

AHCL/ SE/ 11 /2023-24

May 30, 2023

<b>The National Stock Exchange of India Limited</b> "Exchange Plaza", C-1, Block G Bandra-Kurla Complex, Bandra (E) Mumbai 400 051 ISIN: INE098F01031	<b>BSE Limited</b> Department of Corporate Services 1 <sup>st</sup> Floor, P.J. Towers, Dalal Street, Mumbai 400 001 ISIN: INE098F01031
<b>Symbol : AMRUTANJAN</b>	<b>Scrip Code: 590006</b>

Dear Sir / Madam,

**Sub: Outcome of the Board Meeting**

In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), we wish to inform that the Board of Directors of the Company at its meeting held today (**May 30, 2023**) had inter-alia:

- (i) Approved the Audited Financial Results for the quarter and year ended March 31, 2023, as recommended by the Audit Committee at its meeting held today (**May 30, 2023**) The same along with the Independent Auditor's Report issued by M/s. B S R & Co. LLP, Statutory Auditors of the Company is enclosed.
- (ii) Recommended Final Dividend of Rs. 2.60 per equity share on 2,92,30,630 shares of Re. 1 each fully paid up for the financial year 2022-23. The Final dividend if approved at the Annual General Meeting will be paid to eligible shareholders within 30 days of AGM.

The Board Meeting commenced at 03.00 P.M. and concluded at 09.00 P.M. Request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For **Amrutanjan Health Care Limited**

**(M Srinivasan)**  
**Company Secretary & Compliance Officer**

**Encl:**

1. Audited Standalone Financials Results for the quarter and year ended March 31,2023
2. Independent Auditor's Report for the quarter and year ended March 31, 2023
3. Statement on Impact of Audit Qualifications

**Amrutanjan Health Care Limited**

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CIN - L24231TN1936PLC000017

**AMRUTANJAN HEALTH CARE LIMITED**  
**CIN No : L24231TN1936PLC000017**  
Registered Office: No 103 (Old No 42-45), Luz Church Road  
Mylapore, Chennai - 600 004  
**Statement of assets and liabilities**

(Rs in Lakhs)

S. No.	Particulars	As at	As at
		31 March 2023	31 March 2022
		Audited	Audited
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, plant and equipment	4,561.68	2,651.87
	(b) Right-of-use assets	81.42	68.68
	(c) Intangible assets	248.39	124.91
	(d) Capital work in progress	111.44	1,626.49
	(e) Intangible assets under development		106.96
	(e) Financial assets		
	Investments	2.31	535.97
	Other financial assets	4,303.12	1,694.97
	(f) Tax assets	367.63	155.56
	(g) Deferred tax assets (net)	425.44	364.19
	(h) Other non-current assets	153.57	192.28
	<b>Total non-current assets</b>	<b>10,255.00</b>	<b>7,521.88</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	2,882.51	2,600.07
	(b) Financial assets		
	Investments	514.69	751.53
	Trade receivables	3,302.03	3,825.60
	Cash and cash equivalents	490.28	218.62
	Other bank balances	6,541.31	8,556.64
	Other financial assets	11,709.87	11,067.87
	(c) Other current assets	513.64	504.60
	<b>Total current assets</b>	<b>25,954.33</b>	<b>27,464.93</b>
	<b>Total assets (1+2)</b>	<b>36,209.33</b>	<b>34,986.81</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity share capital	292.31	292.31
	(b) Other equity	28,784.88	26,220.07
	<b>Total equity</b>	<b>29,077.19</b>	<b>26,512.38</b>
<b>2</b>	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	Lease liabilities	40.40	31.06
	Other financial liabilities	16.60	16.60
	(b) Provisions	773.93	679.47
	<b>Total non-current liabilities</b>	<b>830.93</b>	<b>727.13</b>
<b>3</b>	<b>Current liabilities</b>		
	(a) Financial liabilities		
	Lease liabilities	50.51	56.93
	Trade payables		
	total outstanding dues of micro and small enterprises	608.44	557.02
	total outstanding dues of creditors other than micro and small enterprises	4,135.17	5,487.86
	Other financial liabilities	204.13	571.06
	(b) Other current liabilities	784.88	650.12
	(c) Provisions	518.08	424.31
	<b>Total current liabilities</b>	<b>6,301.21</b>	<b>7,747.30</b>
	<b>Total equity and liabilities (1+2+3)</b>	<b>36,209.33</b>	<b>34,986.81</b>



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**Statement of Audited Financial Results for the quarter and year ended 31 March 2023**

(Rs in Lakhs)

	Particulars	Quarter ended			Year ended	
		31 March 2023 (Audited - refer note 5)	31 December 2022 (Unaudited)	31 March 2022 (Audited - refer note 5)	31 March 2023 (Audited)	31 March 2022 (Audited)
I	Revenue from operations	10,031.69	9,764.55	10,558.30	37,953.60	40,564.24
II	Other income	481.94	367.75	516.02	1,454.17	1,539.25
III	<b>Total income (I + II)</b>	<b>10,513.63</b>	<b>10,132.30</b>	<b>11,171.32</b>	<b>39,417.77</b>	<b>42,122.49</b>
IV	<b>Expenses</b>					
	(a) Cost of materials consumed	2,209.23	2,754.73	3,446.13	10,517.33	11,338.08
	(b) Purchases of stock-in-trade	2,697.54	1,612.67	1,773.58	7,853.27	7,259.16
	(c) Changes in inventories of finished goods and stock-in-trade	202.91	(173.50)	(215.03)	(172.74)	(549.99)
	(d) Employee benefits expense	1,236.96	1,201.93	1,230.40	4,881.02	4,822.90
	(e) Advertisement and selling expenditure	713.53	1,988.02	856.31	5,258.16	5,503.26
	(f) Finance cost	1.72	1.59	30.08	7.71	49.45
	(g) Depreciation and amortisation expense	130.98	131.41	119.30	521.15	379.52
	(h) Other expenses	1,673.65	1,165.12	1,928.70	5,187.33	4,264.45
	<b>Total expenses (IV)</b>	<b>8,866.53</b>	<b>8,681.97</b>	<b>9,169.39</b>	<b>34,053.23</b>	<b>33,064.83</b>
V	<b>Profit before tax (III - IV)</b>	<b>1,647.10</b>	<b>1,450.33</b>	<b>2,001.93</b>	<b>5,364.54</b>	<b>9,057.66</b>
VI	Tax expenses	377.58	379.26	531.34	1,381.05	2,338.77
VII	<b>Profit after tax (V - VI)</b>	<b>1,269.52</b>	<b>1,071.07</b>	<b>1,470.59</b>	<b>3,983.49</b>	<b>6,718.89</b>
VIII	<b>Other comprehensive income</b>					
	Items that will not be reclassified subsequently to profit or loss					
	Re-measurement gain/(loss) on defined benefit plans, net of taxes	(3.08)	(0.27)	2.72	(121.91)	(63.84)
	<b>Other comprehensive income/(loss) for the period, net of taxes</b>	<b>(3.08)</b>	<b>(0.27)</b>	<b>2.72</b>	<b>(121.91)</b>	<b>(63.84)</b>
IX	<b>Total comprehensive income for the period (VII + VIII)</b>	<b>1,266.44</b>	<b>1,070.80</b>	<b>1,473.31</b>	<b>3,861.58</b>	<b>6,655.05</b>
	Paid-up equity share capital (Face value Re. 1/- each)	292.31	292.31	292.31	292.31	292.31
	<b>Earnings per equity share for continuing operations</b>					
	Basic earnings per share (INR)	4.35	3.67	5.09	13.65	23.05
	Diluted earnings per share (INR)	4.34	3.66	5.08	13.63	23.03
	See accompanying notes to financial results	(not annualised)	(not annualised)	(not annualised)	(annualised)	(annualised)



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**Statement of Cash flows for the year ended 31 March 2023**

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	Audited	Audited
<b>Cash flow from operating activities</b>		
Profit before income tax	5,364.54	9,057.66
Adjustments for:		
Depreciation and amortisation	521.15	379.52
Profit on sale of property, plant and equipment	(2.69)	-
Share based compensation expense	43.76	(1.13)
Loss allowance on trade receivables	46.35	39.87
Change in fair value of investments	20.48	15.71
Gain on sale of investments	-	(1.60)
Interest income on deposits with banks and financial institutions	(1,126.59)	(1,028.92)
Interest income on debt instruments	(51.71)	(88.07)
Excess provision written back, (net)	(234.60)	(389.88)
Finance costs	7.71	48.45
<b>Operating profit before working capital / other changes</b>	<b>4,588.40</b>	<b>8,031.61</b>
Working capital adjustments:		
Decrease/ (Increase) in trade receivables	477.22	(2,099.18)
Decrease/ (Increase) in other current and non-current assets	29.67	(121.79)
(Increase) in other financial assets	(7.31)	(4.54)
(Increase) in inventories	(282.44)	(854.21)
(Decrease)/ Increase in other current/non-current financial liabilities	(364.01)	135.15
Increase in provisions	18.45	118.04
(Decrease)/ Increase in trade payables	(1,066.67)	2,367.89
Increase in other current liabilities	134.76	162.77
	<b>(1,060.33)</b>	<b>(295.87)</b>
<b>Cash generated from operating activities</b>	<b>3,528.07</b>	<b>7,735.74</b>
Less: Income tax paid (net)	(1,606.26)	(2,419.20)
<b>Net cash generated from operating activities (a)</b>	<b>1,921.81</b>	<b>5,316.54</b>
<b>Cash flow from investing activities</b>		
Purchase or construction of property, plant and equipment, intangible assets, capital work in progress intangible assets under development	(892.67)	(2,346.34)
Proceeds from sale of Property, plant and equipment	4.36	-
Investment in bank deposits and financial institutions	(1,232.48)	(3,020.60)
Interest received on deposits with banks and financial institutions	1,039.91	1,155.03
Proceeds from sale/redemption of investments	750.02	482.36
Interest received on debt instruments	83.36	108.35
<b>Net cash used in investing activities (b)</b>	<b>(247.50)</b>	<b>(3,621.20)</b>
<b>Cash flow from financing activities</b>		
Dividend paid	(1,344.62)	(1,344.62)
Purchase of shares by Employee Stock option trust	-	(353.39)
Payment of lease liabilities	(58.03)	(69.20)
<b>Net cash used in financing activities (c)</b>	<b>(1,402.65)</b>	<b>(1,767.21)</b>
<b>Net (decrease) in cash and cash equivalents (a) + (b) + (c)</b>	<b>271.66</b>	<b>(71.87)</b>
Cash and cash equivalents at the beginning of the year	218.62	290.51
Effect of exchange rate fluctuations on cash held	-	(0.02)
<b>Cash and cash equivalents at the end of the year</b>	<b>490.28</b>	<b>218.62</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	2.93	2.49
Bank balances	487.35	216.22
<b>Cash and cash equivalents as per Statement of assets and liabilities</b>	<b>490.28</b>	<b>218.62</b>





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**Notes:**

- The above financial results for the quarter and year ended 31 March 2023 in respect of Amrutanjan Health Care Limited ('the Company') have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 30 May 2023. The statutory auditors have audited the above results for the year ended 31 March 2023 and have issued a modified opinion.
- These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Interim Dividend of INR 17 per share aggregating to INR 292.31 Lakhs has been paid during the quarter ended 31 March 2023.
- During the financial year 2020-2021, Amrutanjan's Board of Directors had approved the Amrutanjan Health Care Limited Employee stock option scheme ('Scheme 2020') for the grant of stock options to the employees of the Company. The Compensation Committee administers the plan through a trust established specifically for this purpose, called Amrutanjan Health Care Limited ESOP trust ('ESOP trust'). The assets and liabilities of the trust is accounted for as assets and liabilities of the Company on the basis that the trust is exclusively set up for the purpose of administering the ESOP plan of the Company.
- The figures for the quarters ended 31 March 2023 and 31 March 2022 are the balancing figures between audited figures in respect of the full financial years and published unaudited year-to-date figures upto the end of the third quarter of the relevant financial year, which were subjected to limited review.
- During the month of December 2022, the Company received an anonymous whistle blower complaint alleging lapses by certain senior management employees including undue enrichment through marketing, advertising and procurement activities, ethical concerns, and conflict of interest etc. In this regard, the Company had initiated an independent forensic audit by an external agency on these alleged lapses. The draft investigation report of forensic audit dated May 22, 2023 has reported potential collusions with respect to marketing and advertising activities of the Company by certain employees, resulting into payments of potential kickbacks / commission aggregating to INR 8.65 lakhs to such employees from vendors onboarded during the current year. The management believes that the impact of this matter is not material to the financial statement. The Company has terminated the services of those employees and vendors. There were no adverse findings with respect to activities related to procurement of raw materials, packing materials and logistics. Pending completion of the investigation in respect of the interim observations pertaining to contract / casual labour expenses pertaining to sales activities, no adjustments have been made to the financial statements in respect of this matter, if any. The auditors have also qualified their audit report in this regard.
- The financial results of the Company for the Quarter/Year ended 31 March 2023 have been filed with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and are available in Company's website [www.amrutanjan.com](http://www.amrutanjan.com).
- Segment reporting in the financial results: Based on the 'management approach' as defined in Ind AS 108 'Operating Segments', the Chief Operating Decision Maker evaluates the Company's performance as OTC Products and Beverages.

Particulars	(Rs in Lakhs)					
	Quarter ended			Year ended		
	31 March 2023 (Audited - refer note 5)	31 December 2022 (Unaudited)	31 March 2022 (Audited - refer note 5)	31 March 2023 (Audited)	31 March 2022 (Audited)	
<b>1 Segment revenue</b>						
a OTC Products	6,495.28	9,351.22	9,407.10	34,511.23	37,221.24	
b Beverages	1,484.42	365.23	1,159.38	3,246.33	3,190.46	
c Others	51.89	48.10	58.82	2,060.4	172.54	
<b>Total</b>	<b>10,031.69</b>	<b>9,764.55</b>	<b>10,655.30</b>	<b>37,963.60</b>	<b>40,584.24</b>	
<b>2 Segment results</b>						
a OTC Products	1,364.91	1,366.12	2,007.32	4,680.03	8,288.14	
b Beverages	110.18	(136.34)	(53.19)	(393.17)	(7.09)	
c Others	(20.05)	(20.77)	(13.85)	(73.05)	(96.57)	
<b>Total</b>	<b>1,455.03</b>	<b>1,211.01</b>	<b>1,900.28</b>	<b>4,413.80</b>	<b>8,184.48</b>	
Less: Finance cost	1.72	1.59	30.08	7.71	46.45	
Add: Other: unallocable expenditure net of interest income	193.75	240.91	131.73	958.45	921.63	
<b>Total profit before tax</b>	<b>1,647.10</b>	<b>1,450.33</b>	<b>2,001.93</b>	<b>5,364.54</b>	<b>9,057.66</b>	
<b>3 Segment assets</b>						
a OTC Products	9,000.35	9,290.29	9,091.91	9,030.88	9,091.91	
b Beverages	2,180.65	2,213.17	2,073.42	2,180.65	2,073.42	
c Others	39.25	44.10	55.43	36.25	65.43	
d Unallocated assets	24,991.55	24,203.19	23,756.05	24,991.55	23,756.05	
<b>Total</b>	<b>36,209.33</b>	<b>35,750.75</b>	<b>34,986.81</b>	<b>36,209.33</b>	<b>34,986.81</b>	
<b>4 Segment liabilities</b>						
a OTC Products	5,265.52	6,683.46	5,492.11	5,265.52	5,492.11	
b Beverages	1,031.87	364.62	1,612.52	1,031.87	1,612.52	
c Others	39.55	43.25	69.28	39.55	69.28	
d Unallocated liabilities	794.80	547.48	1,101.52	794.80	1,101.52	
<b>Total</b>	<b>7,132.14</b>	<b>7,658.83</b>	<b>8,474.43</b>	<b>7,132.14</b>	<b>8,474.43</b>	
<b>Total capital employed in the Company</b>	<b>29,077.19</b>	<b>28,091.92</b>	<b>26,512.38</b>	<b>29,077.19</b>	<b>26,512.38</b>	

Date: 30 May 2023  
Place: Chennai

For Amrutanjan Health Care Limited

*S Sambhu Prasad*  
Chairman & Managing Director  
DIN: 00015729



# BSR & Co. LLP

Chartered Accountants

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## Independent Auditor's Report

### To the Board of Directors of Amrutanjan Health Care Limited Report on the audit of the Annual Financial Results

#### Qualified Opinion

We have audited the accompanying annual financial results of **Amrutanjan Health Care Limited** (hereinafter referred to as the "Company") for the year ended 31 March 2023, attached herewith, (in which are included financial statements of an Employee Stock Option Plan ("ESOP trust")) being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report on audited financial statements of ESOP trust except for the possible effects, if any, of the matter described in the "Basis for Qualified Opinion" section of our report the aforesaid annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information for the year ended 31 March 2023.

#### Basis for Qualified Opinion

We draw attention to Note 6 to the financial results of the Company with respect to a whistle blower complaint received by the Company. The management has obtained a draft forensic audit report, which reported payments of potential kickbacks / commission to certain employees. The investigation is still in progress with respect to contract / casual labour expenses pertaining to sales activities. Pending the completion of the independent investigation being carried out by an external agency in respect of such complaint, we are unable to determine the likely outcome of the above matter and its impact on the financial statements of the current year and earlier periods, if any. Consequently, we were unable to determine whether any adjustments were necessary to these financial statements.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Results* 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 financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, along with the consideration of report of auditor of the ESOP trust referred to in the "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the annual financial results.

**Independent Auditor's Report (Continued)**

**Amrutanjan Health Care Limited**

**Management's and Board of Directors'/ Board of Trustees' Responsibilities for the Annual Financial Results**

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the Company/Board of Trustees of the ESOP trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company/ESOP trust 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Management and the Board of Directors/Board of Trustees are 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 the Board of Directors/Board of Trustees either intends to liquidate the Company/Trust or to cease operations, or has no realistic alternative but to do so.

The Board of Directors/Board of Trustees are responsible for overseeing the financial reporting process Company/ESOP trust.

**Auditor's Responsibilities for the Audit of the Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the annual financial results 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 annual financial results.

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

- Identify and assess the risks of material misstatement of the annual financial results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 in the annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' 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 appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required

**Independent Auditor's Report (Continued)**

**Amrutanjan Health Care Limited**

to draw attention in our auditor's report to the related disclosures in the annual financial results 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 annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the ESOP trust of the Company to express an opinion on the annual financial results. For the ESOP trust included in the annual financial results, which has been audited by auditor of the ESOP trust, such auditor of the ESOP trust remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the "Other Matter" paragraph in this audit report.

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

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

**Other Matter(s)**

- a. The annual financial results include the audited financial results of an ESOP trust, whose financial statements reflects total assets (before consolidation adjustments) of Rs. INR 448.22 lakhs as at 31 March 2023, total revenue (before consolidation adjustments) of Rs. 2.18 lakhs and total net (loss) after tax (before consolidation adjustments) of Rs. 1.80 lakhs for the year ended on that date, as considered in the annual financial results, which has been audited by the auditor of the ESOP trust. The auditor's report on financial statements of the ESOP trust has been furnished to us by the management.

Our opinion on the annual financial results, in so far as it relates to the amounts and disclosures included in respect of the ESOP trust, is based solely on the report of such auditor.

Our opinion is not modified in respect of this matter.

- b. The annual financial results include the results for the quarter ended 31 March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248WW-100022

  
**K Raghuram**  
*Partner*

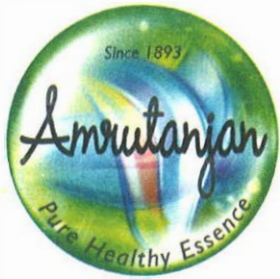
Chennai

30 May 2023

Membership No.: 211171

UDIN:23211171BGYHJA2854





The Board has deliberated about the financial statements and the report of the statutory auditors. The statement on impact of audit qualification has been provided below:

<b>Management's Response on the Auditor Opinion for Standalone Audited Financial statements for the Financial year ended March 31, 2023</b>	
<b>Auditor's Observation</b>	<b>Management's Response</b>
<p>1. During the month of December 2022, the Company received an anonymous whistle blower complaint (Complaint) alleging lapses by certain senior management employees including undue enrichment through marketing, advertising and procurement activities, ethical concerns, and conflict of interest etc. In this regard, the Company had initiated an independent forensic audit by an external agency on these alleged lapses. The draft investigation report of forensic audit dated May 22, 2023 has reported potential collusions with respect to marketing and advertising activities of the Company by certain employees, resulting into payments of potential kickbacks / commission aggregating to INR 8.65 lakhs to such employees from vendors onboarded during the current year. The Company has terminated the services of those employees and vendors.</p> <p>2. Pending completion of the investigation in respect of the interim observations pertaining to contract / casual labour expenses pertaining to sales activity, no adjustments have been made to the financial statements in respect of this matter, if any.</p>	<p>The management believes that the impact arising out of this is not material to the financial statement.</p> <p>We are unable to provide the impact arising out of this pending receipt of the final report.</p>

