. 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 . 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 using the modified retrospective approach and has accordingly not restated the comparative information. 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.

## j) 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.

#### a) 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.

**Notes to Financial Statements**

**2.1 Property, Plant & Equipment**

[Current year]

Rs in Lakh

Particulars	Gross Block			Accumulated Depreciation and amortisation			Net Block	
	Balance as at 1st April 2021	Additions during the year	Disposals/ Adjustments	Balance as at 31st March 2022	Depreciation charge for the year	Disposals/ Adjustments	Balance as at 31st March 2022	Balance as at 31st March 2021
<b>a</b>								
<b>Tangible Assets</b>								
Building	4,862.76	185.45	867.46	4,180.75	197.47	489.09	2,849.18	3,239.57
Plant & Equipment	23.20	0.31	-	23.51	2.08	-	9.49	11.26
Electrical Installation	528.04	0.35	9.15	519.24	42.73	8.53	131.64	174.64
Furniture & Fixture	3,118.87	109.75	58.16	3,170.46	275.81	51.36	885.10	1,057.96
Office Equipments	611.65	53.18	65.12	599.71	49.30	60.71	100.63	101.16
Computers	465.89	58.98	15.17	509.70	47.98	14.67	87.23	76.73
Vehicles	72.72	17.09	18.05	71.76	8.30	15.09	22.15	16.32
<b>Total (A)</b>	<b>9,683.13</b>	<b>425.11</b>	<b>1,033.11</b>	<b>9,075.13</b>	<b>623.67</b>	<b>639.45</b>	<b>4,085.42</b>	<b>4,677.64</b>
<b>b</b>								
<b>Capital Work-in-Progress *</b>	11.53	65.36	9.43	67.46	-	-	67.46	11.53
<b>Total (B)</b>	<b>11.53</b>	<b>65.36</b>	<b>9.43</b>	<b>67.46</b>	<b>-</b>	<b>-</b>	<b>67.46</b>	<b>11.53</b>
<b>Grand Total (A+B)</b>	<b>9,694.66</b>	<b>490.47</b>	<b>1,042.54</b>	<b>9,142.59</b>	<b>623.67</b>	<b>639.45</b>	<b>4,152.88</b>	<b>4,689.17</b>

\* Capital Work-in-Progress ageing schedule - As at 31st March, 2022

Capital Work-in-Progress under development	Amount in CWIP for a period of			TOTAL
	Less than 1 year	1-2 years	More than 3 years	
<b>Projects in Progress #</b>	<b>65.36</b>	<b>-</b>	<b>2.10</b>	<b>67.46</b>

# All projects in progress includes capital work in progress, whose completion is neither overdue nor exceeded its cost as compared to its original plan. There are no projects as on the reporting date where activity has been suspended.



Notes to Financial Statements

2.2 Intangible Assets

[Current year]

Rs in Lakh

Particulars	Gross Block			Accumulated Depreciation and amortisation			Net Block	
	Balance as at 1st April 2021	Additions during the year	Disposals/ Adjustments	Balance as at 31st March 2022	Depreciation charge for the year	Disposals/ Adjustments	Balance as at 31st March 2022	Balance as at 31st March 2021
a								
Intangible Assets								
Computer Software	294.43	15.86	-	310.29	17.20	-	42.00	43.34
Online application software	924.37	-	-	924.37	104.49	-	8.10	112.59
Tenancy Rights	91.48	-	-	91.48	8.21	-	22.87	31.07
Total (A)	1,310.28	15.86	-	1,326.14	129.90	-	72.97	187.01
b								
Intangible assets under development *	17.95	172.01	-	189.96	-	-	189.96	17.95
Total (B)	17.95	172.01	-	189.96	-	-	189.96	17.95
Grand Total (A+B)	1,328.23	187.87	-	1,516.10	129.90	-	262.93	204.96

\* Intangible assets under development ageing schedule

Intangible assets under development	Amount in Intangible assets under development for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in Progress #	172.01	17.95		
				TOTAL
				189.96

# All projects in progress includes Intangible assets under development, whose completion is neither overdue nor exceeded its cost as compared to its original plan. There are no projects as on the reporting date where activity has been suspended.

## Notes to Financial Statements

### 2.3 Right of Use Assets

[Current year]

Rs in Lakh

Particulars	Gross Block			Accumulated Depreciation and amortisation			Net Block		
	Balance as at 1st April 2021	Additions during the year	Disposals/ Adjustments	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation charge for the year	Disposals/ Adjustments	Balance as at 31st March 2022	Balance as at 31st March 2021
Right of Use Assets Building	6,351.01	239.30	238.37	6,351.94	2,862.82	1,278.18	31.66	4,109.94	3,488.19
Grand Total (A)	6,351.01	239.30	238.37	6,351.94	2,862.82	1,278.18	31.66	4,109.94	3,488.19

2.1 Property, Plant & Equipment  
[Previous year]

Rs in Lakh

Particulars	Gross Block			Accumulated Depreciation and amortisation			Net Block	
	Balance as at 1st April 2020	Additions during the year	Disposals/ Adjustments	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation charge for the year	Disposals/ Adjustments	Balance as at 31st March 2021
<b>a</b>								
Tangible Assets								
Building	4,826.06	36.70	-	4,862.76	1,364.98	258.21	-	3,239.57
Plant & Equipment	22.70	0.50	-	23.20	9.54	2.40	-	11.26
Electrical Installation	526.58	5.84	4.38	528.04	300.24	57.00	3.84	174.64
Furniture & Fixture	3,078.26	68.89	28.28	3,118.87	1,736.99	346.73	22.81	1,057.96
Office Equipments	592.46	23.66	4.47	611.65	447.70	67.00	4.21	101.16
Computers	415.14	53.01	2.26	465.89	344.27	47.04	2.15	76.73
Vehicles	72.57	0.19	0.04	72.72	48.12	8.32	0.04	16.32
<b>Total (A)</b>	<b>9,533.77</b>	<b>188.79</b>	<b>39.43</b>	<b>9,683.13</b>	<b>4,251.84</b>	<b>786.70</b>	<b>33.05</b>	<b>4,677.64</b>
<b>b</b>								
Capital Work-in-Progress *	38.35	-	26.82	11.53	-	-	-	11.53
<b>Total (B)</b>	<b>38.35</b>	<b>-</b>	<b>26.82</b>	<b>11.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.53</b>
<b>Grand Total (A+B)</b>	<b>9,572.12</b>	<b>188.79</b>	<b>66.25</b>	<b>9,694.66</b>	<b>4,251.84</b>	<b>786.70</b>	<b>33.05</b>	<b>4,689.17</b>
								<b>5,320.28</b>

\* Capital Work-in-Progress ageing schedule - As at 31st March, 2021

Capital Work-in-Progress under development	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in Progress #	-	2.76	-	8.77
<b>TOTAL</b>				<b>11.53</b>

# All projects in progress includes capital work in progress, whose completion is neither overdue nor exceeded its cost as compared to its original plan. There are no projects as on the reporting date where activity has been suspended.

## Notes to Financial

## 2.2 Intangible Assets

[Previous year]

Rs in Lakh

Particulars	Gross Block			Accumulated Depreciation and amortisation			Net Block		
	Balance as at 1st April 2020	Additions during the year	Disposals/ Adjustments	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation charge for the year	Disposals/ Adjustments	Balance as at 31st March 2021	Balance as at 31st March 2020
Intangible Assets									
Computer Software	266.26	28.17	-	294.43	231.03	20.06	-	43.34	35.23
Online application software	924.38	-	-	924.38	647.81	163.98	-	112.59	276.57
Tenancy Rights	91.48	-	-	91.48	51.33	9.07	-	31.08	40.15
Total (A)	1,282.12	28.17	-	1,310.29	930.17	193.11	-	187.01	351.95
Intangible assets under development *									
		17.95	-	17.95	-	-	-	17.95	-
Total (B)	-	17.95	-	17.95	-	-	-	17.95	-
Grand Total (A+B)	1,282.12	46.12	-	1,328.24	930.17	193.11	-	204.96	351.95

**Intangible assets under development ageing schedule - As at 31st March, 2021**

Intangible assets under development	Amount in Intangible assets under development for a period of			TOTAL
	Less than 1 year	1-2 years	More than 3 years	
Projects in Progress #	17.95	-	-	17.95

# All projects in progress includes intangible assets under development, whose completion is neither overdue nor exceeded its cost as compared to its original plan. There are no projects as on the reporting date where activity has been suspended.

## Notes to Financial Statements

### 2.3 Right of Use Assets

Right of Use Asset  
[Previous year]

Rs in Lakh

Particulars	Gross Block			Accumulated Depreciation and amortisation			Net Block		
	Balance as at 1st April 2020	Additions during the year	Disposals / Adjustments	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation charge for the year	Disposals / Adjustments	Balance as at 31st March 2021	Balance as at 31st March 2020
Right of Use Assets Building	5,876.19	533.86	59.04	6,351.01	1,445.05	1,440.34	22.57	3,488.19	4,431.14
Grand Total (A)	5,876.19	533.86	59.04	6,351.01	1,445.05	1,440.34	22.57	3,488.19	4,431.14

## 3 Non Current Investments

3.1	Particulars	Fair Value as per indAS 31st March, 2022	Fair Value as per indAS 31st March, 2021
A	<u>Investments carried at Fair Value through OCI ]</u>		
(i)	<u>Investment in Equity Instruments (Unquoted)</u>		
	<u>Subsidiary</u>		
a	Lyfresh Pvt Ltd 6000000 Equity Shares of Rs 10/- each fully paid up	6,00,00,000	6,00,00,000
	Less:- Provision for diminution in value of investment	6,00,00,000	-
a	Medico Association # 12 Shares**	42,418	42,418
	Less:- Provision for diminution in value of investment	42,418	-
b	All India Origin Chemists & Distributors Limited # 2,000 Equity Shares of Rs. 10/- each fully paid up	20,000	20,000
	Less:- Provision for diminution in value of investment	20,000	-
c	Shoppers City Maintenance Co. P Ltd # 19,800 Equity Shares of Re.1/- each fully paid up	19,800	19,800
	Less:- Provision for diminution in value of investment	19,800	-
B	<u>Others</u>		
1	M. Bhattacharyya & Co. Private. Limited 222 Equity Shares of Rs. 500/- each fully paid up	1,65,09,474	1,65,09,474
2	Midkot Investment Pvt. Ltd. - Note - 1 4,61,825 Equity Shares of Rs. 10/- each fully paid up	50,80,075	-
	PAN Emami Cosmed Ltd. - Note - 1 52500 Equity Shares of Rs. 10/- each fully paid up	-	60,47,860
	<u>Investment in Equity Instruments (Quoted)</u>		
3	Emami Limited 10,000 Equity shares of Rs.1/- each fully paid up.	44,78,000	48,76,500
4	Emami Realty Limited 333 Shares of Rs.10/- each fully paid up	19,947	13,303
	Total(A+B)	2,60,87,496	2,74,47,137
C	<u>Investment in Preference Shares (Unquoted)</u> <u>[ Investments carried at amortised cost ]</u> <u>Others</u> M. Bhattacharyya & Co. Private Limited 35,000 10% Cumulative Preference Shares of Rs.100/-each fully paid up  Redeemable at par at any time within 20 years from date of issue	16,32,776	14,84,342
	Total(C)	16,32,776	14,84,342
D	<u>Investment in Debentures (Unquoted)</u> <u>[ Investments carried at amortised cost ]</u> <u>Others</u> M. Bhattacharyya & Co. Private Limited -Note - 2 425 Optionally Convertible Debentures of Rs 100000/- each fully paid up  Redeemable on or Before 120 months from the date of Issue	4,25,00,000	-
	Total(D)	4,25,00,000	-
	Grand Total (A+B+C+D)	7,02,20,272	2,89,31,479
	Aggregate value of Quoted Investment and market value thereof	44,97,947	48,89,803
	Aggregate value of Unquoted Investment	6,57,22,325	2,40,41,676
	#Aggregate provision for diminution in value of investments	6,00,82,218	6,00,82,218
	** Formed under Bombay Non - Trading Corporations Act, 1959 not having Face value of Shares		

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

**Note- 1**

PAN emami to Midkot shares

Pan Emami Cosmed Limited has been amalgamated into and with Midkot Investments Private Limited . As a consequence of the scheme , the company has received 4,61,825 shares of Midkot Investments Pvt. Ltd. in return of 52,500 shares of PAN Emami Cosmed Ltd.

**Note- 2**

425 nos. Unsecured Optionally Convertible Debentures @ 100,000/- each issued by M Bhattacharyya & co Pvt Ltd. Date of allotment- 12-Jan-2022. The same is convertible into equity at the option of the issuer , or be redeemed any time within 120 months after date of allotment @ 2% premium.

4	Loans	31st March, 2022	31st March, 2021
	<b>Current</b>		
	<b>Loan</b>		
	<b>To Subsidiary</b>		
	Considered Good-Unsecured unless otherwise stated	-	-
	Credit impaired	1,087.76	1,087.76
		1,087.76	1,087.76
	Less:- Allowance for Doubtful debt	-	(1,087.76)
		1,087.76	-
	Less:- Balance written off during the year (Refer Note-22 & 26)	(1,087.76)	-
	<b>To related party</b>		
	Considered Good-Unsecured unless otherwise stated *	69.25	8,455.47
	(Refer Note-30)		
	<b>To others</b>		
	Considered Good-Unsecured unless otherwise stated	19,362.10	35,592.21
	<b>Total Current- A</b>	<b>19,431.35</b>	<b>44,047.68</b>
	<b>Total Loans (A)</b>	<b>19,431.35</b>	<b>44,047.68</b>

\* since received .

5	Trade receivables	31st March, 2022	31st March, 2021
	<b>Current</b>		
	Considered good -Unsecured*	4,969.37	3,771.35
	Credit impaired	7.09	7.09
	Less:- Allowance for doubtful debts and advances	(7.09)	(7.09)
	<b>Total Current -A</b>	<b>4,969.37</b>	<b>3,771.35</b>
	*- For credit risk and provision for loss allowance refer note no 37		

**Trade Receivables Ageing - As at 31st March, 2022**

Particulars	Outstanding for the following period from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivable - Considered Good	4,716.22	95.16	78.18	32.81	46.99	4,969.37
(ii) Undisputed Trade Receivable - Which have significant increase in credit risk						-
(iii) Undisputed Trade Receivable - Credit Impaired					7.09	7.09
(iv) Disputed Trade Receivable - Considered Good						-
(v) Disputed Trade Receivable - Which have significant increase in credit risk						-
(vi) Disputed Trade Receivable - Credit Impaired						-
<b>TOTAL</b>	<b>4,716.22</b>	<b>95.16</b>	<b>78.18</b>	<b>32.81</b>	<b>54.09</b>	<b>4,976.46</b>

**Trade Receivables Ageing - As at 31st March, 2021**

Particulars	Outstanding for the following period from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivable - Considered Good	3,316.69	137.02	250.00	37.79	29.85	3,771.35
(ii) Undisputed Trade Receivable - Which have significant increase in credit risk						-
(iii) Undisputed Trade Receivable - Credit Impaired					7.09	7.09
(iv) Disputed Trade Receivable - Considered Good						-
(v) Disputed Trade Receivable - Which have significant increase in credit risk						-
(vi) Disputed Trade Receivable - Credit Impaired						-
<b>TOTAL</b>	<b>3,316.69</b>	<b>137.02</b>	<b>250.00</b>	<b>37.79</b>	<b>36.95</b>	<b>3,778.44</b>

6	Other Financial Assets	31st March, 2022	31st March, 2021
	<b>Security Deposits</b>		
	Security Deposits-Trade	1,036.13	1,005.63
	<b>Other Advances</b>		
	Fixed Deposits pledged with Banks [including interest accrued]*	10.67	42.95
	<b>Total</b>	<b>1,046.80</b>	<b>1,048.58</b>

\*- Lien marked towards Bank Guarantee

## 7 Movements in Deferred Taxes

Particulars	31-Mar-22	31-Mar-21
Deferred Tax Liability	29.45	31.78
Deferred Tax Assets	3,291.38	3,216.98
Deferred Tax Liabilities/(Asset) (Gross)	(3,261.93)	(3,185.20)
Add:- MAT Credit Entitlement	(31.50)	(31.50)
Deferred Tax Liabilities/(Asset) (Net)	(3,293.43)	(3,216.70)

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 01 April, 2020	(77.01)	6.20	(1,528.08)	(202.35)	26.10	(1,806.64)
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)
As at 01 April, 2021						
Charged/(Credited)						
Recognised in Profit & Loss	(38.01)	(23.05)	136.98	(161.08)	-	(85.16)
Recognised in Other Comprehensive Income	-	10.76	-	-	(2.33)	8.43
Recognised in Other Equity	-	-	-	-	-	-
As at 31st March, 2022	(66.94)	(35.37)	(2,695.11)	(493.96)	29.45	(3,261.93)
Add:- MAT Credit Entitlement	-	-	-	-	-	(31.50)
Net Deferred Tax Liabilities /(Asset)-as at 31-Mar-2022	(66.94)	(35.37)	(2,695.11)	(493.96)	29.45	(3,293.43)



**Notes to Financial Statements**

Rs in Lakh

8	<b>Other non-current assets</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>
	Capital Advances	1.00	55.53
	Advance to Directors	26.68	-
	Advance to Employees	22.03	29.88
	<u>Other advances</u>		
	Advance Against Purchase	-	3.00
	Advance Against Expenses		
	To Related Party	-	100.00
	Others	-	9.00
	Prepaid Expenses	6.42	8.17
	Rent paid in advance	166.92	214.41
	<b>Total</b>	<b>223.05</b>	<b>419.99</b>
9	<b>Inventories-At lower of cost and Net realisable value</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>
	Stock- In-Trade	6,983.96	7,934.38
	<b>Total</b>	<b>6,983.96</b>	<b>7,934.38</b>
10	<b>Cash and cash equivalents</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>
	Balances with Banks		
	On Current Accounts	437.80	328.95
	<u>Other Bank Balance</u>		
	Fixed Deposits with Banks [including interest accrued]	9.11	-
	Cash in hand	132.52	163.19
	<b>Total</b>	<b>579.43</b>	<b>492.14</b>
11	<b>Other Financial Assets</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>
	Interest accrued but not due		
	To Subsidiary		
	<u>Considered good-Unsecured unless otherwise stated</u>	-	-
	<u>Credit impaired</u>	131.00	163.00
		131.00	163.00
	<u>Less: Provision for Doubtful debt</u>	-	(163.00)
		131.00	-
	<u>Less:- Balance written off during the year</u>	(131.00)	-
	[ Refer Note 22 & 26 ]		
	To related Party		
	<u>Considered good-Unsecured</u>	-	83.77
	[ Refer Note 30 ]		
	<b>Total</b>	<b>-</b>	<b>83.77</b>
12	<b>Other current assets</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>
	Advance to Directors	10.39	-
	Advance to Employees	35.74	22.05
	<u>Considered good ,Unsecured</u>		
	Advance against Purchase	7.56	4.84
	Advances with Statutory Authorities	128.38	70.37
	Prepaid Expenses	48.51	60.26
	Advance against Expenses	24.09	80.72
	<b>Total</b>	<b>254.67</b>	<b>238.24</b>

## Notes to Financial Statements

### 13 Equity Share Capital

Particulars	Rs in Lakh	
	31st March, 2022	31st March, 2021
<b>Authorised</b>		
38,00,000 Equity Shares of Rs. 10/- each	380.00	380.00
8,20,000 Non Cumulative Redeemable Preference shares of Rs 100/- each .	820.00	820.00
	<b>1,200.00</b>	<b>1,200.00</b>
<b>Issued, Subscribed &amp; Fully Paid up</b>		
20,82,707 Equity Shares Rs.10/- Each fully paid up	208.27	208.27
<b>Total</b>	<b>208.27</b>	<b>208.27</b>

#### Reconciliation of Number of Shares

Particulars	31st March, 2022		31st March, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Balance at the Beginning	20,82,707	208.27	20,82,707	208.27
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>20,82,707</b>	<b>208.27</b>	<b>20,82,707</b>	<b>208.27</b>

#### 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 shareholders holding more than 5% shares as at the end of the reporting period is stated as below:-

Name of the shareholder	31st March, 2022		31st March, 2021	
	Number of Shares Held	% of Holding	Number of Shares Held	% of Holding
Sneha Gardens Pvt Ltd	-	-	3,86,137	18.54
Midkot Investments Pvt. Ltd.-Note-1	7,51,321	36.07	-	-
Suraj Finvest Pvt. Ltd.-Note-2	5,35,137	25.69	-	-
Karan Business Private limited - Note - 1	-	-	3,50,800	16.84
Zen Business Private limited - Note - 1	-	-	3,48,021	16.71
Sneha Enclave Pvt Ltd	5,02,678	24.14	3,53,678	16.98

#### Shareholding of Promoters as at 31st March 2022

##### Equity Shares held by Promoters at the end of the current year

Sl.No	Promoter name	No. of Shares as on 01.04.2021	Change during the year	No. of Shares as on 31.03.2022	% of Total shares	% Change during the year
1	PRITI A SUREKA	46,561	-	46,561	2.24%	0.00%
2	JAYANT GOENKA	15,448	-	15,448	0.74%	0.00%
3	USHA AGARWAL	4,000	-	4,000	0.19%	0.00%
4	PRASHANT GOENKA	2,655	-	2,655	0.13%	0.00%
5	MIDKOT INVESTMENTS PRIVATE LIMITED - Note - 1	-	7,51,321	7,51,321	36.07%	100.00%
6	KARAN BUSINESS PRIVATE LIMITED - Note - 1	3,50,800	(3,50,800)	-	-	-100.00%
7	ZEN BUSINESS PRIVATE LIMITED - Note - 1	3,48,021	(3,48,021)	-	-	-100.00%
8	PAN EMAMI COSMED LIMITED - Note - 1	52,500	(52,500)	-	-	100.00%
9	SNEHA GARDENS PRIVATE LIMITED - Note - 2	3,86,137	(3,86,137)	-	-	-100.00%
10	SURAJ FINVEST PRIVATE LIMITED - Note - 2	-	5,35,137	5,35,137	25.69%	100.00%
11	SNEHA ENCLAVE PRIVATE LIMITED	3,53,678	1,49,000	5,02,678	24.14%	42.13%
		<b>15,59,800</b>	<b>2,98,000</b>	<b>18,57,800</b>	<b>89.20%</b>	

#### Note

- Karan Business Private limited , Zen Business Private Limited , PAN EMAMI Cosmed Private Limited amalgamated with Midkot Investments Private Limited vide National Company Law Tribunal order dated 15.11.2021
- Name of the company has changed from Sneha Gardens Private Limited to Suraj Finvest Private Limited with effect from 28th April 2021

## Notes to Financial Statements

### 14 Other Equity

		Rs in Lakh	
	Particulars	As At	As At
		31st March, 2022	31st March, 2021
a)	<b>Reserves &amp; Surplus</b>	<b>(6,522.20)</b>	<b>(7,054.72)</b>
	Includes General Reserves and retained earnings.		
b)	<b>Other Comprehensive Income</b>	<b>207.21</b>	<b>192.30</b>
	Includes re-measurement gains/losses on defined benefit plans and gain/loss on fair value of investments		
	<b>Total</b>	<b>(6,314.99)</b>	<b>(6,862.42)</b>

15	Financial Liabilities	31st March, 2022	31st March, 2021
(i)	<b>Borrowings</b>		
	<b>Term Loans</b>		
	<b>Secured</b>		
	From Banks #	18,154.53	12,428.86
	Less:- Current Maturities of Long term debt	6,424.23	2,599.71
		11,730.30	9,829.15
	Vehicle Loan #	-	2.39
	Less:- Current Maturities of Long term debt	-	1.66
		-	0.73
	<b>Non Convertible Debentures</b>		
	<b>Unsecured</b>	11,236.31	11,226.06
	<b>Total-Borrowings-(i)</b>	<b>22,966.61</b>	<b>21,055.94</b>
(i)(a)	<b>Lease Liability:</b>		
	Long Term Maturities of Lease Obligation	1,889.61	2,775.99
	<b>Total-Lease Liability-(i)(a)</b>	<b>1,889.61</b>	<b>2,775.99</b>
	<b>Total-Non Current- A</b>	<b>24,856.22</b>	<b>23,831.93</b>
(i)	<b>Borrowings</b>		
	<b>Loans Repayable on Demand</b>		
	<b>Secured Loan from Banks</b>		
	Cash Credit [ Note 15.1 ]	825.14	1,121.93
	Working Capital Demand Loan [ Note 15.1 ]	4,400.00	4,200.00
		5,225.14	5,321.93
	<b>Short Term Overdraft</b>	-	39,530.24
	<b>Unsecured #</b>		
	Related Party	9,241.00	-
	<b>Current Maturities of Long Term Debt</b>	<b>6,424.23</b>	<b>2,601.36</b>
	[Refer Note 15]		
	<b>Total-Borrowings-(i)</b>	<b>20,890.37</b>	<b>47,453.53</b>
(i)(a)	<b>Lease Liability:</b>		
	Current Maturities of Lease Obligation	745.29	1,031.54
	<b>Total-Lease Liability-(i)(a)</b>	<b>745.29</b>	<b>1,031.54</b>
	<b>Total-Current-B</b>	<b>21,635.66</b>	<b>48,485.07</b>
	<b>Total Borrowings (A+B)</b>	<b>46,491.88</b>	<b>72,317.00</b>
	# Refer Note 29		

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 Collaterally 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 Financial Liabilities	31st March, 2022	31st March, 2021
	Interest due to MSME	0.97	-
	Deposit against rent	22.50	22.50
	<b>Total Non Current</b>	<b>23.47</b>	<b>22.50</b>

**Notes to Financial Statements**

**Rs in Lakh**

17	Provisions	31st March, 2022	31st March, 2021
	<b>Provision for Employee Benefits</b>		
	For Gratuity	143.04	102.87
	For Leave	123.76	106.75
		266.80	209.62
	<b>Total</b>	<b>266.80</b>	<b>209.62</b>

18	Trade payables	31st March, 2022	31st March, 2021
a	Total outstanding dues of Micro enterprises and small enterprises	43.99	21.91
b	Total outstanding dues of creditors other than Micro enterprises and small enterprises	2,568.75	2,801.06
	<b>Total</b>	<b>2,612.74</b>	<b>2,822.97</b>

**Trade Payables Ageing - As at 31st March, 2022**

Particulars	Outstanding for the following period from due date of payments				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	41.95	1.67	0.35	0.03	43.99
(ii) Others	2,378.28	103.79	40.58	46.09	2,568.75
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					
<b>TOTAL</b>	<b>2,420.23</b>	<b>105.46</b>	<b>40.93</b>	<b>46.12</b>	<b>2,612.74</b>

**Trade Payables Ageing - As at 31st March, 2021**

Particulars	Outstanding for the following period from due date of payments				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	12.85	8.93	0.01	0.12	21.91
(ii) Others	2,565.71	166.09	17.90	51.35	2,801.05
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					
<b>TOTAL</b>	<b>2,578.57</b>	<b>175.02</b>	<b>17.92</b>	<b>51.47</b>	<b>2,822.97</b>

19	Other Financial Liabilities	31st March, 2022	31st March, 2021
	Interest accrued but not due on Borrowings	82.69	374.18
	<b>Other Payables</b>		
	Employee Expense	292.43	203.82
	Creditors for Capital Goods	53.47	28.99
	Liabilities for Expenses	304.25	275.93
		650.15	508.74
	<b>Total</b>	<b>732.84</b>	<b>882.92</b>

20	Other current liabilities	31st March, 2022	31st March, 2021
	Statutory Liabilities	13.42	18.20
	Advance from Customers	108.24	305.38
	<b>Total</b>	<b>121.66</b>	<b>323.58</b>

Notes to Financial Statements

Rs in Lakh

21	Revenue from Operations	2021-22	2020-21
	Sale of Products	49,402.81	37,088.24
	<u>Other Operating Revenues</u>		
	Rent	55.01	38.65
	Income From Store Displays	198.14	103.04
	Franchisee Fees	14.12	0.50
	Facility Management Fees	10.94	13.03
		278.21	155.22
	<b>Total</b>	<b>49,681.02</b>	<b>37,243.46</b>

22	Other Income	2021-22	2020-21
	<u>Interest Income</u>		
	Interest on Loan given	5,331.90	3,749.35
	<u>Interest on Others</u>		
	Interest income on financial assets at amortised cost	71.56	67.97
	Interest on Deposit	3.80	3.71
	Interest on Income Tax refund	1.43	2.67
		76.79	74.35
	Dividend on Long Term Non-Trade Investment	0.80	0.80
	Profit on sale of Fixed Assets	444.64	0.22
	Provision for Loans / Debts Written off	1,218.76	
	Less : Adjusted against Provision	(1,218.76)	-
	Excess Provision for Doubtful Debts & Advances written back	32.00	-
	Insurance Claim	0.33	38.54
	Compensation-Business Claim	-	61.00
	Liabilities Written Back	8.58	54.34
	Miscellaneous Receipts	24.12	11.10
	<b>Total</b>	<b>5,919.16</b>	<b>3,989.70</b>

23	Changes in Inventories of Stock-in-Trade	2021-22	2020-21
	(I) Opening Inventory	7,934.38	8,441.51
	(II) Closing Inventory	6,983.96	7,934.38
	<b>(Increase)/Decrease</b>	<b>950.42</b>	<b>507.13</b>

24	Employee Benefits Expense	2021-22	2020-21
	Salaries and Wages	4,310.61	3,926.80
	Contribution to Provident and Other Funds	352.20	280.38
	Staff Welfare Expense	121.03	110.65
	<b>Total</b>	<b>4,783.84</b>	<b>4,317.83</b>

## Notes to Financial Statements

Rs in Lakh

25	Finance Costs	2021-22	2020-21
	Finance cost on Lease obligation	128.05	127.03
	Interest Expense- Non Convertible Bonds	1,427.97	2,916.84
	Interest to Banks , Working capital Loans , Interest on Unsecured loans Etc.	5,069.19	3,115.50
	Other Borrowing Costs	409.62	999.13
	<b>Total</b>	<b>7,034.83</b>	<b>7,158.50</b>

26	Other Expenses	2021-22	2020-21
	Power & Fuel	289.43	261.93
	Rent & License Fees	447.89	83.23
	Repairs to Building	-	0.89
	Maintenance Charges	629.18	693.54
	Security Charges	54.34	52.16
	Insurance	27.01	17.96
	Rates & Taxes	113.93	29.60
	Advertisement & Sales Promotion	106.47	84.59
	Commission	54.30	65.94
	Professional & Legal Charges [Refer note - 27]	224.31	285.95
	Internet and other communication expenses	68.95	75.36
	Loss on sale / discard of Fixed Assets	9.76	5.79
	Provision for Diminution in value of Investments in subsidiary	-	600.00
	Loss allowance for doubtful debts to subsidiary	-	950.00
	Miscellaneous Expenses	555.22	448.75
	<b>Total</b>	<b>2,580.79</b>	<b>3,655.69</b>

## Notes to Financial Statements

Rs in Lakh

### 27 Payment To Auditors

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Audit Fees	12.54	12.54
Tax Audit Fees	0.96	0.96
Limited Review	1.50	1.50
Other Services	0.12	0.03
<b>Total</b>	<b>15.12</b>	<b>15.03</b>

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

Particulars	As at 31st March 2022	As at 31st March 2021
Net Profit	532.55	(3,824.26)
Weighted average number of shares	20,82,707	20,82,707
Earnings per share - Basic & diluted	25.57	(183.62)



## 29 Details of Borrowings:-

## Details of Term Loans from Bank

Sl. No.	Type of Loan	ROI as on 31-Mar-22	Security		Amount outstanding as on 31-Mar-22	Amount outstanding as on 31-Mar-21
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	2,440.17	2,662.00
				Amortised cost as per INDAS	2,410.99	2,616.10
					Repayment Schedule Date      Amount	Repayment Schedule Date      Amount
					Repayable in 44 monthly installments by 30th November 2025	Repayable in 48 monthly installments by 30th November 2025
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	666.67	1,000.00
				Amortised cost as per INDAS	664.47	995.25
					Repayment Schedule Date      Amount	Repayment Schedule Date      Amount
					Repayable in 8 quarterly installments by 1st March 2024	Repayable in 8 quarterly installments by 1st March 2024
3	Term Loan- Rupee	15%p.a on outstanding INR	First Charge by way of Hypothecation / mortgage on all the fixed assets of the company ( movable and immovable ), both present and future excluding Vehicles . Second charge by way of Hypothecation on the entire current assets of the company , existing and future , comprising , inter alia , of stocks of raw material , work-in-progress , finished goods , receivables , book debts and other current assets . The same is further secured by pledge of shares by a promoter shareholder	Principal amount	2,175.00	2,700.00
				Amortised cost as per INDAS	2,175.00	2,700.00
					Repayment Schedule Date      Amount	Repayment Schedule Date      Amount
					Repayable in 7 quarterly installments by 30th December 2023	Repayable in 12 quarterly installments by 30th December 2023
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 . Second charge by way of hypothecation on the entire current assets of the company , exiting and future , comprising , inter alia , of stocks of raw material , work-in-progress , finised goods , receivables , book debts and other current assets .	Principal amount	4,550.00	6,125.00
				Amortised cost as per INDAS	4,546.67	6,117.51
					Repayment Schedule Date      Amount	Repayment Schedule Date      Amount
					Repayable in 6 quarterly installments by 28th September 2023	Repayable in 11 quarterly installments by 28th September 2023
5	Term Loan- Rupee	15%p.a on outstanding INR	1st Charge by way of Hypothecation / mortgage on all the fixed assets of the company, both present and future excluding Vehicles. .The same is further secured by pledge of shares by a promoter shareholder . Second charge by way of hypothecation on the entire current assets of the company , exiting and future ,	Principal amount	8,499.70	-
				Amortised cost as per INDAS	8,357.40	-
					Repayment Schedule Date      Amount	Repayment Schedule Date      Amount
					Repayable in 51 monthly installments by 30th June 2023	

## 29 Details of Borrowings:-

## Details of Term Loans from Bank

Sl. No.	Type of Loan	ROI as on 31-Mar-22	Security		Amount outstanding as on 31-Mar-22	Amount outstanding as on 31-Mar-21
			comprising , inter alia , of stocks of raw material , work-in-progress , finished goods , receivables , book debts and other current assets .			
6	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	11,250.00
				Amortised cost as per INDAS	11,236.31	11,226.06
					Repayment Schedule	Repayment Schedule
					Date Amount	Date Amount
					10-Jul-23 11,250.00	10-Jul-23 11,250.00

## Details of Vehicle Loan

Sl. No.	Type of Loan	ROI as on 31-Mar-22	Security		Amount outstanding as on 31-Mar-22	Amount outstanding as on 31-Mar-21
1	Vehicle Loan	9.50% pa. on monthly reducing basis	Secured by first charge /mortgage on the respective vehicles	Principal amount	-	2.39
				Amortised cost as per INDAS	-	2.39
					Repayment Schedule	Repayment Schedule
					-	Equated Monthly Instalment of Rs.15099/- each , upto 15/08/2022
Total Outstanding as at year end-Principal					29,581.54	23,739.39
Total Outstanding as at year end-amortised cost as per INDAS					29,390.84	23,657.31
Current Maturities-Principal					6,424.23	2,601.36

## 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

- 1 Mr Gautam Jatia
- 2 Mr Sujay Chatteraj
- 3 Ms Chadaravalli Srinivasa Bhatta Nalini
- 4 Mr. Anurag Jatia
- 5 Mr. Amlt Agarwal [joined w.e.f 02-05-2022]
- 6 Mr. Akhilesh Agarwal [resigned w.e.f 31-03-2022]
- 7 Ms Amrita Bhattacharya

##### Description of Relationship

Managing Director & Chief Executive Officer  
Wholetime Director  
Wholetime Director  
Wholetime Director  
Chief Financial Officer  
Chief Financial Officer  
Company Secretary

##### Other Directors

- 1 Mr. Debashish Bhaumik
- 2 Mr. Pramod Kumar Shah
- 3 Mrs Karabi Sengupta

Independent Director  
Independent Director  
Independent Director

#### III) Relatives of Key Managerial personnel

- 1 Mr. R.K. Jatia
- 2 Mrs Vandana Jatia
- 3 Mrs Neeta Agarwal

#### IV) Entities having significant influence over the group

- 1 Midkot Investments Private Limited [ Company is an associate of the Entity ]
- 2 Suraj Pinvest Private Limited [ name changed from Sneha Gardens Pvt. Ltd. ] [ Company is an associate of the Entity ]
- 3 Sneha Enclave Private Limited [ Company is an associate of the Entity ]

#### V) Other related parties with which Company has transaction

- 1 AMRI Hospitals Ltd.
- 2 Archana promoters & Developers Pvt Ltd
- 3 Bhanu Vyapaar Pvt Ltd. [ amalgamated with Sneha Gardens Pvt Ltd - Date - 02-02-2021]
- 4 Diwakar Viniyog Pvt Ltd [ amalgamated with Sneha Enclave Pvt Ltd - Date - 02-02-2021]
- 5 Emami Agrotech Ltd.
- 6 Emami Capital Markets Ltd (Merged with Midkot Investment Pvt Ltd - Date - 15-11-2022)
- 7 Karan Business Pvt. Ltd (Merged with Midkot Investment Pvt Ltd - Date - 15-11-2022)
- 8 Emami Realty
- 9 Emami Art
- 10 Emami Ltd.
- 11 Emami Paper Mills Ltd.
- 12 Emami Foundation
- 13 M Bhattacharyya & Co. Pvt. Ltd.
- 14 New Way constructions ltd (Merged with Midkot Investment Pvt Ltd-Date-15-11-2022)
- 15 Niramay Distributors Pvt Ltd.
- 16 Prabhakar Viniyog Pvt. Ltd. [ amalgamated with Sneha Gardens Pvt Ltd-Date-02-02-2021]
- 17 PAN Emami Cosmed Ltd. (Merged with Midkot Investment Pvt Ltd-Date-15-11-2022)
- 18 Premier Ferro Alloys & Securities Ltd.
- 19 Raviraj Viniyog Pvt. Ltd. [ amalgamated with Sneha Gardens Pvt Ltd - Date - 02-02-2021]
- 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 - Date - 02-02-2021 ]
- 23 Suraj Viniyog Private Limited [ amalgamated with Sneha Gardens Pvt Ltd - Date - 02-02-2021 ]
- 24 Shri Prashant Goenka
- 25 Nayee Disha Communications Pvt Ltd
- 26 Shri Jayant Goenka
- 27 Smt Priti A Surekha
- 28 SGN Retail Pvt Ltd

#### Details of Related Party Transactions

Description of relationship with party	Nature of Transaction	For the Financial year		Amount outstanding **	
		2021-22	2020-21	as on 31-Mar-22	as on 31-Mar-21
Subsidiary	Provision for diminution in value of Investment	-	600.00	-	-
	Loss Allowance for Bad and Doubtful debts	-	950.00	-	-
	Investment in Subsidiary	-	-	600.00	600.00
	Provision against loans given written back	1,250.76	-	-	-
	Loan Given including Interest accrued	-	-	-	1,250.76
Key Managerial Personnel	Salary	262.54	239.46	-	-
	Perquisites	13.19	9.17	-	-
	Sale of Fixed Assets	32.53	-	-	-
	Rent Received	0.34	0.51	0.34	0.60
	Loans & Advance Given	43.91	-	37.51	-
Other Directors	Sitting fees	2.30	2.47	-	-
	Salary	11.29	15.26	-	-
Relatives of Key Managerial Personnel	Perquisites	8.61	0.83	-	-
	Retainership	37.80	20.30	-	-
Other Entities	Sale of Goods	8,286.06	5,789.14	1,195.71	1,302.37
	Display Charges	19.64	23.77	-	-
	Rent Received	0.40	1.61	-	0.51
	Ambulance Hire Charges	6.16	6.42	-	-
	Reimbursement of exp-Income	3.13	4.07	-	-
	Purchase of Assets	30.00	-	-	-
	Purchase of Goods	7,495.85	4,865.20	(93.87)	(17.50)
	Guarantee Commission Paid	117.75	164.65	(40.38)	(84.62)
	Interest on Loan taken	2,419.89	901.93	(82.69)	(267.88)
	Rent & maintenance paid	304.90	212.70	(8.57)	(22.41)
	Royalty	10.00	10.00	-	-
	Electricity Charges	25.76	13.24	(6.42)	(2.11)
	Advt & Sales promotion	2.16	-	7.89	-
	Interest on Loan Given	335.62	2,673.20	-	83.77
	Advance/Deposit given	325.00	100.00	-	120.17
	Reimbursement of exp	368.61	1.79	-	(0.16)
	Loan Given	4,065.00	22,776.00	69.25	8,455.47
	Loan Given refunded	12,462.00	49,294.11	-	-
	Loan Taken	51,026.00	96,730.00	(9,241.00)	-
	Loan Taken refund back	41,785.00	97,364.05	-	-

\*\* Figures in brackets denote Credit Balance

- 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. 3293.43 lakhs (P.Y.- Rs.3216.70 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-22	31-Mar-21
Bank Guarantees	403.04	297.84

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 - 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-22 are as under:

Particulars	31-Mar-22	31-Mar-21
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	13.60	14.00

34 **Assets taken on Operating Lease**

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

Particulars	31-Mar-22		31-Mar-21	
	Minimum Lease payments	Present value of Minimum lease payments	Minimum Lease payments	Present value of Minimum lease payments
-Not later than one Year	1,026.83	745.29	1,648.60	1,031.54
-Later than 1 Year	2,543.95	1,889.61	3,378.59	2,776.00

The difference between minimum lease payments and the present value of minimum lease payments of Rs. 935.88 lakh (P.Y- Rs 1219.65 lakh) represents interest not due .

## 35 Defined benefit plan

## 35.1 Defined benefit plan (Gratuity)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
	Gratuity Funded	Gratuity Funded
<b>I</b>		
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.		
<b>A</b>		
Components of Employer Expenses		
1 Current Service Cost	70.94	58.88
2 Past service Cost	-	-
3 Loss/(Gain) on settlement	-	-
4 Net interest income/(cost) on the net defined benefit liability (Asset)	7.10	1.61
5 Total Expenses recognised in the Statement of Profit & Loss	78.04	60.49
<b>B</b>		
Net asset/(liability) recognised in balance sheet as at 31st March 2022		
1 Present value of Defined Benefit Obligation	572.11	520.75
2 Fair value of plan assets	429.07	417.88
3 Funded Status (Surplus/(deficit))	(143.04)	(102.87)
4 Net asset/(liability) recognised in balance sheet	(143.04)	(102.87)
<b>C</b>		
Change in Defined Benefit Obligation during the year ended 31st March 2022		
1 Present value of DBO at beginning of period	520.75	487.02
2 Current Service Cost	70.94	58.88
3 Interest Cost	35.93	32.14
4 Re-measurement (for actuarial)(gain)/loss arising from	-	-
- Change in demographic assumptions	-	-
- Change in financial assumptions	(26.92)	39.68
- Experience variation (Le Actual experience vs assumptions)	(9.21)	(73.97)
5 Past Service cost	-	-
6 Benefits Paid	(19.38)	(23.02)
7 Acquisition adjustment	-	-
8 Effect of business combinations or disposals	-	-
9 Present value of DBO at the end of period	572.11	520.73
<b>D</b>		
Change in Fair Value of Assets		
1 Fair value of Planned assets at beginning of period	417.86	462.59
2 Investment income	28.83	30.53
3 Employer's contribution	0.93	-
4 Benefits paid	(19.38)	(23.02)
5 Return on plan assets, excluding amount recognised in net interest expense	0.80	15.27
6 Acquisition adjustment	-	-
7 Fair value of Plan assets at end of the period	429.04	417.86
<b>E</b>		
Other Comprehensive Income		
1 Actuarial (gains)/Losses	-	-
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(26.92)	39.68
- Experience variance (Le Actual experience vs assumptions)	(9.21)	(73.97)
2 Return on plan assets, excluding amount recognised in net interest expense	(0.80)	(15.27)
3 Components of defined benefit costs recognised in other comprehensive income	(36.94)	(49.55)

II	The Major categories of plan assets as a % of total plan assets	As at 31st March 2022	As at 31st March 2021
	Fund managed by insurer	100%	100%

III	Assumptions	As at 31st March 2022	As at 31st March 2021
	Financial assumptions		
	Discount rate %	7.30%	6.90%
	Rate of increase in salaries	9% p.a.	9% 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 has 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 operation	As at 31st March 2022	As at 31st March 2021
	Defined benefit obligation base	572.11	520.75

		As at 31st March 2022		As at 31st March 2021	
	Particulars	Decrease	Increase	Decrease	Increase
a	Discount rate (-/+1%)	643.28	512.59	589.44	463.49
	(% change compared to base due to sensitivity)	12.44%	-10.40%	13.19%	-10.97%
b	Salary growth rate (-/+1%)	514.33	639.8	464.74	581.6
	(% change compared to base due to sensitivity)	-10.10%	11.83%	-10.75%	12.45%
c	Attrition rate (-/+50%)	581.66	563.74	532.09	510.85
	(% change compared to base due to sensitivity)	1.67%	-1.46%	2.18%	-1.90%
d	Mortality rate (-/+10%)	573.26	570.97	522.15	519.37
	(% change compared to base due to sensitivity)	0.20%	-0.20%	0.27%	-0.26%

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.

## 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 contribution during the next annual reporting period

Particulars	As at 31st March 2022	As at 31st March 2021
The Company's best estimate of Contribution during the next year	216.66	164.09

## c) Maturity profile of Defined benefit obligation

Particulars	As at 31st March 2022	As at 31st March 2021
Weighted average duration (based on discounted cash flows)	13 years	13 years
Expected cash flows over the next years (based on undiscounted basis)		
1 year	55.57	32.29
2 to 5 years	120.45	119.68
6 to 10 years	195.89	177.45
More than 10 years	1,266.16	1,126.35

## 35 Defined benefit plan

## 35.2 Defined benefit plan - Leave

	Particulars	Year ended 31st March 2022	Year ended 31st March 2021
		Leave encashment Unfunded	Leave encashment Unfunded
A	Components of Employer Expenses		
1	Current Service Cost	25.36	17.97
2	Past service Cost	-	-
3	Loss/(Gain) on settlement	-	-
4	Net interest income/(cost) on the net defined benefit liability (Asset)	7.38	7.57
5	change in demographic assumptions		
6	Actuarial (gains)/ Losses due to Change in financial assumption	(6.44)	9.52
7	Actuarial (gains)/ Losses due to Change in experience variance	31.36	(3.38)
8	Total Expenses recognised in the Statement of Profit & Loss	57.66	31.68
B	Net asset/(liability) recognised in balance sheet as at 31st March 2022		
1	Present value of Defined Benefit Obligation	123.76	106.75
2	Fair value of plan assets	-	-
3	Funded Status (Surplus/(deficit))	(123.76)	(106.75)
4	Net asset/(liability) recognised in balance sheet	(123.76)	(106.75)
C	Change in Defined Benefit Obligation during the year ended 31st March 2022		
1	Present value of DBO at beginning of period	106.75	114.50
2	Current Service Cost	25.36	17.97
3	Interest Cost	7.37	7.56
4	Re-measurement (or actuarial)(gain)/loss arising from	-	-
	-Change in demographic assumptions	-	-
	-Change in financial assumptions	(6.44)	9.52
	-Experience variation (i.e Actual experience vs assumptions)	31.36	(3.38)
5	Past Service cost	-	-
6	Benefits Paid	(40.64)	(39.42)
7	Acquisition adjustment	-	-
8	Effect of business combinations or disposals	-	-
9	Present value of DBO at the end of period	123.76	106.75
D	Change in Fair Value of Assets		
1	Fair value of Planned assets at beginning of period	-	-
2	Investment income	-	-
3	Employer's contribution	40.64	39.42
4	Benefits paid	(40.64)	(39.42)
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	-	-

ii	The Major categories of plan assets as a % of total plan assets	As at 31st March 2022	As at 31st March 2021
	Fund managed by insurer	NA	NA

iii	Assumptions	As at 31st March 2022	As at 31st March 2021
	Financial assumptions		
	Discount rate %	7.30%	6.90% p.a
	Rate of increase in salaries	9% p.a.	9% 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 operation	As at 31st March 2022	As at 31st March 2021
	Defined benefit obligation base	123.76	106.75

Particulars	As at 31st March 2022		As at 31st March 2021	
	Decrease	Increase	Decrease	Increase
a Discount rate (-/ +1%)	140.84	109.61	121.96	94.19
(% change compared to base due to sensitivity)	13.80%	-11.43%	14.25%	-11.76%
b Salary growth rate (-/ +1%)	108.96	141.31	93.69	122.29
(% change compared to base due to sensitivity)	-11.95%	14.19%	-12.23%	14.56%
c Attrition rate (-/ +50%)	126.28	121.57	109.49	104.39
(% change compared to base due to sensitivity)	2.04%	-1.76%	2.57%	-2.21%
d Mortality rate (-/ +10%)	124.07	123.45	107.09	106.41
(% change compared to base due to sensitivity)	0.25%	-0.25%	0.32%	-0.31%
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.				

## v Effect of plan on Entity's Future Cash Flows

## a) Maturity profile of Defined benefit obligation

Particulars	As at 31st March 2022	As at 31st March 2021
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 2022	As at 31st March 2021
1 year	6.28	6.10
2 to 5 years	22.31	17.37
6 to 10 years	39.11	33.37
More than 10 years	322.65	264.51

## Notes to Financial Statements

### 36 Fair Value Measurement

#### a) Financial Instruments by category

Rs in Lakh

Particulars	31 March 2022			31 March 2021		
	Amortised Cost	FVTOCI	At Cost	Amortised Cost	FVTOCI	At Cost
<b>Financial Assets</b>						
Investment in Equity shares (Quoted)	-	44.98	-	-	48.90	-
Investment in Equity shares (Unquoted)	-	215.90	-	-	225.57	-
Investment in Equity shares (Unquoted)-Deemed cost	-	-	-	-	-	-
Investment in Preference Shares (Unquoted)	16.33	-	-	14.84	-	-
Investment in Debentures (Unquoted)	425.00	-	-	-	-	-
Trade Receivables	4,969.37	-	-	3,771.35	-	-
Loans and Advances	19,431.35	-	-	44,047.68	-	-
Other Financial Assets	1,046.80	-	-	1,132.34	-	-
Cash and Cash Equivalents	579.43	-	-	492.14	-	-
<b>Financial Liabilities</b>						
Borrowings(including interest accrued)	43,939.68	-	-	68,883.66	-	-
Trade Payables	2,612.74	-	-	2,822.97	-	-

#### b) Fair Value Hierarchy

Particulars	Fair Value Hierarchy	As at	As at
Financial Assets		31-Mar-22	31-Mar-21
Investment in Equity Share(Quoted)	Level 1	44.98	48.90
Investment in Equity Share(Unquoted)	Level 2	215.90	225.57

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.

Particulars	31-Mar-22		31-Mar-21	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
Investment in Preference Shares (Unquoted)	16.33	16.33	14.84	14.84
Investment in Debentures (Unquoted)	425.00	425.00	-	-
Security Deposit	1,036.13	1,036.13	1,005.63	1,005.63
<b>Financial Liabilities</b>				
Borrowings(including interest accrued)	43,939.68	43,939.68	68,883.66	68,883.66

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.

**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 written off the Expected credit loss amounting to Rs. 1218.76 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:

**Year ended 31.3.2022**

				Rs. In Lakhs
Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	6,424.23	37,432.76	-	43,856.99
Interest on borrowings	82.69	-	-	82.69
Trade Payables	2,612.74	-	-	2,612.74
Employee Benefits Payable	292.43	-	-	292.43
Other Liabilities	357.72	-	-	357.72
<b>Total</b>	<b>9,769.81</b>	<b>37,432.76</b>	<b>-</b>	<b>47,202.57</b>

**Year ended 31.3.2021**

				Rs. In Lakhs
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	304.92	-	-	304.92
<b>Total</b>	<b>6,307.25</b>	<b>65,908.12</b>	<b>-</b>	<b>72,215.37</b>



**(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 Rs. 17.08 lacs (PY: Rs.14.21 Lacs), and w.r.t travelling amounts to Rs. NIL (PY:: Rs. NIL ).

**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:

Rs in lakh		
Particulars	Increase/ decrease in Basis points	Effect on Profit before tax
31.03.2022	+0.50	(219.70)
	-0.50	219.70
31.03.2021	+0.50	(344.42)
	-0.50	344.42

**(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.

## Notes to Financial Statements

### 38 Ratio Analysis & its Elements

Sl. No.	Particulars	Numerator	Denominator	Ratios		% variance	Reason for variance
				2021-22	2020-21		
1	Current Ratio ( in times )	Current Assets	Current Liabilities	1.77	1.15	53.62%	The variance is mainly on account of decrease of short term loan
2	Debt Equity Ratio ( in times )	Net Debt	Shareholder's Equity	(4.34)	(4.17)	3.88%	
3	Debt Service Coverage Ratio ( in times )	Net Operating Income	Debt Service	0.75	0.60	26.45%	The variance is mainly on account of Profit in FY22
4	Return on Equity Ratio ( in % )	Profit for the period	Avg. Shareholders Equity	-	-		The variance is mainly on account of better Inventory management
5	Inventory Turnover Ratio ( in times )	Cost of Goods sold	Average Inventory	5.19	3.53	46.89%	
6	Trade Receivables Turnover Ratio ( in times )	Sales	Average Trade Receivables	11.37	9.02	26.05%	The variance is mainly on account of better management and collection from Customers
7	Trade Payables Turnover Ratio ( in times )	Total Purchases	Average Trade Payables	13.90	8.51	63.31%	The variance is mainly on account of better management of supplier payment .
8	Net Capital Turnover Ratio ( in times )	Net Sales	Average Working Capital	8.14	13.25	-38.55%	The variance is mainly on account of increase in customer outstanding
9	Net Profit Ratio ( in % )	Net Profit	Net Sales	1.07%	-10.27%	110.44%	The variance is mainly on account of profit due to business efficiency
10	Return on Capital employed ( in % )	EBIT	Capital Employed	20.40%	5.34%	282.10%	The variance is mainly on account of Profit in FY22
11	Return on Investment ( in % )	Return/Profit/Earnings	Investment	262.86%	-1801.30%	114.59%	The variance is mainly on account of Profit in FY22

\* Investment for the purpose of calculation of Return on Investment comprises of Equity Share Capital only .

### 39 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.

Rs. in Lakhs

Particulars	31st March 2022	31st March 2021
Long term Borrowings	29,390.85	23,657.31
Incl current maturities		
Short term Borrowings	14,466.14	44,852.17
Less:- Cash & Cash equivalent	(579.43)	(492.14)
<b>Net Debt</b>	<b>43,277.56</b>	<b>68,017.34</b>
<b>Equity</b>	<b>(6,106.72)</b>	<b>(6,654.15)</b>
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.

## Notes to Financial Statements

- 40 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 operating and geographical segment is not provided .
- 41 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.
- 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**

**In terms of our attached report of even date**

**For Agrawal Tondon & Co.**

**Chartered Accountants**

**FRN:-329088E**

**Gautam Jatia**  
**Managing Director**  
**DIN - 00604926**

**Sujoy Chattaraj**  
**Director**  
**DIN - 08818352**

**Amit Agarwal**  
**Chief Financial Officer**

**Radhakrishnan Tondon**  
**Partner**  
**Membership NO. 060534**

**Amrita Bhattacharya**  
**Company Secretary**  
**Membership No.- A53270**

**Dated : 23-08-2022**

**Place : Kolkata**

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of EMAMI FRANK ROSS LIMITED**

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

### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **EMAMI FRANK ROSS LIMITED** ("the Holding Company") and its subsidiary( the Holding Company and its subsidiary together referred to as "the Group") which comprise the consolidated Balance Sheet as at 31st March 2022, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Cash Flow and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group as at 31st March 2022, their consolidated loss including other comprehensive income, their consolidated cash flows, and the consolidated statement of changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 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 consolidated Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of consolidated Ind AS financial statements for the year ended 31<sup>st</sup> March, 2022. These matters were addressed in the context of our audit of Consolidated Ind AS 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
<p><b>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".</b></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 Group'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 new 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.</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>

<p><b>2) Related Party Transactions</b></p> <p>The Group has entered into several transactions with related parties during the year 2021-22. 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"> <li>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.</li> </ol>
	<ol style="list-style-type: none"> <li>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.</li> <li>3. We considered the adequacy and appropriateness of the disclosures in the financial statements, including recoverability thereof, relating to the related party transactions.</li> <li>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.</li> <li>5. We have tested on a sample basis, Company's assessment of related party transactions for arm's length pricing.</li> </ol>

Key Audit Matters	Auditor's Response thereon
<p><b>3) Existence and valuation of Inventories.</b></p> <p>The value of the Company's inventories at year-end was 6983.96lakh, representing 15.82% 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"> <li>● 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.</li> <li>● Evaluation of the design and testing the operating effectiveness of the internal controls relating to purchases, sales and inventories including automated controls</li> <li>● 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.</li> <li>● 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.</li> </ul>

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

The Holding Company's Board of Directors is responsible for the other information. 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 consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 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 on the other information obtained prior to the date of this auditor's report, 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.

### **Responsibility of Management and Those Charged with Governance for Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group 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 Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process of the Group.



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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding 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 Group'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 Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We 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 the consolidated Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the matters specified in paragraph 3(xxi) of the Order.

1. As required by Section 143(3) of the Act, we report that:
  - (a) We / the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS Financial Statement.
  - (b) In our opinion, proper books of account as required by law relating to preparation of aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated Ind AS financial statement.

- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards 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 of Holding company as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors of the Holding company and the report of the statutory auditor appointed under section 139 of the Act of its subsidiary company, none of the directors of the Group company is disqualified as on 31<sup>st</sup> March, 2022 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 with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary 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 requirement of section 197(16) of the Act, as amended :
- In our opinion and to the best of our information and according to the explanation given to us, the remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company to its directors 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 Group has no pending litigations on its financial position in its Consolidated financial statement.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no such sum which needs to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The respective management of the Holding Company and its subsidiary have represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b) The respective management of the Holding Company and its subsidiary have represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of its subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary, nothing has come to our or other auditor's attention that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the year nor in the previous year.

For Agrawal Tondon & Co  
Chartered Accountants  
Firm's Registration Number – 329088E

Radhakrishnan Tondon  
Partner  
Membership No: 060534

Place: Kolkata

Date: 23.08.2022

UDIN: 22060534A8NWFQ1363

## **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 Subsection 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 (“the Holding Company”) as of March 31<sup>st</sup>, 2022 to the extent of records available with us in conjunction with our audit of the Consolidated Ind AS financial statements of the Group 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 Holding 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 31<sup>st</sup> March 2022, based on the internal financial controls over financial reporting criteria established by the Holding Company considering the essentials 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent

applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

### **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 Number – 329088E

Radhakrishnan Tondon  
Partner  
Membership No: 060534

Place: Kolkata  
Date: 23.08.2022  
UDIN: 2206053 4 A Q N W F 8 1363

## **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)

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and based on the consideration of report of other auditor of the subsidiary company, we state that:

(xxi) There are no qualifications or adverse remarks by the respective auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements.

For Agrawal Tondon & Co  
Chartered Accountants  
Firm's Registration Number – 329088E

Radhakrishnan Tondon  
Partner  
Membership No: 060534

Place: Kolkata  
Date: 23.08.2022  
UDIN: 22060534AQNWFB1363



**Emami Frank Ross Ltd**  
**Consolidated Balance Sheet as at 31st March 2022**

		Rs in Lakh	
Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
a) Property, Plant and Equipment	2.1	4,085.42	4,677.64
b) Capital work-in-progress	2.1	67.46	11.53
c) Other Intangible Assets	2.2	72.97	187.01
d) Right of Use Assets	2.3	2,242.60	3,488.19
e) Intangible Assets under Development	2.2	189.96	17.95
f) Goodwill on Consolidation		36.23	36.23
g) Financial assets			
(i) Investments	3	702.20	289.31
(ii) Other Financial Assets	6	1,046.80	1,145.74
h) Deferred Tax Assets (Net)	7	3,293.43	3,216.70
i) Other non-current assets	8	223.05	420.00
<b>Total Non Current Assets</b>		<b>11,960.12</b>	<b>13,490.29</b>
<b>CURRENT ASSETS</b>			
a) Inventories	9	6,983.96	7,972.10
b) Financial assets			
(i) Trade receivable	5	4,969.37	3,771.46
(ii) Cash and cash equivalents	10	581.35	506.42
(iii) Loans	4	19,431.35	44,047.69
(iv) Other Financial Assets	11	-	83.77
c) Assets Held for Sale		-	880.16
d) Other current assets	12	254.67	242.99
<b>Total Current Assets</b>		<b>32,220.70</b>	<b>57,504.59</b>
<b>TOTAL ASSETS</b>		<b>44,180.82</b>	<b>70,994.88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity Share Capital	13	208.27	208.27
b) Other Equity	14	(6,278.74)	(5,920.68)
<b>Total Equity</b>		<b>(6,070.47)</b>	<b>(5,712.41)</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
a) Financial Liabilities			
(i) Borrowings	15	22,966.61	21,055.95
(i)(a) Lease Liabilities	15	1,889.61	2,775.99
(ii) Other Financial Liabilities	16	23.47	22.50
<b>Total Non Current Liabilities</b>		<b>24,879.69</b>	<b>23,854.44</b>
<b>CURRENT LIABILITIES</b>			
a) Financial liabilities			
(i) Borrowings	15	20,890.37	47,469.28
(i)(a) Lease Liabilities	15	745.29	1,031.54
(ii) Trade payables	18		
Total outstanding dues of Micro enterprises and small enterprises		43.99	21.91
Total outstanding dues of creditors other than Micro enterprises and small enterprises		2,568.75	2,801.08
(iii) Other Financial Liabilities	19	733.72	882.92
b) Other current liabilities	20	122.67	436.06
c) Provisions	17	266.80	210.05
<b>Total Current Liabilities</b>		<b>25,371.59</b>	<b>52,852.85</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44,180.82</b>	<b>70,994.88</b>

Significant accounting policies

The accompanying notes are an integral part of these financial statements

In terms of our attached report of even date

For Agrawal Tondon & Co.

Chartered Accountants

FRN:-329088E

For & on behalf of Board of Directors

Gautam Jaisa  
Managing Director  
DIN - 00604926

Sujoy Chatteraj  
Director  
DIN - 08818352

Radhakrishnan Tondon  
Partner  
Membership No. 060534

Amli Agarwal  
Chief Financial Officer

Dated : 23-08-2022  
Place : Kolkata

Amrita Bhattacharya  
Company Secretary  
Membership No.- A53270

**Emami Frank Ross Ltd**  
**Consolidated Statement of Profit & Loss**  
**For the year ended 31st March 2022**

Rs in Lakh

PARTICULARS		Notes	Year ended 31st March 2022	Year ended 31st March 2021
<b>I</b>	Revenue from Operations	21	49,682.14	37,244.82
<b>II</b>	Other Income	22	5,995.29	4,004.96
<b>III</b>	<b>Total Income (I+II)</b>		<b>55,677.43</b>	<b>41,249.78</b>
<b>IV</b>	<b>Expenses :</b>			
	Purchases of Stock-in-Trade		37,771.11	28,428.80
	Changes in Inventories of Stock-in-Trade	23	950.42	507.13
	Employee Benefits Expense	24	4,783.84	4,317.84
	Finance Costs	25	7,034.83	7,158.50
	Depreciation and Amortisation Expense	2	2,031.75	2,420.15
	Other Expenses	26	3,563.54	2,107.28
	<b>Total Expenses (IV)</b>		<b>56,135.48</b>	<b>44,939.69</b>
<b>V</b>	<b>Profit/(Loss) before Exceptional Items and Tax (III-IV)</b>		<b>(458.05)</b>	<b>(3,689.91)</b>
<b>VI</b>	<b>Tax Expense :</b>			
	Tax relating to earlier years		0.05	0.53
	Deferred Tax	7	(85.16)	(1,431.21)
<b>VII</b>	<b>Profit/ (Loss) for the year (V-VI)</b>		<b>(372.95)</b>	<b>(2,259.23)</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
	<b>Items that will not be reclassified to Profit &amp; Loss</b>			
i	Fair value changes in Equity instrument		(13.60)	44.28
ii	Remeasurement of defined benefit obligation		36.94	49.55
iii	Income Tax relating to above		(8.43)	(21.14)
	<b>Other Comprehensive income net of tax</b>		<b>14.91</b>	<b>72.70</b>
<b>IX</b>	<b>Total Comprehensive income for the year (VII+VIII)</b>		<b>(358.03)</b>	<b>(2,186.53)</b>
<b>X</b>	<b>Profit/(loss) attributable to</b>			
	<b>Owners of the company</b>		<b>(372.95)</b>	<b>(2,259.23)</b>
	<b>Non-Controlling interests</b>		<b>(372.95)</b>	<b>(2,259.23)</b>
<b>XI</b>	<b>Comprehensive Income</b>			
	<b>Owners of the company</b>		<b>14.91</b>	<b>72.70</b>
	<b>Non-Controlling interests</b>		<b>14.91</b>	<b>72.70</b>
<b>XII</b>	<b>Total comprehensive income attributable to</b>			
	<b>Owners of the company</b>		<b>(358.03)</b>	<b>(2,186.53)</b>
	<b>Non-Controlling interests</b>		<b>(358.03)</b>	<b>(2,186.53)</b>
	<b>Earnings per equity share</b>			
i	Basic (Face value Rs. 10/- each)		(17.91)	(108.48)
ii	Diluted (Face value Rs. 10/- each)		(17.91)	(108.48)

**Significant accounting policies**

The accompanying notes are an integral part of these financial statements

In terms of our attached report of even date  
For Agrawal Tondon & Co.  
Chartered Accountants  
FRN:-329088E

For & on behalf of Board of Directors

Gautam Jalla  
Managing Director  
DIN - 00604926

Sujoy Chatteraj  
Director  
DIN - 08818352

Amit Agarwal  
Chief Financial Officer

Radhakrishnan Tondon  
Partner  
Membership NO. 060534

Dated : 23-08-2022  
Place : Kolkata

Amrita Bhattacharya  
Company Secretary  
Membership No.- A53270

**Emami Frank Ross Ltd**  
**Consolidated Cash Flow statement**  
**For the year ended 31-March-2022**

	2021-22	2020-21
<b>A Cash flow from operating activities</b>		
Net Profit before tax	(458.06)	(3,689.91)
<b>Adjustments for :-</b>		
Depreciation and amortisation expense	2,031.74	2,420.15
Dividend	(0.80)	(0.80)
Finance costs	7,034.95	7,158.50
Interest income	(5,408.69)	(3,823.70)
Profit/(loss) on sale / (disposal) of property, Plant & equipment (net) and right of use assets	(452.36)	0.65
Lease Payments	(1,311.45)	(1,448.15)
Non Cash items	1,054.67	148.95
	<b>2,490.01</b>	<b>765.69</b>
<b>Adjustments for working capital changes</b>		
Increase/(Decrease) in Trade Payables and Other Liabilities	(383.83)	(1,454.71)
(Increase)/Decrease in Inventories	988.13	507.13
(Increase)/Decrease in Trade Receivables	(1,197.91)	716.33
(Increase)/Decrease in Loans and Advances and other financial & non financial	196.55	(157.73)
Increase/(Decrease) in Provisions	94.56	27.65
	(302.50)	(361.33)
	2,187.51	404.35
Less:- Direct Taxes paid/(refund received)-Net	(54.03)	(20.96)
<b>Net Cash flow from operating activities</b>	<b>2,133.48</b>	<b>383.40</b>
<b>B Cash flow from Investing activities</b>		
Proceeds from Sale of Property, Plant & Equipment	864.61	66.18
Interest received	1,510.89	2,607.97
Dividend	0.80	0.80
Purchase of Property, Plant & Equipment	(668.93)	(208.08)
Investment in Optionally Convertible Debentures	(425.00)	-
Loans (given)/repayment received from others	28,526.40	(10,550.32)
Fixed deposit made	32.24	75.38
<b>Net cash flow (used) in investing activities</b>	<b>29,841.01</b>	<b>(8,008.07)</b>
<b>C Cash flow from Financing activities</b>		
Repayment of Borrowings	(43,731.10)	(96,775.90)
Issue/(redemption) of Non Convertible Debentures	-	(28,750.00)
Proceeds from borrowings	19,241.00	1,39,170.73
Interest Including Borrowing costs	(7,312.67)	(7,316.47)
Cash credit taken/(repaid) (net)	(96.79)	1,113.23
<b>Net cash flow (used) in financing activities</b>	<b>(31,899.56)</b>	<b>7,441.60</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>74.92</b>	<b>(183.07)</b>
Add:- Cash & Cash Equivalents -Opening balance	506.42	689.50
Cash & cash equivalents -Closing balance	581.35	506.42

..contd

**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

Particulars	As at 31-Mar-22	As at 31-Mar-21
<b>Cash &amp; cash equivalents includes:-</b>		
Cash in hand	132.53	163.24
<b>Balances with Banks</b>		
-Current account	439.71	343.18
Fixed Deposits with Banks [including interest accrued]	9.11	-
<b>Cash &amp; Cash Equivalents in Cash Flow Statement</b>	<b>581.35</b>	<b>506.42</b>

Significant accounting policies

The accompanying notes are an integral part of these financial statements

In terms of our attached report of even date  
For Agrawal Tondon & Co.  
Chartered Accountants  
FRN:-329088E

For & on behalf of Board of Directors

Gautam Jatia  
Managing Director  
DIN - 00604926

Sujoy Chattaraj  
Director  
DIN - 08818352

Amit Agarwal  
Chief Financial Officer

Radhakrishnan Tondon  
Partner  
Membership No. 060534

Dated : 23-08-2022  
Place : Kolkata

Amrita Bhattacharya  
Company Secretary  
Membership No.- A53270

Emami Frank Ross Ltd  
Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

A Equity Share Capital

1 Current reporting period (2021-22)				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
208.27				208.27
2 Previous reporting period (2020-21)				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
208.27				208.27

Particulars	Reserves & Surplus		Other Comprehensive Income		Total Equity attributable to owners of the company	Non Controlling interest
	Retained Earnings	General Reserve	Equity Instruments through OCI	Remeasurement of Defined Benefit Plans		
Balance at 01-04-20	(6,014.50)	2,124.67	122.13	(2.53)	(3,734.14)	-
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)	
Profit/(loss) for the year	(2,259.23)	-	-	-	(2,259.23)	
Balance at 31-03-21	(8,273.72)	2,124.67	160.73	31.55	(5,920.68)	-
Total Comprehensive Income for the financial year 2021-22						
Fair value changes in Equity instrument			(13.60)		(13.60)	
Tax Effect on above			(0.74)		(0.74)	
Remeasurement of Defined benefit obligation				36.94	36.94	
Tax Effect on above				(7.69)	(7.69)	
Profit/(loss) for the year	(372.95)	-	-	-	(372.95)	
Balance at 31-03-22	(8,646.69)	2,124.67	146.40	60.79	(6,278.74)	-

## Significant accounting policies

The accompanying notes are an integral part of these financial statements

In terms of our attached report of even date

For Agrawal Tondon & Co.

Chartered Accountants

FRN:-329088E

Gautam Jatia  
Managing Director  
DIN - 00604926

Sujoy Chattaraj  
Director  
DIN - 08818352

Amit Agarwal  
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Partner  
Membership No. 060534

Dated : 23-08-2022  
Place : Kolkata

Amrita Bhattacharya  
Company Secretary  
Membership No.- A53270

## 2.1 Property, Plant &amp; Equipment

[Current year]

Rs in Lakh

Particulars	Gross Block			Accumulated Depreciation and amortisation			Net Block	
	Balance as at 1st April 2021	Additions during the year	Disposals/ Adjustments	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation charge for the year	Disposals/ Adjustments	Balance as at 31st March 2022
<b>a</b>								
<b>Tangible Assets</b>								
Building	4,862.76	185.45	867.46	4,180.75	1,623.19	197.47	489.09	2,949.18
Plant & Equipment	23.20	0.31	-	23.51	11.94	2.08	-	9.49
Electrical Installation	528.04	0.35	9.15	537.54	353.40	42.73	8.53	131.64
Furniture & Fixture	3,118.87	109.75	58.16	3,170.46	2,060.91	275.81	51.36	1,057.96
Office Equipments	611.65	53.18	65.12	599.71	510.49	49.30	60.71	101.16
Computers	465.89	58.98	15.17	509.70	389.16	47.98	14.67	87.23
Vehicles	72.72	17.09	18.05	71.76	56.40	8.30	15.09	22.15
<b>Total (A)</b>	<b>9,683.13</b>	<b>425.11</b>	<b>1,033.11</b>	<b>9,075.13</b>	<b>5,005.49</b>	<b>623.67</b>	<b>639.45</b>	<b>4,085.42</b>
<b>b</b>								
<b>Capital Work-in-Progress *</b>	11.53	65.36	9.43	67.46	-	-	-	67.46
<b>Total (B)</b>	<b>11.53</b>	<b>65.36</b>	<b>9.43</b>	<b>67.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.53</b>
<b>Grand Total (A + B)</b>	<b>9,694.66</b>	<b>490.47</b>	<b>1,042.54</b>	<b>9,142.59</b>	<b>5,005.49</b>	<b>623.67</b>	<b>639.45</b>	<b>4,152.88</b>

Capital Work-in-Progress ageing schedule - As at 31st March, 2022

Capital Work-in-Progress under development	Amount in CWIP for a period of			TOTAL
	Less than 1 year	1-2 years	More than 3 years	
<b>Projects in Progress #</b>	<b>65.36</b>	<b>-</b>	<b>2.10</b>	<b>67.46</b>

# All projects in progress includes capital work in progress, whose completion is neither overdue nor exceeded its cost as compared to its original plan. There are no projects as on the reporting date where activity has been suspended.

## Notes to Financial Statements

## 2.2 Intangible Assets

[Current year]

Rs in Lakh

Particulars	Gross Block			Accumulated Depreciation and amortisation			Net Block		
	Balance as at 1st April 2021	Additions during the year	Disposals/ Adjustments	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation charge for the year	Disposals/ Adjustments	Balance as at 31st March 2022	Balance as at 31st March 2021
Intangible Assets									
Computer Software	294.43	15.86	-	310.29	251.08	17.20	-	268.29	43.34
Online application software	924.37	-	-	924.37	811.78	104.49	-	916.27	112.59
Tenancy Rights	91.48	-	-	91.48	60.41	8.21	-	68.61	31.07
Total (A)	1,310.28	15.86	-	1,326.14	1,123.27	129.90	-	1,253.17	187.01
Intangible assets under development *	17.95	172.01	-	189.96	-	-	-	189.96	17.95
Total (B)	17.95	172.01	-	189.96	-	-	-	189.96	17.95
Grand Total (A+B)	1,328.23	187.87	-	1,516.10	1,123.27	129.90	-	1,253.17	204.96

\* Intangible assets under development ageing schedule

Intangible assets under development	Amount in Intangible assets under development for a period of				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress #	172.01	17.95			189.96

All projects in progress includes Intangible assets under development, whose completion is neither overdue nor exceeded its cost as compared to its original plan. There are no projects as on the reporting date where activity has been suspended.

## Notes to Financial Statements

### 2.3 Right of Use Assets

### Right of Use Assets

Rs in Lakh

Particulars	Gross Block			Accumulated Depreciation and amortisation			Net Block		
	Balance as at 1st April 2021	Additions during the year	Disposals/ Adjustments	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation charge for the year	Disposals / Adjustments	Balance as at 31st March 2022	Balance as at 31st March 2021
<u>Right of Use Assets</u> Building	6,351.01	239.30	238.37	6,351.94	2,862.82	1,278.18	31.66	4,109.34	3,488.19
Grand Total (A)	6,351.01	239.30	238.37	6,351.94	2,862.82	1,278.18	31.66	4,109.34	3,488.19

Notes to Financial Statements

2.1 Property, Plant & Equipment

[Previous year]

Rs in Lakh

Particulars	Gross Block			Accumulated Depreciation and amortisation			Net Block	
	Balance as at 1st April 2020	Additions during the year	Disposals/ Adjustments	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation charge for the year	Balance as at 31st March 2021	Balance as at 31st March 2020
<b>a</b>								
<u>Tangible Assets</u>								
Building	4,826.06	36.70	-	4,862.76	1,364.98	258.21	3,239.37	3,461.08
Plant & Equipment	22.70	0.50	-	23.20	9.54	2.40	11.26	13.16
Electrical Installation	526.58	5.84	4.38	528.04	300.24	57.00	174.64	226.34
Furniture & Fixture	3,078.26	68.89	28.28	3,118.87	1,736.99	346.73	1,057.96	1,341.27
Office Equipments	592.46	23.66	4.47	611.65	447.70	67.00	101.16	144.76
Computers	415.14	53.01	2.26	465.89	344.27	47.04	76.73	70.87
Vehicles	72.57	0.19	0.04	72.72	48.12	8.32	16.32	24.45
<b>Total (A)</b>	<b>9,533.77</b>	<b>188.79</b>	<b>39.43</b>	<b>9,683.13</b>	<b>4,251.84</b>	<b>786.70</b>	<b>4,677.64</b>	<b>5,281.93</b>
<b>b</b>								
<u>Capital Work-in-Progress *</u>	38.35	-	26.82	11.53	-	-	11.53	38.35
<b>Total (B)</b>	<b>38.35</b>	<b>-</b>	<b>26.82</b>	<b>11.53</b>	<b>-</b>	<b>-</b>	<b>11.53</b>	<b>38.35</b>
<b>Grand Total (A+B)</b>	<b>9,572.12</b>	<b>188.79</b>	<b>66.25</b>	<b>9,694.66</b>	<b>4,251.84</b>	<b>786.70</b>	<b>4,689.17</b>	<b>5,320.28</b>

\* Capital Work-in-Progress ageing schedule - As at 31st March , 2021

Capital Work-in-Progress under development	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
<b>Projects in Progress #</b>	-	2.76	-	8.77
				<b>11.53</b>

# All projects in progress includes capital work in progress , whose completion is neither overdue nor exceeded its cost as compared to its original plan . There are no projects as on the reporting date where activity has been suspended.



2.2 Intangible Assets  
[Previous year]

Rs in Lakh

Particulars	Gross Block			Accumulated Depreciation and amortisation				Net Block	
	Balance as at 1st April 2020	Additions during the year	Disposals / Adjustments	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation charge for the year	Disposals / Adjustments	Balance as at 31st March 2021	Balance as at 31st March 2020
Intangible Assets									
Computer Software	266.26	28.17	-	294.43	231.03	20.06	-	43.34	35.23
Online application software	924.38	-	-	924.38	647.81	163.98	-	112.59	276.57
Tenancy Rights	91.48	-	-	91.48	51.33	9.07	-	31.08	40.15
Total (A)	1,282.12	28.17	-	1,310.29	930.17	193.11	-	1,123.28	351.95
Intangible assets under development *									
		17.95	-	17.95	-	-	-	17.95	-
Total (B)	-	17.95	-	17.95	-	-	-	17.95	-
Grand Total (A+B)	1,282.12	46.12	-	1,328.24	930.17	193.11	-	1,123.28	351.95

Intangible assets under development ageing schedule - As at 31st March, 2021

	Amount in Intangible assets under development for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Intangible assets under development				TOTAL
Projects in Progress #	17.95	-	-	17.95

# All projects in progress includes intangible assets under development, whose completion is neither overdue nor exceeded its cost as compared to its original plan. There are no projects as on the reporting date where activity has been suspended.

## Notes to Financial Statements

### 2.3 Right of Use Assets

### Right of Use Assets

Rs in Lakh

Particulars	Gross Block			Accumulated Depreciation and amortisation			Net Block	
	Balance as at 1st April 2020	Additions during the year	Disposals / Adjustments	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation charge for the year	Balance as at 31st March 2021	Balance as at 31st March 2020
Right of Use Assets Building	5,876.19	533.86	59.04	6,351.01	1,445.05	1,440.34	3,488.19	4,431.14
<b>Grand Total (A)</b>	<b>5,876.19</b>	<b>533.86</b>	<b>59.04</b>	<b>6,351.01</b>	<b>1,445.05</b>	<b>1,440.34</b>	<b>3,488.19</b>	<b>4,431.14</b>

## Notes to Consolidated Financial Statements

### Group Overview

The consolidated financial statements comprise Financial Statements of Emami Frank Ross Limited (the Parent) and Lyfresh Private Limited (the subsidiary ) for the year ended March 31,2022.The Company, is primarily engaged in retail business dealing in Pharmaceutical products and leisure products while the subsidiary is engaged in agriculture 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 7, Jawaharlal Nehru Road, Kolkata-700013.

### 1 Significant Accounting Policies

#### 1.1 Basis of Preparation of Consolidated Financial statements .

- (i) These consolidated financial statements for the year ended March 31, 2022 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") as per the Companies (Indian Accounting Standards) Rules, 2016 (the Rules) as amended issued by the MCA.

#### 1.2 Basis of measurement

These IndAS Consolidated Financial Statements have been prepared on a going concern basis using historical cost convention, except for the following:

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

#### 1.3 Operating Cycle

All assets and liabilities have been classified as Current or Non Current as per the companies normal operating cycle and other criteria set out in the schedule III to the Companies Act 2013 and IND AS 1 - Presentation of Financial statements .

The Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

### Functional and presentation currency

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

#### 1.4 Basis of Consolidation

The Consolidated Financial Statements comprise financial statement of the Parent and its subsidiary which have been prepared in accordance with Indian Accounting Standard for Consolidated financial Statements (INDAS 110), prescribed under section 133 of Companies Act, 2013. Control exists when the power over the entity , is exposed, or has rights , to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiary is consolidated from the date from which control commences till the date control ceases. The Consolidated Financial Statements have been prepared on the following basis.

- i The consolidated financial statements of the group companies have been consolidated on a line by line basis and intra group balances and transactions including unrealized gains/loss from such transactions are eliminated upon consolidation.
- ii The Difference between the cost of investment in subsidiary over its proportionate share in the net asset value at the time of acquisition of stake in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. For this purpose , the company's share of networth is determined on the basis of latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and date of respective acquisition. Capital Reserve is adjusted against Goodwill.
- iii Changes in parents ownership interest in subsidiary that do not result in the parent losing control of the subsidiary are recognised directly in equity.
- iv Non controlling interest in net profit/loss of the subsidiary for the year is identified and adjusted against income in order to arrive at the net income attributable to shareholders of the company . Non controlling interest in net assets of the subsidiary is identified and presented separately in Consolidated Financial Statements.
- v Carrying amount of investment in subsidiary and parent's portion of equity in subsidiary is offset (eliminated).
- vi As far as possible, the Consolidated Financial Statements have been using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's financial statements.
- vii The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the company.

## **1.5 Fair Value Measurement**

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All methods of assessing fair value result in general approximation of value and such value may never actually be realised. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable .
- c) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable .

## **1.6 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 (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.

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 Property, Plant & Equipment 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 Group'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) Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end. Bearer Plants which is used in the production or supply of agriculture produce and expected to bear produce for more than a period of twelve months are capitalized as a part of Property, Plant & Equipment. The cost of Bearer Plant includes all cost incurred till the plants are ready for commercial harvest. Bearer Plants are depreciated from the date when they are ready for commercial harvest. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. Estimated useful lives of the bearer plants has been determined to be as follows :-

Sugarcane:-3 Years

Pomegranate:-15-20 years

Guava:-12-17 years

**d) Biological Assets:**

Biological Assets are measured at fair values less costs to sell which approximates the cost.

e) **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.

f) **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 Pharmaceutical products and Leisure products.

The Parent'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.

g) **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.

#### h) Inventories

Inventories are valued at 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.

#### i) 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 ex-gratia. 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.

#### Post-employment benefits

The Parent operates the following post-employment schemes:

- i) Gratuity is funded with Life insurance corporation of India . 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.

j) Leases

The Parent has applied Ind AS 116 using the modified retrospective approach and has accordingly not restated the comparative information. The Parent 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 Parent 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 Parent 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.

k) **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 (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.

l) **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.

m) **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.

n) **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.

o) **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.

p) **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 Group 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 Parent 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 Group 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.

### **q) Segment Reporting**

#### **Identification of Segments**

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

### **r) 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.

### **s) 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.

### 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 Group 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 Group 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 Group'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 Parent'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.

## 3 Non Current Investments

Rs in Lakh

3.1	Particulars	31st March, 2022	31st March, 2021
A	<b>[Investments carried at Cost]</b>		
1	<b>Investment in Equity Instruments (Unquoted)</b>		
a	Medico Association # 12 Shares**	0.42	0.42
	Less:- Provision for diminution in value of investment	(0.42)	(0.42)
b	All India Origin Chemists & Distributors Limited # 2000 Equity Shares of Rs. 10/- each fully paid up	0.20	0.20
	Less:- Provision for diminution in value of investment	(0.20)	(0.20)
c	Shoppers City Maintenance Co. P Ltd # 19800 Equity Shares of Re.1/- each fully paid up	0.20	0.20
	Less:- Provision for diminution in value of investment	(0.20)	(0.20)
B	<b>[Investments carried at Fair Value through OCI]</b>		
1	M. Bhattacharyya & Co. Private. Limited 222 Equity Shares of Rs. 500/- each fully paid up	165.09	165.09
2	Midkot Investment Pvt. Ltd. - Note - 1 461825 Equity Shares of Rs. 10/- each fully paid up	50.80	-
	PAN Emami Cosmed Ltd. - Note - 1 52500 Equity Shares of Rs. 10/- each fully paid up	-	60.48
	<b>Investment in Equity Instruments (Quoted)</b>		
3	Emami Limited 10000 Equity shares of Rs.1/- each fully paid up.	44.78	48.77
4	Emami Realty Limited 333 Shares of Rs.10/- each fully paid up	0.20	0.13
	<b>Total(A+B)</b>	<b>260.87</b>	<b>274.47</b>
C	<b>Investment in Preference Shares (Unquoted)</b> <b>[ Investments carried at amortised cost ]</b> <b>Others</b> M. Bhattacharyya & Co. Private Limited 35000 10% Cumulative Preference Shares of Rs.100/-each fully paid up Redeemable at par at any time within 20 years from date of issue	16.33	14.84
	<b>Total(C)</b>	<b>16.33</b>	<b>14.84</b>
D	<b>Investment in Debentures (Unquoted)</b> <b>[ Investments carried at amortised cost ]</b> <b>Others</b> M. Bhattacharyya & Co. Private Limited -Note - 2 425 Optionally Convertible Debentures of Rs 100000/- each fully paid up Redeemable on or Before 120 months from the date of Issue	425.00	-
	<b>Total(D)</b>	<b>425.00</b>	<b>-</b>
	<b>Grand Total (A+B+C+D)</b>	<b>702.20</b>	<b>289.31</b>
	Aggregate value of Quoted Investment and market value thereof	44.98	48.90
	Aggregate value of Unquoted Investment	657.22	240.41
	#Aggregate provision for diminution in value of investments	0.82	0.82
	** Formed under Bombay Non - Trading Corporations Act, 1959 not having Face value of Shares		

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

**Note- 1**

PAN emami to Midkot shares

Pan Emami Cosmed Limited has been amalgamated into and with Midkot Investments Private Limited. As a consequence of the scheme, the company has received 4,61,825 shares of Midkot Investments Pvt. Ltd. in return of 52,500 shares of PAN Emami Cosmed Ltd.

**Note- 2**

425 nos. Unsecured Optionally Convertible Debentures @ 100,000/- each issued by M Bhattacharya & co Pvt Ltd. Date of allotment- 12-Jan-2022. The same is convertible into equity at the option of the issuer, or be redeemed any time within 120 months after date of allotment @ 2% premium.

**Notes to Financial Statements**

Rs in Lakh

4	Loans	31st March, 2022	31st March, 2021
	<b>Current</b>		
	<b>To related party</b>		
	Considered Good-Unsecured unless otherwise stated * (Refer Note-30)	69.25	8,455.47
	<b>To others</b>		
	Considered Good-Unsecured unless otherwise stated	19,362.10	35,592.21
	<b>Total Current- A</b>	<b>19,431.35</b>	<b>44,047.68</b>
	<b>Total Loans (A)</b>	<b>19,431.35</b>	<b>44,047.68</b>

\* since received

5	Trade receivables	31st March, 2022	31st March, 2021
	<b>Current</b>		
	Considered good -Unsecured*	4,969.37	3,771.46
	Credit impaired	7.09	7.09
	Less:- Allowance for doubtful debts and advances	(7.09)	(7.09)
	<b>Total Current -A</b>	<b>4,969.37</b>	<b>3,771.46</b>
	*- For credit risk and provision for loss allowance refer note no 37		

**Trade Receivables Ageing - As at 31st March, 2022**

Particulars	Outstanding for the following period from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivable - Considered Good	4,716.22	95.16	78.18	32.81	46.99	4,969.37
(ii) Undisputed Trade Receivable - Which have significant increase in credit risk						-
(iii) Undisputed Trade Receivable - Credit Impaired					7.09	7.09
(iv) Disputed Trade Receivable - Considered Good						-
(v) Disputed Trade Receivable - Which have significant increase in credit risk						-
(vi) Disputed Trade Receivable - Credit Impaired						-
<b>TOTAL</b>	<b>4,716.22</b>	<b>95.16</b>	<b>78.18</b>	<b>32.81</b>	<b>54.09</b>	<b>4,976.46</b>

**Trade Receivables Ageing - As at 31st March, 2021**

Particulars	Outstanding for the following period from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivable - Considered Good	3,316.69	137.13	250.00	37.79	29.85	3,771.46
(ii) Undisputed Trade Receivable - Which have significant increase in credit risk						-
(iii) Undisputed Trade Receivable - Credit Impaired					7.09	7.09
(iv) Disputed Trade Receivable - Considered Good						-
(v) Disputed Trade Receivable - Which have significant increase in credit risk						-
(vi) Disputed Trade Receivable - Credit Impaired						-
<b>TOTAL</b>	<b>3,316.69</b>	<b>137.13</b>	<b>250.00</b>	<b>37.79</b>	<b>36.95</b>	<b>3,778.55</b>

6	Other Financial Assets	31st March, 2022	31st March, 2021
	<b>Security Deposits</b>		
	Security Deposits-Trade	1,036.13	1,102.79
	<b>Other Advances</b>		
	Fixed Deposits pledged with Banks (including interest accrued)*	10.67	42.95
	<b>Total</b>	<b>1,046.80</b>	<b>1,145.74</b>

\*- Lien marked towards Bank Guarantee



## 7 Movements in Deferred Taxes

Particulars	31-Mar-22	31-Mar-21
Deferred Tax Liability	29.45	31.78
Deferred Tax Assets	3,291.38	3,216.98
Deferred Tax Liabilities/(Asset) (Gross)	(3,261.93)	(3,185.20)
Add:- MAT Credit Entitlement	(31.50)	(31.50)
Deferred Tax Liabilities/(Asset) (Net)	(3,293.43)	(3,216.70)

Movement in Deferred Tax Liabilities/(Assets)	Liabilities/Provisions that are deducted for tax purposes	Defined Benefit Obligation	On Unabsorbed Losses	Depreciation differences	Financial Assets (FVOCI)- Equity Shares	Total
As at 01 April, 2020	(77.01)	6.20	(1,528.08)	(202.35)	26.10	(1,806.64)
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)
As at 01 April, 2021						
Charged/(Credited)						
Recognised in Profit & Loss	(38.01)	(23.05)	136.98	(161.08)	-	(85.16)
Recognised in Other Comprehensive Income	-	10.76	-	-	(2.33)	8.43
Recognised in Other Equity	-	-	-	-	-	-
As at 31st March, 2022	(66.94)	(35.37)	(2,695.11)	(493.96)	29.45	(3,261.93)
Add:- MAT Credit Entitlement	-	-	-	-	-	(31.50)
Net Deferred Tax Liabilities /(Asset)-as at 31-Mar-2022	(66.94)	(35.37)	(2,695.11)	(493.96)	29.45	(3,293.43)

**Notes to Financial Statements**

Rs in Lakh

8	<b>Other non-current assets</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>
	Capital Advances	1.00	55.53
	Advance to Directors	26.68	-
	Advance to Employees	22.03	29.89
	<b>Other advances</b>		
	Advance Against Purchase	-	3.00
	Advance Against Expenses		
	To Related Party	-	100.00
	Others	-	9.00
	Prepaid Expenses	6.42	8.17
	Rent paid in advance	166.92	214.41
	<b>Total</b>	<b>223.05</b>	<b>420.00</b>
9	<b>Inventories-At lower of cost and Net realisable value</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>
	Stock- In-Trade	6,983.96	7,972.10
	<b>Total</b>	<b>6,983.96</b>	<b>7,972.10</b>
10	<b>Cash and cash equivalents</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>
	Balances with Banks		
	On Current Accounts	439.71	343.18
	<b>Other Bank Balance</b>		
	Fixed Deposits with Banks [including interest accrued]	9.11	-
	Cash in hand	132.53	163.24
	<b>Total</b>	<b>581.35</b>	<b>506.42</b>
11	<b>Other Financial Assets</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>
	To related Party		
	<u>Considered good-Unsecured</u>	-	83.77
	[ Refer Note 30 ]		
	<b>Total</b>	<b>-</b>	<b>83.77</b>
12	<b>Other current assets</b>	<b>31st March, 2022</b>	<b>31st March, 2021</b>
	Advance to Directors	10.39	-
	Advance to Employees	35.74	22.37
	<b>Considered good ,Unsecured</b>		
	Advance against Purchase	7.56	9.25
	Advances with Statutory Authorities	128.38	70.37
	Prepaid Expenses	48.51	60.25
	Advance against Expenses	24.09	80.74
	<b>Total</b>	<b>254.67</b>	<b>242.99</b>

## Notes to Financial Statements

### 13 Equity Share Capital

Particulars	Rs in Lakh	
	31st March, 2022	31st March, 2021
<b>Authorised</b>		
38,00,000 Equity Shares of Rs. 10/- each	380.00	380.00
8,20,000 Non Cumulative Redeemable Preference shares of Rs 100/- each .	820.00	820.00
	-	-
	1,200.00	1,200.00
<b>Issued,Subscribed &amp; Fully Paid up</b>		
20,82,707 Equity Shares Rs.10/- Each fully paid up	208.27	208.27
<b>Total</b>	<b>208.27</b>	<b>208.27</b>

#### Reconciliation of Number of Shares

Particulars	31st March, 2022		31st March, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Balance at the Beginning	20,82,707	208.27	20,82,707	208.27
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>20,82,707</b>	<b>208.27</b>	<b>20,82,707</b>	<b>208.27</b>

#### 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 shareholders holding more than 5% shares as at the end of the reporting period is stated as below:-

Name of the shareholder	31st March, 2022		31st March, 2021	
	Number of Shares Held	% of Holding	Number of Shares Held	% of Holding
Sneha Gardens Pvt Ltd	-	-	3,86,137	18.54
Midkot Investments Pvt. Ltd.-Note-1	7,51,321	36.07	-	-
Suraj Finvest Pvt. Ltd.-Note-2	5,35,137	25.69	-	-
Karan Business Private limited	-	-	3,50,800	16.84
Zen Business Private limited	-	-	3,48,021	16.71
Sneha Enclave Pvt Ltd	5,02,678	24.14	3,53,678	16.98

#### Shareholding of Promoters as at 31st March'2022

##### Equity Shares held by Promoters at the end of the current year

Sl.No	Promoter name	No. of Shares as on 01.04.2021	Change during the year	No. of Shares as on 31.03.2022	% of Total shares	% Change during the year
1	PRITI A SUREKA	46,561	-	46,561	2.24%	0.00%
2	JAYANT GOENKA	15,448	-	15,448	0.74%	0.00%
3	USHA AGARWAL	4,000	-	4,000	0.19%	0.00%
4	PRASHANT GOENKA	2,655	-	2,655	0.13%	0.00%
5	MIDKOT INVESTMENTS PRIVATE LIMITED - Note - 1	-	7,51,321	7,51,321	36.07%	100.00%
6	KARAN BUSINESS PRIVATE LIMITED - Note - 1	3,50,800	(3,50,800)	-	0.00%	-100.00%
7	ZEN BUSINESS PRIVATE LIMITED - Note - 1	3,48,021	(3,48,021)	-	0.00%	-100.00%
8	PAN EMAMI COSMED LIMITED - Note - 1	52,500	(52,500)	-	0.00%	-100.00%
9	SNEHA GARDENS PRIVATE LIMITED - Note - 2	3,86,137	(3,86,137)	-	0.00%	-100.00%
10	SURAJ FINVEST PRIVATE LIMITED - Note - 2	-	5,35,137	5,35,137	25.69%	100.00%
11	SNEHA ENCLAVE PRIVATE LIMITED	3,53,678	1,49,000	5,02,678	24.14%	42.13%
		<b>15,59,800</b>	<b>2,98,000</b>	<b>18,57,800</b>	<b>89.20%</b>	

#### Note

- Karan Business Private limited , Zen Business Private Limited , PAN EMAMI Cosmed Private Limited amalgamated with Midkot Investments Private Limited vide National Company Law Tribunal order dated 15.11.2021
- Name of the company has changed from Sneha Gardens Private Limited to Suraj Finvest Private Limited with effect from 28th April'2021

## Notes to Financial Statements

### 14 Other Equity

		Rs in Lakh	
	Particulars	As At	As At
		31st March, 2022	31st March, 2021
a)	<b>Reserves &amp; Surplus</b>	<b>(6,485.93)</b>	(6,112.96)
	Includes General Reserves and retained earnings.		
b)	<b>Other Comprehensive Income</b>	<b>207.19</b>	192.28
	Includes re-measurement gains/losses on defined benefit plans and gain/loss on fair value of investments		
	<b>Total</b>	<b>(6,278.74)</b>	<b>(5,920.68)</b>

15	Financial Liabilities	31st March, 2022	31st March, 2021
(i)	<b>Borrowings</b>		
	<b>Term Loans</b>		
	<b>Secured</b>		
	From Banks #	18,154.53	12,428.86
	Less:- Current Maturities of Long term debt	6,424.23	2,599.71
		11,730.30	9,829.15
	Vehicle Loan #	-	2.39
	Less:- Current Maturities of Long term debt	-	1.66
		-	0.73
	<b>Non Convertible Debentures</b>		
	<b>Unsecured</b>	11,236.31	11,226.06
	<b>Total-Borrowings-(i)</b>	<b>22,966.61</b>	<b>21,055.94</b>
(i)(a)	<b>Lease Liability:</b>		
	Long Term Maturities of Lease Obligation	1,889.61	2,775.99
	<b>Total-Lease Liability-(i)(a)</b>	<b>1,889.61</b>	<b>2,775.99</b>
	<b>Total-Non Current- A</b>	<b>24,856.22</b>	<b>23,831.93</b>
(i)	<b>Borrowings</b>		
	<b>Loans Repayable on Demand</b>		
	<b>Secured Loan from Banks</b>		
	Cash Credit [ Note 15.1 ]	825.14	1,121.93
	Working Capital Demand Loan [ Note 15.1 ]	4,400.00	4,200.00
		5,225.14	5,321.93
	<b>Short Term Overdraft</b>	-	39,530.24
	<b>Unsecured #</b>		
	Related Party	9,241.00	6.76
	Other Parties	-	8.99
	<b>Current Maturities of Long Term Debt</b>	<b>6,424.23</b>	<b>2,601.36</b>
	[Refer Note 15]		
	<b>Total-Borrowings-(i)</b>	<b>20,890.37</b>	<b>47,469.28</b>
(i)(a)	<b>Lease Liability:</b>		
	Current Maturities of Lease Obligation	745.29	1,031.54
	<b>Total-Lease Liability-(i)(a)</b>	<b>745.29</b>	<b>1,031.54</b>
	<b>Total-Current-B</b>	<b>21,635.66</b>	<b>48,500.82</b>
	<b>Total Borrowings (A+B)</b>	<b>46,491.88</b>	<b>72,332.75</b>
	# Refer Note 29		

- 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 coporate guarantee by a promoter shareholder .

16	Other Financial Liabilities	31st March, 2022	31st March, 2021
	Interest due to MSME	0.97	-
	Deposit against rent	22.50	22.50
	<b>Total Non Current</b>	<b>23.47</b>	<b>22.50</b>

17	Provisions	31st March, 2022	31st March, 2021
	<b>Provision for Employee Benefits</b>		
	For Gratuity	143.04	102.87
	For Leave	123.76	106.75
		266.80	209.62
	Other Provisions	-	0.44
	<b>Total</b>	<b>266.80</b>	<b>210.06</b>

18	Trade payables	31st March, 2022	31st March, 2021
	Total outstanding dues of Micro enterprises and small enterprises	43.99	21.91
	Total outstanding dues of creditors other than Micro enterprises and small enterprises	2,568.75	2,801.06
	<b>Total</b>	<b>2,612.74</b>	<b>2,822.97</b>

**Trade Payables Ageing - As at 31st March, 2022**

Particulars	Outstanding for the following period from due date of payments				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	41.95	1.67	0.35	0.03	43.99
(ii) Others	2,378.28	103.79	40.58	46.09	2,568.75
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					
<b>TOTAL</b>	<b>2,420.23</b>	<b>105.46</b>	<b>40.93</b>	<b>46.12</b>	<b>2,612.74</b>

**Trade Payables Ageing - As at 31st March, 2021**

Particulars	Outstanding for the following period from due date of payments				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	12.85	8.93	0.01	0.12	21.91
(ii) Others	2,565.71	166.09	17.90	51.35	2,801.05
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					
<b>TOTAL</b>	<b>2,578.57</b>	<b>175.02</b>	<b>17.92</b>	<b>51.47</b>	<b>2,822.97</b>

19	Other Financial Liabilities	31st March, 2022	31st March, 2021
	Interest accrued but not due on Borrowings	82.69	374.18
	<b>Other Payables</b>		
	Employee Expense	292.43	203.82
	Creditors for Capital Goods	53.47	28.99
	Liabilities for Expenses	305.13	275.93
		651.03	508.74
	<b>Total</b>	<b>733.72</b>	<b>882.92</b>

20	Other current liabilities	31st March, 2022	31st March, 2021
	Statutory Liabilities	14.43	19.15
	Other Payables		108.13
	Advance from Customers	108.24	308.78
	<b>Total</b>	<b>122.67</b>	<b>436.06</b>

Notes to Financial Statements

Rs in Lakh

21	Revenue from Operations	2021-22	2020-21
	Sale of Products	49,403.93	37,089.59
	<u>Other Operating Revenues</u>		
	Rent	55.01	38.65
	Income From Store Displays	198.14	103.04
	Franchisee Fees	14.12	0.50
	Facility Management Fees	10.94	13.03
		278.21	155.23
	<b>Total</b>	<b>49,682.14</b>	<b>37,244.82</b>

22	Other Income	2021-22	2020-21
	<u>Interest Income</u>		
	Interest on Loan given	5,331.90	3,749.35
	<u>Interest on Others</u>		
	Interest income on financial assets at amortised cost	71.56	67.97
	Interest on Deposit	3.80	3.71
	Interest on Income Tax refund	1.43	2.67
		76.79	74.35
	Dividend on Long Term Non-Trade Investment	0.80	0.80
	Profit on sale of Fixed Assets	444.64	0.22
	Insurance Claim	0.33	38.54
	Compensation-Business Claim	-	61.00
	Liabilities Written Back	116.71	69.60
	Miscellaneous Receipts	24.12	11.10
	<b>Total</b>	<b>5,995.29</b>	<b>4,004.96</b>

23	Changes in Inventories of Stock-in-Trade	2021-22	2020-21
	(I) Opening Inventory	7,934.38	8,479.22
	(II) Closing Inventory	6,983.96	7,972.10
	<b>(Increase)/Decrease</b>	<b>950.42</b>	<b>507.13</b>

24	Employee Benefits Expense	2021-22	2020-21
	Salaries and Wages	4,310.61	3,926.80
	Contribution to Provident and Other Funds	352.20	280.39
	Staff Welfare Expense	121.03	110.65
	<b>Total</b>	<b>4,783.84</b>	<b>4,317.84</b>

## Notes to Financial Statements

		Rs in Lakh	
25	Finance Costs	2021-22	2020-21
	Finance cost on Lease obligation	128.05	127.03
	Interest Expense- Non Convertible Bonds	1,427.97	2,916.84
	Interest to Banks , Working capital Loans , Interest on Unsecured loans Etc.	5,069.19	3,115.50
	Other Borrowing Cost	409.62	999.13
	<b>Total</b>	<b>7,034.83</b>	<b>7,158.50</b>

		Rs in Lakh	
26	Other Expenses	2021-22	2020-21
	Power & Fuel	289.43	261.93
	Rent & License Fees	447.89	83.23
	Repairs to Building	-	0.89
	Maintenance Charges	629.18	693.54
	Security Charges	54.34	52.17
	Insurance	27.01	17.96
	Rates & Taxes	113.93	29.60
	Advertisement & Sales Promotion	106.47	84.59
	Commission	54.30	65.94
	Professional & Legal Charges [Refer note - 27]	225.45	286.39
	Internet and other communication expenses	68.95	75.36
	Loss on sale / discard of Fixed Assets	9.76	5.79
	Labour Charges	-	1.14
	Balances written off	981.50	-
	Miscellaneous Expenses	555.32	448.76
	<b>Total</b>	<b>3,563.54</b>	<b>2,107.28</b>



## Notes to Financial Statements

Rs in Lakh

### **27 Payment To Auditors**

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Audit Fees	12.98	12.98
Tax Audit Fees	0.96	0.96
Limited Review	1.50	1.50
Other Services	0.12	0.04
<b>Total</b>	<b>15.56</b>	<b>15.48</b>

### **28 Information for Earnings per share as per IND AS 33**

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Net Profit</b>	<b>(372.95)</b>	<b>(2,259.23)</b>
Weighted average number of shares	20,82,707	20,82,707
Earnings per share - Basic & diluted	(17.91)	(108.48)

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

Sl. No.	Type of Loan	ROI as on 31-Mar-22	Security		Amount outstanding as on 31-Mar-22	Amount outstanding as on 31-Mar-21
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	2,440.17	2,662.00
				Amortised cost as per INDAS	2,410.99	2,616.10
					<b>Repayment Schedule</b> Date Amount	<b>Repayment Schedule</b> Date Amount
					Repayable in 44 monthly installments by 30th November 2025	Repayable in 48 monthly installments by 30th November 2025
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	666.67	1,000.00
				Amortised cost as per INDAS	664.47	995.25
					<b>Repayment Schedule</b> Date Amount	<b>Repayment Schedule</b> Date Amount
					Repayable in 8 quarterly installments by 1st March 2024	Repayable in 8 quarterly installments by 1st March 2024
3	Term Loan- Rupee	15%p.a on outstanding INR	First Charge by way of Hypothecation / mortgage on all the fixed assets of the company ( movable and immovable ), both present and future excluding Vehicles . Second charge by way of Hypothecation on the entire current assets of the company , existing and future , comprising , inter alia , of stocks of raw material , work-in-progress , finished goods , receivables , book debts and other current assets . The same is further secured by pledge of shares by a promoter shareholder	Principal amount	2,175.00	2,700.00
				Amortised cost as per INDAS	2,175.00	2,700.00
					<b>Repayment Schedule</b> Date Amount	<b>Repayment Schedule</b> Date Amount
					Repayable in 7 quarterly installments by 30th December 2023	Repayable in 12 quarterly installments by 30th December 2023
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 . Second charge by way of hypothecation on the entire current assets of the company , exiting and future , comprising , inter alia , of stocks of raw material , work-in-progress , finised goods , receivables , book debts and other current assets .	Principal amount	4,550.00	6,125.00
				Amortised cost as per INDAS	4,546.67	6,117.51
					<b>Repayment Schedule</b> Date Amount	<b>Repayment Schedule</b> Date Amount
					Repayable in 6 quarterly installments by 28th September 2023	Repayable in 11 quarterly installments by 28th September 2023
5	Term Loan- Rupee	15%p.a on outstanding INR	1st Charge by way of Hypothecation / mortgage on all the fixed assets of the company, both present and future excluding Vehicles. .The same is further secured by pledge of shares by a promoter shareholder . Second charge by way of hypothecation on the entire current assets of the company , exiting and future ,	Principal amount	8,499.70	-
				Amortised cost as per INDAS	8,357.40	-
					<b>Repayment Schedule</b> Date Amount	<b>Repayment Schedule</b> Date Amount
					Repayable in 51 monthly installments by 30th June 2023	

## 29 Details of Borrowings:-

## Details of Term Loans from Bank

Sl. No.	Type of Loan	ROI as on 31-Mar-22	Security		Amount outstanding as on 31-Mar-22	Amount outstanding as on 31-Mar-21
			comprising , inter alia , of stocks of raw material , work-in-progress , finished goods , receivables , book debts and other current assets .			
6	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	11,250.00
				Amortised cost as per INDAS	11,236.31	11,226.06
					Repayment Schedule	Repayment Schedule
					Date Amount	Date Amount
					10-Jul-23 11,250.00	10-Jul-23 11,250.00

## Details of Vehicle Loan

Sl. No.	Type of Loan	ROI as on 31-Mar-22	Security		Amount outstanding as on 31-Mar-22	Amount outstanding as on 31-Mar-21
1	Vehicle Loan	9.50% pa. on monthly reducing basis	Secured by first charge /mortgage on the respective vehicles	Principal amount	-	2.39
				Amortised cost as per INDAS	-	2.39
					Repayment Schedule	Repayment Schedule
					-	Equated Monthly Instalment of Rs.15099/- each , upto 15/08/2022
Total Outstanding as at year end-Principal					29,581.54	23,739.39
Total Outstanding as at year end-amortised cost as per INDAS					29,390.84	23,657.31
Current Maturities-Principal					5,424.23	2,601.36

## Notes to Financial Statements

### 30 Related Party Disclosure

#### I) Key Managerial Personnel & Other Directors

##### Key Managerial Personnel

	Description of Relationship
1 Mr Gautam Jatia	Managing Director & Chief Executive Officer
2 Mr Sujay Chattaraj	Wholetime Director
3 Ms Chadaravalli Srinivasa Bhatta Nalini	Wholetime Director
4 Mr. Anurag Jatia	Wholetime Director
5 Mr. Amit Agarwal [ joined w.e.f 02-05-2022 ]	Chief Financial Officer
6 Mr. Akhilesh Agarwal [ resigned w.e.f 31-03-2022 ]	Chief Financial Officer
7 Ms Amrita Bhattacharya	Company Secretary
8 Mr. Dilip Kumar Poddar	Director
9 Mr. Pawan Kumar Gupta	Director

##### Other Directors

1 Mr. Debashish Bhaumik	Independent Director
2 Mr. Pramod Kumar Shah	Independent Director
3 Mrs Karabi Sengupta	Independent Director

#### II) Relatives of Key Managerial personnel

1 Mr. R.K. Jatia
2 Mrs Vandana Jatia
3 Mrs Neeta Agarwal

#### III) Entities having significant influence over the group

1 Midkot Investments Private Limited [ Holding Company is an associate of the Entity ]
2 Suraj Finvest Private Limited [ name changed from Sneha Gardens Pvt. Ltd. ] [ Holding Company is an associate of the Entity ]
3 Sneha Enclave Private Limited [ Holding Company is an associate of the Entity ]

#### IV) Other related parties with which Company has transaction

1 AMRI Hospitals Ltd.
2 Archana promoters & Developers Pvt Ltd
3 Bhanu Vyapaar Pvt Ltd. [ amalgamated with Sneha Gardens Pvt Ltd - Date - 02-02-2021]
4 Diwakar Viniyog Pvt Ltd [ amalgamated with Sneha Enclave Pvt Ltd - Date - 02-02-2021]
5 Emami Agrotech Ltd.
6 Emami Capital Markets Ltd (Merged with Midkot Investment Pvt Ltd - Date - 15-11-2022)
7 Karan Business Pvt. Ltd (Merged with Midkot Investment Pvt Ltd - Date - 15-11-2022)
8 Emami Realty Ltd.
9 Emami Art
10 Emami Ltd.
11 Emami Paper Mills Ltd.
12 Emami Foundation
13 M Bhattacharyya & Co. Pvt. Ltd.
14 New Way constructions ltd (Merged with Midkot Investment Pvt Ltd-Date-15-11-2022)
15 Niramay Distributors Pvt Ltd.
16 Prabhakar Viniyog Pvt. Ltd. [ amalgamated with Sneha Gardens Pvt Ltd-Date-02-02-2021]
17 PAN Emami Cosmed Ltd. (Merged with Midkot Investment Pvt Ltd-Date-15-11-2022)
18 Premier Ferro Alloys & Securities Ltd.
19 Raviraj Viniyog Pvt. Ltd. [ amalgamated with Sneha Gardens Pvt Ltd - Date - 02-02-2021]
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 - Date - 02-02-2021 ]
23 Suraj Viniyog Private Limited [ amalgamated with Sneha Gardens Pvt Ltd - Date - 02-02-2021 ]
24 Shri Prashant Goenka
25 Nayee Disha Communications Pvt Ltd
26 Shri Jayant Goenka
27 Smt Priti A Surekha
28 SGN Retail Pvt Ltd

#### Details of Related Party Transactions

		Rs in Lakh			
Description of relationship with party	Nature of Transaction	For the Financial year		Amount outstanding **	
		2021-22	2020-21	as on 31-Mar-22	as on 31-Mar-21
Key Managerial Personnel	Salary	262.54	239.46	-	-
	Perquisites	13.19	9.17	-	-
	Sale of Fixed Assets	32.53	-	-	-
	Rent Received	0.34	0.51	0.34	0.60
	Loans & Advance Given	43.91	-	37.51	-
Other Directors	Sitting fees	2.30	2.47	-	-
Relatives of Key Managerial Personnel	Salary	11.29	15.26	-	-
	Perquisites	8.61	0.83	-	-
	Retainership	37.80	20.30	-	-
Other Entities	Sale of Goods	8,286.06	5,789.14	1,195.71	1,302.37
	Display Charges	19.64	23.77	-	-
	Rent Received	0.40	1.61	-	0.51
	Ambulance Hire Charges	6.16	6.42	-	-
	Reimbursement of exp-Income	3.13	4.07	-	-
	Purchase of Assets	30.00	-	-	-
	Purchase of Goods	7,495.85	4,865.20	(93.87)	(17.50)
	Guarantee Commission Paid	117.75	164.65	(40.38)	(84.62)
	Interest on Loan taken	2,419.89	901.93	(82.69)	(267.88)
	Rent & maintenance paid	304.90	212.70	(8.57)	(22.41)
	Royalty	10.00	10.00	-	-
	Electricity Charges	25.76	13.24	(6.42)	(2.11)
	Advt & Sales promotion	2.16	-	7.89	-
	Interest on Loan Given	335.62	2,673.20	-	83.77
	Advance/Deposit given	325.00	100.00	-	120.17
	Reimbursement of exp	368.61	1.79	-	(0.16)
	Loan Given	4,065.00	22,776.00	69.25	8,455.47
	Loan Given refunded	12,462.00	49,294.11	-	-
	Loan Taken	51,026.00	96,730.00	(9,241.00)	-
	Loan Taken refund back	41,785.00	97,364.05	-	-

\*\* Figures in brackets denote Credit Balance

**Notes to Financial Statements**

Rs in Lakh

- 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. 3293.43 lakhs (P.Y.- Rs.3216.70 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-22	31-Mar-21
Bank Guarantees	403.04	297.84

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 . - 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-22 are as under:

Particulars	31-Mar-22	31-Mar-21
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	13.60	14.00

**34 Assets taken on Operating Lease**

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

Particulars	31-Mar-22		31-Mar-21	
	Minimum Lease payments	Present value of Minimum lease payments	Minimum Lease payments	Present value of Minimum lease payments
-Not later than one Year	1,026.83	745.29	1,648.60	1,031.54
-Later than 1 Year	2,543.95	1,889.61	3,378.59	2,776.00

The difference between minimum lease payments and the present value of minimum lease payments of Rs. 935.88 lakh (P.Y- Rs 1219.65 lakh) represents interest not due .

## Notes to Financial Statements

Rs. in Lakh

## 35 Defined benefit plan

## 35.1 Defined benefit plan (Gratuity)

		Year ended 31st March 2022	Year ended 31st March 2021
Particulars		Gratuity Funded	Gratuity Funded
<b>A</b>	<b>Components of Employer Expenses</b>		
1	Current Service Cost	70.94	58.88
2	Past service Cost	-	-
3	Loss/(Gain) on settlement	-	-
4	Net interest income/(cost) on the net defined benefit liability (Asset)	7.10	1.61
5	<b>Total Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>78.04</b>	<b>60.49</b>
<b>B</b>	<b>Net asset/(liability) recognised in balance sheet as at 31st March 2022</b>		
1	Present value of Defined Benefit Obligation	572.11	520.75
2	Fair value of plan assets	429.07	417.86
3	Funded Status (Surplus/(deficit))	(143.04)	(102.87)
4	<b>Net asset/(liability) recognised in balance sheet</b>	<b>(143.04)</b>	<b>(102.87)</b>
<b>C</b>	<b>Change in Defined Benefit Obligation during the year ended 31st March 2022</b>		
1	Present value of DBO at beginning of period	520.75	487.02
2	Current Service Cost	70.94	58.88
3	Interest Cost	35.93	32.14
4	Re-measurement (for actuarial)(gain)/loss arising from	-	-
	-Change in demographic assumptions	-	-
	-Change in financial assumptions	(26.92)	39.68
	-Experience variation (i.e Actual experience vs assumptions)	(9.21)	(73.97)
5	Past Service cost	-	-
6	Benefits Paid	(19.38)	(23.02)
7	Acquisition adjustment	-	-
8	Effect of business combinations or disposals	-	-
9	<b>Present value of DBO at the end of period</b>	<b>572.11</b>	<b>520.73</b>
<b>D</b>	<b>Change in Fair Value of Assets</b>		
1	Fair value of Planned assets at beginning of period	417.86	462.59
2	Investment income	28.83	30.53
3	Employer's contribution	0.93	-
4	Benefits paid	(19.38)	(23.02)
5	Return on plan assets, excluding amount recognised in net interest expense	0.80	15.27
6	Acquisition adjustment	-	(67.51)
7	<b>Fair value of Plan assets at end of the period</b>	<b>429.04</b>	<b>417.86</b>
<b>E</b>	<b>Other Comprehensive Income</b>		
1	Actuarial (gains)/Losses	-	-
	-Changes in demographic assumptions	-	-
	-Changes in financial assumptions	(26.92)	39.68
	-Experience variance (i.e Actual experience vs assumptions)	(9.21)	(73.97)
2	Return on plan assets, excluding amount recognised in net interest expense	(0.80)	(15.27)
3	<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(36.94)</b>	<b>(49.55)</b>

ii	The Major categories of plan assets as a % of total plan assets	As at 31st March 2022	As at 31st March 2021
	<b>Fund managed by insurer</b>	<b>100%</b>	<b>100%</b>
<b>iii</b>	<b>Assumptions</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
	<b>Financial assumptions</b>		
	Discount rate %	7.30%	6.90%
	Rate of increase in salaries	9% p.a	9% p.a
	<b>Demographic assumptions</b>		
	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

<b>iv</b>	<b>Sensitivity analysis</b>		
	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:-		

	As at 31st March 2022	As at 31st March 2021
<b>Revenue from operation</b>		
<b>Defined benefit obligation base</b>	<b>572.11</b>	<b>520.75</b>

	As at 31st March 2022	As at 31st March 2021
<b>Particulars</b>	<b>Decrease</b>	<b>Increase</b>
a Discount rate (-/+1%)	643.28	512.59
(% change compared to base due to sensitivity)	12.44%	-10.40%
b Salary growth rate (-/+1%)	514.33	639.8
(% change compared to base due to sensitivity)	-10.10%	11.83%
c Attrition rate (-/+50%)	581.66	563.74
(% change compared to base due to sensitivity)	1.67%	-1.46%
d Mortality rate (-/+10%)	573.26	570.97
(% change compared to base due to sensitivity)	0.20%	-0.20%

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.

## 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 contribution during the next annual reporting period

Particulars	As at 31st March 2022	As at 31st March 2021
The Company's best estimate of Contribution during the next year	216.66	164.09

## c) Maturity profile of Defined benefit obligation

Particulars	As at 31st March 2022	As at 31st March 2021
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 2022	As at 31st March 2021
1 year	55.57	32.29
2 to 5 years	120.45	119.68
6 to 10 years	195.89	177.45
More than 10 years	1,266.16	1,126.35

## 35 Defined benefit plan

## 35.2 Defined benefit plan -Leave

	Particulars	Year ended 31st March 2022	Year ended 31st March 2021
		Leave encashment Unfunded	Leave encashment Unfunded
<b>A</b>	<b>Components of Employer Expenses</b>		
1	Current Service Cost	25.36	17.97
2	Past service Cost	-	-
3	Loss/(Gain) on settlement	-	-
4	Net interest income/(cost) on the net defined benefit liability (Asset)	7.38	7.57
5	change in demographic assumptions		
6	Actuarial (gains)/ Losses due to Change in financial assumption	(6.44)	9.52
7	Actuarial (gains)/ Losses due to Change in experience variance	31.36	(3.38)
8	<b>Total Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>57.66</b>	<b>31.68</b>
<b>B</b>	<b>Net asset/(liability) recognised in balance sheet as at 31st March 2022</b>		
1	Present value of Defined Benefit Obligation	123.76	106.75
2	Fair value of plan assets	-	-
3	Funded Status [Surplus/(deficit)]	(123.76)	(106.75)
4	<b>Net asset/(liability) recognised in balance sheet</b>	<b>(123.76)</b>	<b>(106.75)</b>
<b>C</b>	<b>Change in Defined Benefit Obligation during the year ended 31st March 2022</b>		
1	Present value of DBO at beginning of period	106.75	114.50
2	Current Service Cost	25.36	17.97
3	Interest Cost	7.37	7.56
4	Re-measurement (or actuarial)(gain)/loss arising from	-	-
	-Change in demographic assumptions	-	-
	-Change in financial assumptions	(6.44)	9.52
	-Experience variation (Le Actual experience vs assumptions)	31.36	(3.38)
5	Past Service cost	-	-
6	Benefits Paid	(40.64)	(39.42)
7	Acquisition adjustment	-	-
8	Effect of business combinations or disposals	-	-
9	<b>Present value of DBO at the end of period</b>	<b>123.76</b>	<b>106.75</b>
<b>D</b>	<b>Change in Fair Value of Assets</b>		
1	Fair value of Planned assets at beginning of period	-	-
2	Investment income	-	-
3	Employer's contribution	40.64	39.42
4	Benefits paid	(40.64)	(39.42)
5	Return on plan assets, excluding amount recognised in net interest expense	-	-
6	Acquisition adjustment	-	-
7	<b>Fair value of Plan assets at end of the period</b>	<b>-</b>	<b>-</b>

ii	<b>The Major categories of plan assets as a % of total plan assets</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
	Fund managed by insurer	NA	NA

iii	<b>Assumptions</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
	<b>Financial assumptions</b>		
	Discount rate %	7.30%	6.90% p.a
	Rate of increase in salaries	9% p.a.	9% p.a.
	<b>Demographic assumptions</b>		
	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	<b>Sensitivity analysis</b>	
	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:-	

	<b>Revenue from operation</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
	Defined benefit obligation base	123.76	106.75

Particulars	As at 31st March 2022		As at 31st March 2021	
	Decrease	Increase	Decrease	Increase
a Discount rate (-/ +1%)	140.84	109.61	121.96	94.19
(% change compared to base due to sensitivity)	13.80%	-11.43%	14.25%	-11.76%
b Salary growth rate (-/ +1%)	108.96	141.31	93.69	122.29
(% change compared to base due to sensitivity)	-11.95%	14.19%	-12.23%	14.56%
c Attrition rate (-/ +50%)	126.28	121.57	109.49	104.39
(% change compared to base due to sensitivity)	2.04%	-1.76%	2.57%	-2.21%
d Mortality rate (-/ +10%)	124.07	123.45	107.09	106.41
(% change compared to base due to sensitivity)	0.25%	-0.25%	0.32%	-0.31%

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.

## v Effect of plan on Entity's Future Cash Flows

## a) Maturity profile of Defined benefit obligation

<b>Particulars</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Weighted average duration ( based on discounted cash flows)	13 Years	13 Years

<b>Expected cash flows over the next years (valued on undiscounted basis)</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
1 year	6.28	6.10
2 to 5 years	22.31	17.37
6 to 10 years	39.11	33.37
More than 10 years	322.65	264.51

## Notes to Financial Statements

### 3.6 Fair Value Measurement

#### a) Financial Instruments by category

Rs in Lakh

Particulars	31 March 2022			31 March 2021		
	Amortised Cost	FVTOCI	At Cost	Amortised Cost	FVTOCI	At Cost
<b>Financial Assets</b>						
Investment in Equity shares (Quoted)	-	44.98	-	-	48.90	-
Investment in Equity shares (Unquoted)	-	215.90	-	-	225.57	-
Investment in Equity shares (Unquoted)-Deemed cost	-	-	-	-	-	-
Investment in Preference Shares (Unquoted)	16.33	-	-	14.84	-	-
Investment in Debentures (Unquoted)	425.00	-	-	-	-	-
Trade Receivables	4,969.37	-	-	3,771.46	-	-
Loans and Advances	19,431.35	-	-	44,047.69	-	-
Other Financial Assets	1,046.79	-	-	1,229.51	-	-
Cash and Cash Equivalents	581.34	-	-	506.42	-	-
<b>Financial Liabilities</b>						
Borrowings(including interest accrued)	43,939.68	-	-	68,890.42	-	-
Trade Payables	2,612.74	-	-	2,823.00	-	-

#### b) Fair Value Hierarchy

Particulars	Fair Value Hierarchy	As at	As at
		31-Mar-22	31-Mar-21
<b>Financial Assets</b>			
Investment in Equity Share(Quoted)	Level 1	44.98	48.90
Investment in Equity Share(Unquoted)	Level 2	215.90	225.57

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.

Particulars	31-Mar-22		31-Mar-21	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
Investment in Preference Shares (Unquoted)	16.33	16.33	14.84	14.84
Investment in Debentures (Unquoted)	425.00	425.00	-	-
Security Deposit	1,036.13	1,036.13	1,005.63	1,005.63
<b>Financial Liabilities</b>				
Borrowings(including interest accrued)	43,939.68	43,939.68	68,890.42	68,890.42

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.



**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.

**(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:

**Year ended 31.3.2022**

Rs. In Lakhs

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	6,424.23	37,432.76	-	43,856.99
Interest on borrowings	82.69	-	-	82.69
Trade Payables	2,612.74	-	-	2,612.74
Employee Benefits Payable	292.43	-	-	292.43
Other Liabilities	357.72	-	-	357.72
<b>Total</b>	<b>9,769.81</b>	<b>37,432.76</b>	<b>-</b>	<b>47,202.57</b>

**Year ended 31.3.2021**

Rs. In Lakhs

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	2,601.36	65,923.87	-	68,525.23
Interest on borrowings	374.18	-	-	374.18
Trade Payables	2,822.97	-	-	2,822.97
Employee Benefits Payable	203.82	-	-	203.82
Other Liabilities	304.92	-	-	304.92
<b>Total</b>	<b>6,307.25</b>	<b>65,923.87</b>	<b>-</b>	<b>72,231.12</b>

**(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 Rs. 17.08 lacs (PY: Rs.14.21 Lacs), and w.r.t travelling amounts to Rs. NIL (PY:: Rs. NIL ).

**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	Rs in lakh	
	Increase/ decrease in Basis points	Effect on Profit before tax
31.03.2022	+0.50	219.70
	-0.50	(219.70)
31.03.2021	+0.50	(344.45)
	-0.50	344.45

**(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.

## Notes to Financial Statements

### 38 Ratio Analysis & Its Elements

Sl. No.	Particulars	Numerator	Denominator	Ratios 2021-22	2020-21	% variance	Reason for variance
1	Current Ratio (in times)	Current Assets	Current Liabilities	1.77	1.15	53.87%	The variance is mainly on account of decrease of short term loan
2	Debt Equity Ratio (in times)	Net Debt	Shareholder's Equity	(4.36)	(4.86)	-10.30%	
3	Debt Service Coverage Ratio (in times)	Net Operating Income	Debt Service	0.16	0.07	136.22%	The variance is mainly on account of Profit in FY22
4	Return on Equity Ratio (in %)	Profit for the period	Avg. Shareholders Equity	-	-		Net worth is Negative
5	Inventory Turnover Ratio (in times)	Cost of Goods sold	Average Inventory	5.19	3.52	47.57%	The variance is mainly on account of better Inventory management
6	Trade Receivables Turnover Ratio (in times)	Sales	Average Trade Receivables	11.37	9.02	26.04%	The variance is mainly on account of better management and collection from Customers
7	Trade Payables Turnover Ratio (in times)	Total Purchases	Average Trade Payables	13.90	8.51	63.31%	The variance is mainly on account of better management of supplier payment
8	Net Capital Turnover Ratio (in times)	Net Sales	Average Working Capital	8.14	10.29	-20.88%	The variance is mainly on account of increase in customer outstanding
9	Net Profit Ratio (in %)	Net Profit	Net Sales	-0.75%	-5.07%	87.62%	The variance is mainly on account of profit due to business efficiency
10	Return on Capital employed (in %)	EBIT	Capital Employed	17.71%	5.47%	223.80%	The variance is mainly on account of Profit in FY22
11	Return on Investment (in %)	Return/Profit/Earnings	Investment	-172%	-1050%	83.63%	The variance is mainly on account of Profit in FY22

\* Investment for the purpose of calculation of Return on Investment comprises of Equity Share Capital only .

### 39 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.

Particulars	31st March 2022	31st March 2021
Long term Borrowings incl current maturities	29,390.85	23,657.31
Short term Borrowings	14,466.14	44,867.92
Less:- Cash & Cash equivalent	(581.34)	(506.42)
<b>Net Debt</b>	<b>43,275.65</b>	<b>68,018.81</b>
<b>Equity</b>	<b>(6,106.70)</b>	<b>(5,659.42)</b>
<b>Gearing Ratio</b>	<b>NIL</b>	<b>NIL</b>

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.

## **Notes to Financial Statements**

- 40 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 operating and geographical segment is not provided .
- 41 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.
- 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**

**In terms of our attached report of even date**

**For Agrawal Tondon & Co.**

**Chartered Accountants**

**FRN:-329088E**

**Gautam Jatia**

**Managing Director**

**DIN - 00604926**

**Sujoy Chattaraj**

**Director**

**DIN - 08818352**

**Amit Agarwal**

**Chief Financial Officer**

**Radhakrishnan Tondon**

**Partner**

**Membership NO. 060534**

**Amrita Bhattacharya**

**Company Secretary**

**Membership No.- A53270**

**Dated : 23-08-2022**

**Place : Kolkata**