



# **9<sup>th</sup> ANNUAL REPORT**

**2022-23**

**FOUNDATION FOR NEGLECTED DISEASE RESEARCH**  
(A Section 8 Company under The Companies Act, 2013)

**BANGALORE**

**FOUNDATION FOR NEGLECTED DISEASE RESEARCH**

**BANGALORE**

BOARD OF DIRECTORS:

Dr. Shridhar Narayanan, Chairman and Chief Executive Officer  
Dr. R. K. Shandil, Director & Vice President – Biology  
Dr. Suri Venkatachalam, Non-Executive Director  
CA Hema Krishnamurthy, Non-Executive Director

REGISTERED OFFICE:

Plot No. 20A, KIADB Industrial Area, Veerapura Village,  
Doddaballapur, Bangalore – 561203, Karnataka, India

AUDITORS:

GURU JANA & Associates  
Firm Registration No. 025194S  
No. 41, 3<sup>rd</sup> Floor, Patalamma Temple Street,  
Basavanagudi, Near South End Circle  
Bangalore, Karnataka – 560 004

BANKERS:

HDFC Bank Ltd,  
47, Margosa Road,  
15th Cross, Next to BSNL Telephone Exchange/Opp. Veena Stores,  
Malleshwaram, Bangalore - 560003

ICICI Bank Ltd,  
Bagalur Main Road, Dwarka Nagar, IAF Post,  
Bangalore – 560063

Bank of India  
Scout Camp Road, 3rd Ward, Near to Railway station,  
Apparel Park Area, Doddaballapur - 561203

State Bank of India  
New Delhi Main Branch 11, Parliament Street,  
New Delhi – 110001

## INDEPENDENT AUDITOR'S REPORT

To  
The Members  
Foundation for Neglected Diseases Research

### Report on the Audit of Financial Statements

#### Opinion

1. We have audited the Financial Statements of **Foundation for Neglected Diseases Research** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Income and Expenditure, Cash Flow statement for the year ending and notes to Financial Statements including a summary of the significant accounting policies and other explanatory information (herein after referred to as "Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. In case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2023.
  - b. In case of Statement of Income and Expenditure, Surplus for the year ended on that date.
  - c. In case of Cash flows statement, of the cash flows for the year ended on that date.

#### Basis of opinion

3. We conducted our audit 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 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 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.



## **Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the 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 that there are no key audit matters to be communicated in this report.

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

5. The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is Director's report but does not include the financial statements and our auditor's report thereon.

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

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

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



## Management's Responsibility for the Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. 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 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 Responsibility

7. Our objectives are to obtain reasonable assurance about whether the Financial Statements 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 based on these Financial Statements.

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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. 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 firm to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### **Other Matters**

Refer to Note 43 of the Financial Statements, there was a fire breakout due to which the company suffered some damage in the Property, Plant and Equipment having a written down value of Rs. 651 thousand. The company has received insurance cover as against the damaged assets amounting to Rs. 1,794 thousand resulting in a profit of Rs. 1,142 thousand.

Our opinion on the financial statements, and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.



## Report on Other Legal and Regulatory Requirements.

8. The report does not include a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, since in our opinion and according to the information and explanation provided to us, the said order is not applicable to the company.
9. 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 purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Income and Expenditure and Cash Flow Statement dealt with this Report agree with the books of account.
  - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Audit and Auditors) Amendment Rules, 2021.
  - e) Based on the written representations received from the Directors as on 31<sup>st</sup> March 2023 taken on record by the Board of Directors, none of the Directors are disqualified as on 31<sup>st</sup> March 2023 from being appointed as a Director in terms of Section 164(2) of the Act.
  - f) The reporting on the adequacy of the internal financial controls over financial reporting of the Company is not applicable as the Company fulfils the criteria stated in the MCA exemption notification dated 13 June 2017.
  - g) With respect to other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2021, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have the pending litigations.
    - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required 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 (which are material either individually or in the aggregate) 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 entity ("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 it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), 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; and

c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

d) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Amendment Rules, 2021 is not applicable for the financial year ended March 31, 2023.

**For Guru Jana & Associates**

Chartered Accountants

**Firm Registration No: 025194S**

  
Ananth Prasad B R

Partner

**Membership No.: 218145**

**UDIN: 23218145BGXYZT2606**



Place: Bangalore

Date: 9<sup>th</sup> August 2023






Particulars	Note	in000	
		As at 31 March 2023	As at 31 March 2022
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	3	100	100
(b) Reserves and Surplus	4	67,928	47,235
<b>2 Non- Current Liabilities</b>			
(a) Deferred Tax Liabilities		-	-
(b) Long Term Provision	5	7,506	5,255
<b>3 Current Liabilities</b>			
(a) Short -Term Borrowings		-	-
(b) Trade Payables		-	-
Total outstanding dues of micro and small enterprises	6	529	1,244
Total outstanding dues of creditors other than micro and small enterprises	6	552	2,129
(c) Other Current Liabilities	7	11,926	28,716
(d) Short- Term Provisions	8	1,765	531
<b>TOTAL</b>		<b>90,306</b>	<b>85,210</b>
<b>B ASSETS</b>			
<b>1 Non - Current Assets</b>			
(a) Property Plant & Equipment			
(i) Tangible Assets	9	20,019	15,764
(ii) Intangible Assets		7	15
(iii) Capital Work-In-Progress	9.1	-	-
(b) Deferred Tax Assets	10	-	-
(c) Long-Term Loans and Advances	11	2,892	2,625
(d) Other Non Current Assets	12	5,140	890
<b>2 Current Assets</b>			
(a) Inventories		-	-
(b) Trade Receivables	13	1,423	7,584
(c) Cash and Cash Equivalents	14	50,523	45,634
(d) Short term Loans and Advances	15	10,302	12,698
<b>TOTAL</b>		<b>90,306</b>	<b>85,210</b>

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For Guru Jana & Associates  
Chartered Accountants  
Firm Registration No.-0251945

  
Ananth Prasad B R  
Partner  
Membership No.218145  
UDIN:23218145BGXYZT2606



Place: Bangalore  
Date: 09-08-2023

For and on behalf of Board of Directors of  
FOUNDATION FOR NEGLECTED DISEASE RESEARCH

  
Shridhar Narayanan  
Chairman & CEO  
DIN: 06534130

  
Radha Krishan Shandil  
Director - Chief Scientific Officer  
DIN: 06927253



FOUNDATION FOR NEGLECTED DISEASE RESEARCH  
CIN: U73200KA2014NPL076126  
Statement of Income and Expenditure for the year ended 31 March 2023  
(All amounts in Rupees, unless otherwise stated)



In 000

Particulars	Note	Year Ended 31 March 2023	Year Ended 31 March 2022
I. Revenue from Operations	16	1,10,891	74,797
II. Other Income	17	3,197	3,348
III. Total Income (I + II)		<b>1,14,088</b>	<b>78,145</b>
IV. Expenses			
Research and Related Expenses		28,705	18,537
Employee Benefits Expense	18	40,281	33,568
Other Expenses	20	20,471	14,322
Depreciation and Amortization Expense	9.3	2,260	576
Total Expenses		<b>91,717</b>	<b>67,003</b>
V Profit before exceptional and extraordinary items and tax (III - IV)		<b>22,371</b>	<b>11,142</b>
VI Exceptional Items( Note 43)		1,143	-
VII Tax expenses			
(1) Current tax		-	-
Less: Mat Credit Entitlement		-	-
(2) Deferred tax		-	-
Total Tax Expense		-	-
VIII Net Surplus (after tax) for the year (V-VI)		<b>23,514</b>	<b>11,142</b>
IX Earnings Per Share (Basic and Diluted)	27	2.35	1.11

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For Guru Jana & Associates  
Chartered Accountants  
Firm Registration No.-0251945

  
Ananth Prasad B R  
Partner  
Membership No.218145  
UDIN:23218145BGXYZT2606

Place: Bangalore  
Date: 09-08-2023



For and on behalf of Board of Directors  
FOUNDATION FOR NEGLECTED DISEASE RESEARCH

  
Shridhar Narayanan  
Chairman & CEO  
DIN: 06534130

  
Radha Krishan Shandil  
Director - Chief Scientific Officer  
DIN: 06927253





in'000

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
<b>Cash flow from Operating Activity</b>		
Surplus before extraordinary items and Tax	22,370	11,143
Adjustments for:		
Depreciation expenses	2,260	576
Interest income	(1,935)	(1,141)
Exceptional item	1,143	-
<b>Operating Surplus before working capital changes</b>	<b>23,837</b>	<b>10,579</b>
<b>Changes in working capital</b>		
(Increase) /Decrease in Trade Receivable	6,161	1,176
(Increase) /Decrease in Inventory	-	-
(Increase) /Decrease in Long Term Loans & Advance	(267)	-
(Increase) /Decrease in Short Term Loans & Advance	2,834	2,068
(Increase) /Decrease in Other Current Assets	-	-
Increase / (Decrease) in Trade Payable	(2,292)	1,590
Increase / (Decrease) in Non - Current Liabilities	2,251	3,731
Increase / (Decrease) in Other Current Liabilities	(15,555)	7,787
<b>Cash Generate from Operations</b>	<b>16,969</b>	<b>26,929</b>
Income Tax Paid	(264)	(2,739)
<b>Net Cash from / (used in ) Operating activity - (A)</b>	<b>16,707</b>	<b>24,192</b>
<b>Cash Flow from Investing Activity</b>		
Capital Expenditure on Fixed Assets including Capital advance	(14,503)	(4,940)
Capital Grant Received for purchase of Fixed Assets	5,174	2,091
Investments in bank deposits (having original maturity of more than three months)	(6,992)	(7,896)
Interest Received	1,762	1,699
<b>Net Cash from Investing Activity - (B)</b>	<b>(14,560)</b>	<b>(9,046)</b>
<b>Cash Flow from Financing Activity</b>		
Own Funds used for Project	-	(2,270)
<b>Net Cash from Financing Activity - (C)</b>	<b>-</b>	<b>(2,270)</b>
<b>Net increase /decrease in cash &amp; cash equivalents ( A+B+C)</b>	<b>2,146</b>	<b>12,876</b>
Cash and cash equivalents at the beginning of the year	24,372	11,496
<b>Cash and cash equivalents at the end of the year</b>	<b>26,518</b>	<b>24,372</b>

Cash and cash equivalents comprise

Balances with banks		
On current accounts	5,293	14,772
Deposits with original maturity of less than three months	21,225	9,600
<b>Total cash and bank balances at end of the year (Note-15)</b>	<b>26,518</b>	<b>24,372</b>

**Notes :**

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March, 2023 and the related Statement of Income and Expenditure for the year ended on that date.
2. The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) on "Cash Flow Statement", AS -3, Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and reallocations required for this purpose are as made by the Company.
3. Figures in parenthesis represent outflows.
4. The accompanying notes form an integral part of this Cash Flow Statement.
5. Previous year's figures have been regrouped, wherever necessary, to conform current year's presentation.

As per our Report of even date

For Guru Jana & Associates  
Chartered Accountants  
Firm Registration No.-0251945

*B.R.A.*  
Ananth Prasad B R  
Partner  
Membership No.218145  
UDIN:23218145BGXYZT2606



Place: Bangalore  
Date: 09-08-2023

For and on behalf of Board of Directors  
FOUNDATION FOR NEGLECTED DISEASE RESEARCH

*Shridhar*

Shridhar Narayanan  
Chairman & CEO  
DIN: 06534130

*Radha*

Radha Krishan Shandil  
Director - Chief Scientific Officer  
DIN: 06927253



**FOUNDATION FOR NEGLECTED DISEASE RESEARCH**

Notes forming part of the financial statements for the year ended 31 March 2023

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**1 Corporate information**

Foundation For Neglected Disease Research ("the Company"), a not for profit company having CIN No-U73200KA2014NPL076126, within the meaning of Section 8 of the Companies Act, 2013, has been incorporated in India for charitable purposes. The Company conducts innovative research to discover and develop novel chemical / biological agents of synthetic or natural origin and makes available innovative, distinctive products. Scientific services, consultancy and education that contribute to improve lives of human, animal and /or plant with focus on global health diseases.

**2 Summary of significant accounting policies**

**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") to comply in all material respect with the accounting standards specified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention and going concern basis. The accounting policies adopted in the preparation of the financial statements are generally consistent with those followed in the previous year, except otherwise stated elsewhere.

The Company is a Small and Medium Company (SMC) as defined in the general instruction in respect of accounting standards noticed under the Companies Act, 2013. Accordingly, the Company has complied with the accounting standards as applicable to a Small and Medium Company.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

**2.2 Use of Estimates:**

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, revenues, expense and the disclosure of contingent liabilities as at the date of the Financial Statements. Although, the estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could results in the outcomes requiring material adjustments to the carrying amounts of assets or liabilities in future periods.

**2.3 Revenue Recognition**

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection.

a) All donations and grants are considered as Revenue, unless the donor specifies a particular way of treating the receipt. The donations or grants are recognized as revenue as soon as the certainty of the receipt of the donation or grant is established. Unspent balance of Grants are carried forward as liability to be utilized in subsequent years.

b) Grants received, for funding specific research projects solely meant to meet expenses and costs of the research projects, are recognized as an income in the books of account when the revenue expense and matching cost is actually incurred, on accrual basis. When such Grants are used for funding capital expenses, the value of such capital expenses are credited to a specific capital reserve account, on accrual basis, and the capital expenses/ costs are appropriately capitalized. The depreciation or amortization of such capital expenses / costs, so capitalized, is adjusted against such specific capital reserve account, appropriately.

c) Bank interest income is recognized on a time proportion basis, taking into account the amount outstanding and applicable prevailing interest rates.

d) Income from advisory / consultancy / Service contracts are recognised on accrual basis based on the related agreements. Unbilled revenues represent earnings in excess of billings as at end of the reporting period. Unearned revenues represent billing in excess of revenue recognised. Advance payment received from customers for which no services have been rendered are represented as 'Advance from customers'

**2.4 Property Plant & Equipment (PPE)**

a) Property Plant & Equipment (PPE) ( comprising of tangible items only ) are stated at cost. The cost includes the original cost of asset, freight, applicable taxes and other incidental expenses relating to the acquisition and installation.

b) Impairment loss, if any, is recognised wherever the carrying amount of the fixed asset of the cash generating unit exceeds its recoverable amount, i.e. net selling price or value in use, whichever is higher.

c) Intellectual Properties are recognized in the books, only when the patent is granted and a probable future cash flows from the same can be established. Any costs incurred prior to this are charged off in the books of account.

**2.5 Depreciation**

Depreciation on Tangible PPE is provided to the extent of depreciable amount on the "Written Down Value" (WDV) Method unless otherwise stated elsewhere. Depreciation is provided based on useful lives of the assets, as prescribed in Schedule II to the Companies Act, 2013, except in case of Donated Assets, as indicated against Note 37 and recognized in the books as per the principles indicated against para 2.3 (b) above. Assets costing depreciated in the year of purchase. Depreciation on additions during the year is provided on pro-rata basis. Depreciation on leasehold improvements is provided over the useful life of assets or the primary period of the lease, whichever is lower.

**2.6 Inventories**

a) Items of inventories (consumables) are carried at lower of cost and net realisable value.

b) Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in normal course of business for bringing such inventories to their present location and includes, wherever applicable, appropriate overheads.

c) Cost of inventories (consumables) donated by any donor are recognized in the books at a value determined by the Directors, as per the best management estimate.



## FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Continuation on 2

### 2.7 Taxation

The Company has been granted exemption from Income Tax under Section 12A read with Section 12AB of Income Tax Act, 1961. Any accumulated losses are not recognized as "Deferred Tax Assets" on prudential basis.

Deferred income taxes reflects the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax asset is recognised only for those timing differences that originate during the tax holiday period but reverse after the tax holiday period. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward of tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

### 2.8 Employee Benefits

- a) Short-term Employee benefits ( i.e. benefits payable within one year) are recognised in the period in which the employee service are rendered.
- b) Presently the provisions of Employees Provident Funds have been implemented from 1st April 2022 and Other Miscellaneous Provisions Act, 1952, including rules framed thereunder and Employees' State Insurance Act, 1948 are not applicable to the Company.
- c) The Company's obligation in respect of Compensated Absences, which a other long term benefit plan, is provided for based on actuarial valuation, using the Projected Unit Credit Method. Any actuarial gain or losses will be recognised in the Statement of Income and Expenditure.
- d) The Company's obligation in respect of Gratuity Plan, which a defined benefit plan, is provided for based on actuarial valuation, using the Projected Unit Credit Method. Any actuarial gain or losses will be recognised in the Statement of Income and Expenditure. The Company is contemplating to accept a proper Insurance Scheme with an Insurance Company for funding purpose.

### 2.9 Operating leases

Leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as "Operating Leases". Amounts due under the operating leases are charged to the Statement of Income and Expenditure, on a Straight Line Method over the lease term in accordance with the Accounting Standard 19 on "Leases", as specified under Section 133 of the 2013 Act read with Rule 7 of Companies (Accounts) Rules, 2014. Initial Direct Costs incurred specifically for Operating Leases are recognized as expense in the year in which they are incurred.

### 2.10 Foreign Currency Transactions and Translations

Transactions in foreign currencies of the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign Currency Monetary items outstanding at the Balance Sheet Date are reported using the closing rate. Gain or loss resulting from settlement of such transactions and translations of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Income and Expenditure.

### 2.11 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and 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. Provisions Are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in these financial statements.

### 2.12 Cash and Cash Equivalents

Cash and Cash Equivalents include cash in hand and demand deposits with Scheduled Banks.

### 2.13 Earnings Per Share

Basic earnings per share are calculated by dividing surplus/deficit for the period attributable to Equity shareholders by the Weighted Average Number of Equity Shares Outstanding during the period. Partly paid equity shares are treated as a fraction of an equity shares to the extent that they are entitled to participate in dividends related to a fully-paid equity shares during the reporting period.

The weighted Average Numbers of Equity Shares are adjusted for events such as share splits and reverse share split (consolidation of shares) that have changed the numbers of equity shares outstanding.



FOUNDATION FOR NEGLECTED DISEASE RESEARCH  
Notes forming part of the financial statements for the year ended 31 March 2023  
(All amounts in Rupees, unless otherwise stated)

in'000

3 SHARE CAPITAL

**Authorised**  
50,000 (31 March 2022 : 50,000) Equity Shares of Rs 10/- each

**Issued, Subscribed and Paid up**  
10,000 (31 March 2022 : 10,000) Equity Shares of Rs 10/- each

Total

	As at 31 March 2023	As at 31 March 2022
Authorised		
Issued, Subscribed and Paid up	500	500
	100	100
<b>Total</b>	<b>100</b>	<b>100</b>

3.1 Reconciliation of the number of Equity shares

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	10	100	10	100
Add: Share allotted during the year	-	-	-	-
Less: Shares forfeited during the year	-	-	-	-
Balance as at the end of the year	10	100	10	100

3.2 Details of Shares held by Shareholders holding more than 5 % of the aggregate shares in the Company

Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dr. Shridhar Narayanan	2,400	24.00	2,400	24.00
Stabaka Consulting Private Limited	1,000	10.00	1,000	10.00
Dr. Radha Krishan Shandil	2,400	24.00	2,400	24.00
Dr. Anandi Krishnan	700	7.00	700	7.00
Mr. Ashish Prabhakar Mungre	700	7.00	700	7.00
Dr. Bhogineni Sreehari Kumar	700	7.00	700	7.00
Mr. Manish Shirish Sheth	700	7.00	700	7.00
Dr. Sunil Galrola	700	7.00	700	7.00
Mr. Sunil Punjabi	700	7.00	700	7.00

3.3 Shares held by Promoter.

	31-Mar-23		31-Mar-22		% change during the year
	No.	% holding	No.	% holding	
Shares held by Promoters at the end of the year					
Dr. Shridhar Narayanan	2,400	24	2,400	24	Nil
Dr. Radha Krishan Shandil	2,400	24	2,400	24	Nil
Stabaka Consulting Private Limited	1,000	10	1,000	10	Nil

3.4 Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of Equity Shares having a par value of Rs 10/- per share. Each shareholder is eligible for one vote per share held and rank pari-passu.

As per Clause X of Memorandum of Association (MoA) of the Company, in the event of liquidation of the Company, the holders of Equity Shares will not be entitled to receive any of the remaining assets of the Company after distribution of the preferential amounts. The amount remaining, if any, shall be given or transferred to such Company having similar objects, subject to such conditions, as specified in MoA and other applicable laws prevailing in the land.

3.5 No number of shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date or from the date of incorporation whichever is earlier.



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Notes forming part of the financial statements for the year ended 31 March 2023  
(All amounts in Rupees, unless otherwise stated)

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4 RESERVES and SURPLUS

Donation (Other Support ) From Astra Zeneca India Private Limited ( Donated Assets )

Opening Balance  
Add: Amounts credited during the year  
Less: Amount transferred to the Statement of Income and Expenditure Account - Depreciation  
Closing Balance

Financial Support From Astra Zeneca AB, Sweden

Opening Balance  
Add: Amounts credited during the year (Note 36)  
Less: Amount transferred to the Statement of Income and Expenditure Account - Depreciation (Note 9.3)  
Closing Balance

Grant From Donors - Department of Biotechnology (DBT),

Opening Balance  
Add: Amounts credited during the year  
Less: Amount transferred to the Statement of Income and Expenditure Account - Depreciation (Note 9.3)  
Closing Balance

Grant From Donors ( BIRAC )

Opening Balance  
Add: Amounts credited during the year  
Less: Amount transferred to the Statement of Income and Expenditure Account - Depreciation (Note 9.3)  
Closing Balance

General Reserve

Surplus / (Deficit) in Statement of Income and Expenditure

Opening Balance  
Surplus / (Deficit) for the year  
Less : Appropriations  
Transfer to General Reserve  
Closing Balance

Total

	As at 31 March 2023	As at 31 March 2022
Opening Balance	1,026	1,026
Add: Amounts credited during the year	-	-
Less: Amount transferred to the Statement of Income and Expenditure Account - Depreciation	-	-
<b>Closing Balance</b>	<b>1,026</b>	<b>1,026</b>
Opening Balance	11,119	15,293
Add: Amounts credited during the year (Note 36)	175	235
Less: Amount transferred to the Statement of Income and Expenditure Account - Depreciation (Note 9.3)	3,640	4,410
<b>Closing Balance</b>	<b>7,654</b>	<b>11,119</b>
Opening Balance	1,083	610
Add: Amounts credited during the year	-	1,341
Less: Amount transferred to the Statement of Income and Expenditure Account - Depreciation (Note 9.3)	1,083	868
<b>Closing Balance</b>	<b>(0)</b>	<b>1,083</b>
Opening Balance	246	1
Add: Amounts credited during the year	4,999	514
Less: Amount transferred to the Statement of Income and Expenditure Account - Depreciation (Note 9.3)	1,626	269
<b>Closing Balance</b>	<b>3,619</b>	<b>246</b>
Opening Balance	33,762	24,889
Surplus / (Deficit) for the year	23,514	11,143
Less : Appropriations	-	-
Transfer to General Reserve	1,647	2,270
<b>Closing Balance</b>	<b>55,629</b>	<b>33,762</b>
<b>Total</b>	<b>67,928</b>	<b>47,237</b>



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Notes forming part of the financial statements for the year ended 31 March 2023  
(All amounts in Rupees, unless otherwise stated)

in'000

5 LONG TERM PROVISION

Provision for Compensated absence-unfunded [ Note 2.8(c)]  
Gratuity - Unfunded [ Note 2.8(d)]

Total

As at 31 March 2023
3,014
4,492
7,506

As at 31 March 2022
2,308
2,947
5,255





6 Trade Payables

	As at 31 March 2023	As at 31 March 2022
Other than Acceptances	1,082	3,373
Other Payables	-	-
<b>TOTAL</b>	<b>1,082</b>	<b>3,373</b>

6.1 Details Of Dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006, based on information available with the Company is as under, which has also been relied upon by the auditors.

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of Micro and Small Enterprises	529	1,244
Total outstanding Dues other than Micro and Small Enterprises	552	2,128
	<b>1,082</b>	<b>3,373</b>

6.2 Disclosures under Sections 22 and 23 of Micro, Small and Medium Enterprises as per MSMED Act, 2006 (MSMED Act, 2006)

Sl No.	Details of Dues to Micro, Small and Medium Enterprises	2022-23	2021-22
I	The principal amount and the interest due thereon remaining unpaid to any supplier as at the year end Principal amount unpaid Interest due	529.10 -	1,244 -
II	Amount of interest paid by the buyer in terms of Section 16 of MSMED Act 2006 along with the amount of the payments made to the supplier beyond the appointed day during the year Payments made beyond the Appointed date Interest paid beyond the Appointed date	- -	- -
III	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
IV	The amount of interest accrued and remaining unpaid at the end of the year	-	-
V	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

As at 31st March 2023	Outstanding for following periods from due date of payment/date of transaction						
	Particulars	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME		529	-	-	-	-	529
Others		-	552	-	-	-	552
Disputed dues - MSME		-	-	-	-	-	-
Disputed dues - Others		-	-	-	-	-	-

As at 31st March 2022	Outstanding for following periods from due date of payment/date of transaction						
	Particulars	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME		-	1,244	-	-	-	1,244
Others		-	1,576	552	-	-	2,128
Disputed dues - MSME		-	-	-	-	-	-
Disputed dues - Others		-	-	-	-	-	-

7 OTHER CURRENT LIABILITIES

	As at 31 March 2023	As at 31 March 2022
<b>Employee Payable</b>		
Salary payable	-	641
Directors' Remuneration Payable	-	706
<b>Other payables</b>		
Security Deposit From Customers	-	-
<b>Statutory Liabilities</b>		
Funds received as Grants [ Notes 2.3 (a) & 36]	1,649	680
Lease Equalization Balance	3,303	23,181
	24	106
<b>Advance from Customer</b>		
	6,949	3,201
<b>TOTAL</b>	<b>11,926</b>	<b>28,715</b>

8 SHORT TERM PROVISIONS

	As at 31 March 2023	As at 31 March 2022
(a) Provision for employee benefits		
Gratuity - Unfunded [Note 2.8(d)]	137	63
Provision for compensated absence- Unfunded [Note 2.8(c)]	244	153
(b) Provision for expenses	1,385	315
<b>TOTAL</b>	<b>1,765</b>	<b>531</b>



9 TANGIBLE ASSETS ( Current Year)	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	Cost/ Valuation as at 01 April 2022	Additions during the year	Sales during the year	Other Adjustment during the year	Other Transfers	Cost/ Valuation as at 31 March 2023	As at 01 April 2022	For the year	On Sales/ Adjustment during the year	Other Transfers	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
<b>Own Assets</b>													
Office Equipments	419	1,614	120	100	-	2,014	265	498	-	-	763	1,251	155
Furniture & Fixtures	1,115	211	-	-	-	1,326	610	218	-	-	829	498	505
Computers and Laptops	2,235	270	146	139	-	2,499	1,189	588	-	-	1,977	522	846
Printer	11	-	-	-	-	11	10	-	-	-	10	1	1
UPS	181	-	-	-	-	181	172	-	-	-	172	9	9
Plant and Machinery CO2 incubator ( Note: 38)	1,361	-	-	-	-	1,361	1,239	122	-	-	1,361	0.001	122
Leasehold Improvements - Civil Works (Note: 2.5)	5,662	-	-	-	-	5,662	3,390	1,234	-	-	4,624	1,038	2,273
Plant and machinery/ Laboratory Equipments	42,436	13,160	4,662	390	-	51,324	30,583	5,752	1,710	-	34,623	16,699	11,853
<b>Sub total ( A )</b>	<b>53,420</b>	<b>15,256</b>	<b>4,928</b>	<b>629</b>	<b>-</b>	<b>64,377</b>	<b>37,656</b>	<b>8,412</b>	<b>1,710</b>	<b>-</b>	<b>44,358</b>	<b>20,019</b>	<b>15,784</b>
<b>Assets Given On Operating Lease</b>													
Plant and Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub total ( B )</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>53,420</b>	<b>15,256</b>	<b>4,928</b>	<b>629</b>	<b>-</b>	<b>64,377</b>	<b>37,656</b>	<b>8,412</b>	<b>1,710</b>	<b>-</b>	<b>44,358</b>	<b>20,019</b>	<b>15,784</b>
Previous Year	48,423	5,130	191	-	412	53,420	31,972	5,686	-	-	37,658	15,762	16,920



FOUNDATION FOR NEGLECTED DISEASE RESEARCH  
Notes forming part of the financial statements for the year ended 31 March 2023  
(All amounts in Rupees, unless otherwise stated)

Continuation on 10

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INTANGIBLE ASSETS (Current Year)	GROSS BLOCK					AMMORTISATION				NET BLOCK	
	Cost/ Valuation as at 01 April 2022	Additions during the year	Sales during the year	Adjustment during the year	Cost/ Valuation as at 31 March 2023	As at 01 April 2022	For the year	On Sales/ Adjustment during the year	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
(acquired items) Patents, Trademarks and Intellectual Properties (Note 9.2 below)	-	-	-	-	-	-	-	-	-	-	-
Software	141	-	-	-	141	126	8	-	134	7	15
<b>Total</b>	<b>141</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141</b>	<b>126</b>	<b>8</b>	<b>-</b>	<b>134</b>	<b>7</b>	<b>15</b>
Previous Year	141	-	-	-	141	101	25	-	126	15	40

9.1 Capital Work-in-Progress

Particulars	31-Mar-2023	31-Mar-2022
Opening Balance	-	-
Add: Additions during the year	-	-
Less: Capitalised during the year	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

Note - Capital Work in Progress has been capitalised after the receipt of the Consent For Operation(CFO) from Karnataka State Pollution Control Board.

9.2 Patents & Intellectual Properties

- 9.2.1 The Company currently owns, on joint basis with Global Alliance for TB Drug Development, Inc. (TB Alliance, US), the granted patents and intellectual properties ("Joint IP") in respect of discovery and development of DprE1 inhibitors for treatment of tuberculosis, pursuant to Collaboration Agreement dated 8 June 2017. In terms of the said agreement, TB Alliance, US is bearing the costs for prosecuting and maintaining all the patents covering the Joint IP in global territories outside India. The Company is supposed to bear all costs in India. Furthermore, TB Alliance US is also funding the project through Research and Development and its Commercial Partners to make the product available and affordable throughout the world. In view of non-ascertainment of probable future cash flows in respect of this Joint IP, the same has not been reckoned in these accounts.
- 9.2.2 The Company has also been assigned, vide Assignment Agreement dated 16 March 2016, by Piramal Enterprises Limited (PEL), its shares of 50 percent rights in Patent Applications in respect of -  
(a) Antibiotic Compounds; and  
(b) Microparticle Formulation for Pulmonary Drug Delivery of Anti-infective Molecule for treatment of Infectious Diseases, jointly owned with National Centre for Polar and Ocean Research (NCPOR). Under the said agreement, the Company will share equally the responsibilities of filing, prosecution and maintenance of the said Patents.
- 9.2.3 The Company has been granted an Indian Patent for "Compounds and methods for treating tuberculosis". The Company owns the said Patent wholly and is responsible for filing, prosecution and maintenance of the said Patent.
- 9.2.4 Pending granting of the Patents as indicated in Notes 10.2.2 and 10.2.3 above and such other filed Patents / Intellectual Properties, the valuation has not been envisaged by the management. The same will be undertaken and recognized in the books, when the probable future cash flows can be established based on granting by the respective Patents and Trademarks Offices.

9.3 Details of Depreciation and Amortisation Expenses

	Year Ended 31 March 2023	Year Ended 31 March 2022
Depreciation of Tangible Assets	8,412	5,686
Amortisation of Intangible Assets	8	25
<b>Total Depreciation</b>	<b>8,419</b>	<b>5,711</b>
Less: Transfer from Capital Grant Accounts [Note 2.3 (b)]	6,349	5,547
<b>Net Depreciation Charged to Statement of Income and Expenditure</b>	<b>2,070</b>	<b>164</b>



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Notes forming part of the financial statements for the year ended 31 March 2023  
(All amounts in Rupees, unless otherwise stated)

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10 DEFERRED TAX ASSETS/ (LIABILITIES)  
(Note 39)

Timing Difference resulting in assets mainly on account of :

Difference between net book value of depreciable Capital Asset as per books vis-à-vis written downvalue as per Income Tax.

Total

As at 31 March 2023	As at 31 March 2022
-	-
-	-
-	-
-	-

11 LONG TERM LOANS AND ADVANCES

Unsecured Considered Good

Security Deposits

Total

As at 31 March 2023	As at 31 March 2022
2,892	2,625
2,892	2,625

12 Other Non Current Assets

-Non-current maturities

Deposits with maturity date after 12 months from reporting date

Total

As at 31 March 2023	As at 31 March 2022
5,140	890
-	-
5,140	890



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Notes forming part of the financial statements for the year ended 31 March 2023  
(All amounts in Rupees, unless otherwise stated)

in'000

13 TRADE RECEIVABLES

Unsecured, Considered Good

Outstanding for a period exceeding six months from the date they are due for payment  
Others  
Others-Grant receivable

	As at 31 March 2023	As at 31 March 2022
	688	6,027
	736	1,557
<b>Total</b>	<b>1,423</b>	<b>7,584</b>

As at 31st March 2023	Outstanding for following periods from due						
Particulars	Not due	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade receivables – considered good	-	2,173	-	-	-	-	2,173
Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – considereed doubtful	-	-	-	-	-	-	-
	-	2,173	-	-	-	-	2,173
<b>Less : Allowance for Doubtful Trade Receivables</b>							

As at 31st March 2022	Outstanding for following periods from due date of payment/date of transaction						
Particulars	Not due	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade receivables – considered good	-	7,199	1,561	-	-	-	8,760
Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – considereed doubtful	-	-	-	-	-	-	-
	-	7,199	1,561	-	-	-	8,760
<b>Less : Allowance for Doubtful Trade Receivables</b>	-	-	-	-	-	-	-

14 CASH AND CASH EQUIVALENTS

Cash in hand

Balances with Scheduled Banks :

- On Current Accounts

Other bank balances

-Current maturities

Deposits with original maturity of less than 3 months

Deposits with original maturity for more than 12 months but less than 12 months from reporting date

Total current maturities of other bank balances

	As at 31 March 2023	As at 31 March 2022
	-	-
<b>Total</b>	<b>5,293</b>	<b>14,772</b>
	5,293	14,772
	21,225	9,600
	24,005	21,262
	45,230	30,862
<b>Total</b>	<b>50,523</b>	<b>45,634</b>

15 SHORT -TERM LOANS AND ADVANCES

Other Loans and Advances

Unsecured, Considered Good

Advance Income Tax, Including Taxes Deducted at Source (TDS)

Advance to Government Authorities-Goods & Services Tax (GST)

Interest Accrued on Fixed Deposit

Prepayments/Prepaid Expenses & Others

Advance to Suppliers/ Other Parties

Employee Advances, Including travelling advances

	As at 31 March 2023	As at 31 March 2022
	4,464	4,200
	3,125	6,065
	440	266
	1,091	1,015
	890	741
	293	411
<b>Total</b>	<b>10,302</b>	<b>12,698</b>



**FOUNDATION FOR NEGLECTED DISEASE RESEARCH**

Notes forming part of the financial statements for the year ended 31 March 2023  
(All amounts in Rupees, unless otherwise stated)

in'000

**16 REVENUE FROM OPERATIONS**

	Year Ended 31 March 2023	Year Ended 31 March 2022
Grants	35,506	22,949
Advisory/Consultancy Service	3,030 72,355	986 50,862
<b>Total</b>	<b>1,10,891</b>	<b>74,797</b>
Other Operating Revenue:	-	-
	<b>1,10,891</b>	<b>74,797</b>
<b>REVENUE FROM OPERATIONS</b>	<b>1,10,891</b>	<b>74,797</b>

**17 OTHER INCOME (Non-operating income)**

	Year Ended 31 March 2023	Year Ended 31 March 2022
Interest From Bank Deposits (Gross)	1,935	1,141
Income form Donations	1,120	2,183
<b>Other Non-Operating Income</b>	<b>142</b>	<b>-</b>
Interest on Income Tax Refund	-	24
Miscellaneous	-	-
<b>Total</b>	<b>3,197</b>	<b>3,348</b>

**18 EMPLOYEE BENEFITS EXPENSE**

	Year Ended 31 March 2023	Year Ended 31 March 2022
Salaries, Wages, Bonus etc	37,115	29,371
Compensated Absence	844	1,893
Gratuity	1,619	1,674
Staff Welfare Expenses	704	629
<b>Total</b>	<b>40,281</b>	<b>33,568</b>



**FOUNDATION FOR NEGLECTED DISEASE RESEARCH**

Notes forming part of the financial statements for the year ended 31 March 2023  
(All amounts in Rupees, unless otherwise stated)

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**19 FINANCE COST**

Interest Expenses  
Other Borrowing Cost

**TOTAL**

Year Ended 31 March 2023	Year Ended 31 March 2022
-	-
-	-
-	-

**20 OTHER EXPENSES**

Legal and Professional Fees (Note 20.1)  
- Office Maintenance Expenses  
Rent [Note-44(b)]  
Power and Fuel Expenses  
**Repairs and Maintenance :**  
- Plant and Machinery  
- Buildings  
- Others ( Computers)  
Seminar, Board meeting and Subscription Expenses  
Insurance Expenses  
Postage & Courier  
Rates and Taxes  
Audit Fees (Note 20.2)  
Stationery and Printing  
Debts and Other Debts Written-Off  
Travelling Expenses  
- Service Charges (House Keeping etc)  
Communication expenses - telephone, internet etc  
Travelling Expenses - Foreign  
Conveyance  
General Expenses  
Foreign gain or loss  
Transportation Hire Charges  
Installation Charges  
Website Maintenance and Promotion Expenses

**Total**

Year Ended 31 March 2023	Year Ended 31 March 2022
1,808	1,821
3,420	2,460
2,580	2,443
2,084	1,374
3,440	967
190	1,496
359	219
1,581	248
878	576
270	201
258	161
150	150
116	96
35	258
569	112
-	251
391	72
1,422	-
18	43
385	535
9	203
422	615
86	3
-	19
<b>20,471</b>	<b>14,322</b>

**20.1 Legal & Professional Expenses include :**

Professional Fees  
Legal fees  
Accounting and other Charges

1,023	1,237
658	441
128	143
<b>1,808</b>	<b>1,821</b>

**20.2 Amount paid /payable to Auditors \*\***

- Audit Fees  
- Others ( Certificates, etc. ) - PY auditor  
- Expenses reimbursed / reimbursable

150	150
-	-
-	-
<b>150</b>	<b>150</b>

\*\* Excluding GST



**FOUNDATION FOR NEGLECTED DISEASE RESEARCH**

Notes forming part of the financial statements for the year ended 31 March 2023  
(All amounts in Rupees, unless otherwise stated)

in'000

	As at 31 March 2023	As at 31 March 2022
21 Impact of any pending litigation (Contingent Liabilities) in respect of -		
a. Income Tax Matters under dispute [Net of payments Rs Nil lacs (Previous year Rs. Nil lacs)]	-	-
b. Service Tax / any Indirect Taxes, disputed by the Management for which appeals at the appropriate forum will be preferred	-	-
c. Pending litigations apart from items mentioned in a and b above	-	-

	As at 31 March 2023	As at 31 March 2022
22 Bank Guarantees outstanding	-	-
23 Guarantee given on behalf of the Company by Directors	-	-
24 Capital Commitments [Net of advance- Rs Nil ( Previous Year Rs Nil ) ]	-	-

25 Remuneration paid/payable to Chief Executive Officer [Key Managerial Personnel (KMP)] - included under various expense heads.

	Year Ended 31 March 2023	Year Ended 31 March 2022
i) Salary #	8,766	7,878
ii) Monetary value of Perquisites/ Benefits	-	-
<b>Total</b>	<b>8,766</b>	<b>7,878</b>

#Excludes Contribution to gratuity fund and provision for compensated absence as separate figures are not ascertainable for the managerial personnel.

**26 Leases**

26.1 The Company has entered a long term non-cancellable operating lease in respect of a premises located at Doodballapur Bangalore for an initial term of five years with effect from 1 February 2018 and renewed again in February 2023 for eight years. Apart from the agreed monthly rent, The Company was supposed to pay an advance of Rs 25 Lacs as security deposit.

Future minimum Lease Payment - (Rupees in Lakhs )

	Year Ended 31 March 2023	Year Ended 31 March 2022
Not later than One Year	36.42	1.96
Later than one year and not later than five years	224.10	0.00
Later than five year	83.00	-





FOUNDATION FOR NEGLECTED DISEASE RESEARCH  
Notes forming part of the financial statements for the year ended 31 March 2023  
(All amounts in Rupees, unless otherwise stated)

in '000

27 Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic EPS:

Surplus after Tax

27.1 Basic

- i. Number of Equity Shares at the beginning of the year
- ii. Number of Equity Shares issued during the year
- iii. Number of Equity Shares at the end of the year
- iv. Weighted average number of Equity Shares outstanding during the year
- v. Nominal Value of each Equity Share (Rs)

Basic Earnings per Share (Rs.)

	Year Ended 31 March 2023	Year Ended 31 March 2022
Surplus after Tax	23,514	11,142
27.1 Basic		
i. Number of Equity Shares at the beginning of the year	10	10
ii. Number of Equity Shares issued during the year	-	-
iii. Number of Equity Shares at the end of the year	10	10
iv. Weighted average number of Equity Shares outstanding during the year	10	10
v. Nominal Value of each Equity Share (Rs)	10/-	10/-
Basic Earnings per Share (Rs.)	2,351	1,114

The Company is a Section 8 "Not for Profit" Charitable Company.

It does not distribute any dividends to its Shareholders. However, for the compliance of AS - 20, the Company has computed the aforementioned EPS.

28 Related Party Disclosure in keeping with Accounting Standard 18 on "Related Party Disclosures".

A) List of Related Parties and their relationship

Ultimate Holding Company  
( Entity having entire control over the Company)  
Subsidiaries

Nil

Nil

Key Management Personnel (KMP)

- Dr. Shridhar Narayanan - Chairman and Chief Executive Officer  
- Dr. Radha Krishan Shandil - Director and Chief Scientific Officer

Relatives of KMP

Dr. Parvinder Kaur - Principal Scientist

Enterprise over which KMP's and/or their relatives are able to exercise significant influence ( with whom transactions have taken place during the year)

Peptris Technologies Pvt Ltd- (Dr. Shridhar Narayanan is shareholder)

Enterprise having significant control over the Company, where a Director is interested.

Stabaka Consulting Private Limited

B) Disclosure of transactions and Outstanding balance for the year ended 31 March, 2023.

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
<b><u>I) Ultimate Holding Company</u></b>		
a) Rendering of Services ( Service Income)	-	-
b) Year-end Balances		
i) Receivables	-	-
ii) Shares held by the Holding Company	-	-
iii) Investments	-	-
iv) Payables	-	-
<b><u>II) Key Management Personnel</u></b>		
a) Remuneration #	15,665	13,790
b) Reimbursement of Expenses	729	185
c) Foreign Travel advance	-	-
d) Unsecured Loan Taken	-	-
d) Year end Balance - Unsecured Loans	-	-
d) Year end Balance - (Payable) / Receivables ( salary outstanding )	-	-
# Excludes contribution to gratuity fund and provision for leave encashment, as separate figure are not ascertainable for the managerial personnel.		
<b><u>III) Relatives</u></b>		
a) Consultancy Charges	-	-
b) Remuneration #	2,873	2,544
c) Reimbursement of Expenses	133	-
d) Foreign Travel advance	-	-
e) Year end Balance - (Payable) / Receivables	-	-
# Excludes contribution to gratuity fund and provision for leave encashment, as separate figure are not ascertainable for the managerial personnel.		
<b><u>IV) Enterprise having Significant Influence Over the Company, where a Director is interested.</u></b>		
a) Management Consulting Charges	-	-
b) Reimbursement of Expenses incurred related to the Company*	-	-
c) Research and development services incurred related to the Company*	452	864
d) Shares held	-	-
e) Year end Balance - (Payable) / Receivables	-	(436)
Note: * Inclusive of Service Tax/GST		



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Notes forming part of the financial statements for the year ended 31 March 2023

(All amounts in Rupees, unless otherwise stated)

in'000

	Year Ended 31 March 2023		Year Ended 31 March 2022	
	Value	%	Value	%
29 Value of Imported and Indigenous Consumption of Consumables				
Imported	5,282	18	1,212	5
Indigenous	23,423	82	17,324	95
	<b>28,705</b>	<b>100</b>	<b>18,537</b>	<b>100</b>
30 C.I.F. Value of Imports :				
(a) Consumables	5,282		1,212	
(b) Spare Parts	-		-	
(c) Capital Goods	-		-	
31 Expenditure in Foreign Currency : (on accrual basis)				
Travelling	1,422		-	
Technical Know-how Fees	-		-	
Postage and courier	-		-	
32 Earnings in Foreign Exchange (Remittance received) on account of				
(a) Consultancy Fees	-		-	
(b) Grants received from a Foreign Donor	7,715		12,914	
(c) Income from service contracts	24,875		18,207	
(d) Dividend	-		-	
33 Remittance in Foreign Currency on account of Dividend to Non-Resident Shareholders On Equity Shares :-				
(a) Amount Remitted	-	-	-	-
(b) Number of Non - Resident Shareholders	-	-	-	-
(c) Number of Shares held by them	-	-	-	-
(d) Dividend for the year	-	-	-	-



**FOUNDATION FOR NEGLECTED DISEASE RESEARCH**

Notes forming part of the financial statements for the year ended 31 March 2023

(All amounts in Rupees, unless otherwise stated)

in'000

**34 a) Defined Contribution Plan**

Amount Recognised in the statement of Income and Expenditure Account

2022-23	2021-22
86	1,674

**b) Defined Benefit Plan**

The gratuity liability is determined on the basis of actuarial valuation using projected unit credit method. The method recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation

**Particulars**

Discount rate (per annum)  
Salary growth rate ( per annum)  
Mortality Rate [ % of IALM 2012-14 (Previous Year-IALM 2006-08)]  
Retirement age  
Attrition/Withdrawal rate based on age( per annum)  
Upto 30 Years  
31 - 44 Years  
Above 44 Years

2022-23	2021-22
7.52%	7.51%
10%	10%
100%	100%
60 Years	60 Years
5%	5%

The discount rate assumed is 7.52% per annum (Previous Year 7.51 %) which is determined by reference to market yield at the Balance Sheet date on government bonds. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

CIN: U73200KA2014NPL076126

Notes forming part of the financial statements for the year ended 31 March 2023

(All amounts in Rupees, unless otherwise stated)

- 35 a) The Company did not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses.  
b) There are no amounts which are required to be transferred to the Investor Education and Protection Fund (IEPF) by the Company.
- 36 The Company has entered a "Letter Agreement" dated 30 October 2014 [hereinafter referred to as "Arrangement" with Astra Zeneca AB, Sweden (AZ)]. Pursuant to such arrangement, AZ will provide "financial and other support" ( herein after referred to as "AZ Support") to the Company, being a charitable company established for the purpose of discovering therapies and diagnostics in the field of Neglected Diseases, under certain other terms and conditions, stipulated therein, which are being met by the Company from time to time.

**Financial Support:**

As per the Arrangement, the following financial support has been committed by AZ, subject to condition precedent to be met or being met from time to time.

**Year 1:** USD 500,000 to be paid on the effective date as per arrangement and and USD 500,000 to be received on confirmation of the conditions stipulated by the arrangement, being met.

**Year 2:** USD 700,000 to be paid in two equal instalments

**Year 3:** USD 500,000 to be paid in two equal instalments

**Year 4:** USD 500,000 to be paid in two equal instalments.

**Year 5:** USD 500,000 to be paid in two equal instalments.

The Company has received the full financial support as of this date.

The financial statements have been prepared on going concern basis and no adjustments have been carried out to the carrying value of assets and liabilities.

The Company has credited the grant-in-cash, so received, to Grant Account under the Account head "Other Current Liabilities", to the extent unutilised.

**Other Support :**

Pursuant to the Arrangement along with a supportive Agreement with Indian Affiliate Astra Zeneca India Private Limited, wholly owned Subsidiary of AZ (AZIPL) dated 2 January 2015, AZ has donated assigned equipment valued at USD 324 thousand/- belonging to Astra Zeneca India Private Limited (AZIPL). These equipment's have been physically taken possession by the Company on February 28, 2017, as approved under Foreign Contribution ( Regulation) Act, 2010.

Net Book Value appeared in the books of AZIPL amounted to Rs. 20,518 thousand and received by the Company, has been recognized in the books initially as "Capital Work-In-Progress" in the earlier year with corresponding credited to Specific Grant Account. reflected under the head "Reserves and Surplus". The Company had capitalized the same in an earlier year and depreciated the said donated assets with a remaining useful lives of three years, which the management feels to be the best as per its prudence.

Due to technical upgradation of the equipment, the manufacturers of the equipment have stopped the production of the equipment, and/or spares are not available for carrying out repairs and maintenance of the equipment. Refurbishment of these equipment is not possible. Hence, Company has taken necessary action to scrap some of the equipment and scrapped it. The Company has hired a chartered engineer to inspect and certify the health and the performance of the each equipment, some of the equipment kept for further use and some has been scrapped. The company has obtained Asset Scrap Certificate from Chartered Engineer confirming the Scrap value of the assets are Rs. 6,02,918 as on 31st March 2021. The company have to intimate the same in FCRA return for the year. It has been resolved in Board meeting dated 6 sep 2021 to adopt a policy and approve scrapping of assets donated by AstraZeneca after completion of Five years.

- 37 As per the Department of Biotechnology (DBT), GOI Order no. - BT/PR39308/DRUG/134/86/2021 dated 25th October 2021, The Company has received a capital grant of Rs. 13.41 Lakh for the purchase of IVC Cage and Anesthesia Machine during the previous year i.e 2021-22. Such asset as per the terms & Conditions will be the property of the Government of India and should not without the prior sanction of DBT be disposed or incumbered or utilized for the purpose other than those for which grant has been sanctioned. In terms of the said conditions, the asset has been capitalised in the books and will be depreciated on Straight line basis over the period of the grants of 1 year ending on 24th September 2022. In the current FY Company has received the grant from Biotechnology Industry Research Assistance Council (BIRAC), GOI Order no. - BT/CTH0004/CTH/01/20 dated 19th July 2022, The Company has received a capital grant of Rs. 45 Lakh for the purchase of RT-PCR System & Inverted fluorescence microscope during the previous year i.e 2022-23. the asset has been capitalised in the books and will be depreciated on Straight line basis over the period of the grants of 2 year ending on 18th July 2024.
- 38 The Company has availed various goods and services on voluntary "pro-bono" basis from various parties the value of which is presently not ascertainable and hence not reflected in these accounts. In the opinion of the Directors, the value of the same is not material.
- 39 The Company has applied for renewal of tax exemption under Section 12A & 80G and received the form 10AC approval certificate under Income Tax Act, 1961 during the year and hence the deferred taxation has not being recognized at a Balance Sheet Date.



**FOUNDATION FOR NEGLECTED DISEASE RESEARCH**

CIN: U73200KA2014NPL076126

Notes forming part of the financial statements for the year ended 31 March 2023

(All amounts in Rupees, unless otherwise stated)

- 40 The Company is registered under Section 8 of the Companies Act, 2013. The Board of Directors are making an unreserved statement as to compliance of the applicable provisions of the new Companies Act, 2013 and those applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, such other applicable laws of the land and enforceable agreements / contracts, to the extent possible.
- 41 The Company has a policy of physical verification of its assets over a period of three years. Pursuant to the same, the Company has verified the Plant & machinery/Laboratory Equipment's item.
- 42 In the opinion of the Board, the Current assets and loans and advances i.e. including the input credit of GST are approximately of the value stated, if realized in the ordinary course or business, except otherwise stated. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.
- 43 In the month of May 2022, there was a fire breakout due to which the company suffered some damages in the Property, Plant and Equipment and the company has received the insurance cover as against the damaged assets amounting to Rs. 17,94,293 resulting in a profit of Rs. 11,42,540.
- 44 **Additional Regulatory Requirement**

(Amt in '000's)

Ratios	Numerator	Denominator	FY 22-23	FY 21-22	Variance	Reasons
Current Ratio	Current assets	Current liability	4.21	2.02	108.52%	Current liability against grant reduced
Debt-Equity Ratio	Debt	Shareholder Equity	NA	NA		
Debt Service Coverage Ratio	Net operating income	Total debt service	NA	NA		
Return on Equity Ratio	PAT	Shareholder fund	0.35	0.24	46.84%	Net revenue increased and Net profit also increased in last FY
Inventory turnover ratio	COGS	Average Inventory	NA	NA		
Trade Receivables turnover ratio	Credit sale	Average Receivable	38.96	4.93	690.07%	Receivable decreased in 60L of quantum
Trade payables turnover ratio	Credit Purchases	Average payables	NA	NA		
Net capital turnover ratio	Sales	Shareholders fund	1.63	1.58	3.16%	
Net profit ratio	PAT	Turnover	0.21	0.14	44.55%	Profit increased in current FY
Return on Capital employed	PBIT	Capital employed	0.33	0.24	39.70%	Profit increased in current FY
Return on investment	Net Return	Cost of investment	NA	NA		

\* Includes continuing and discontinued

**45 Other Statutory Requirements**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) 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
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

- 46 a) Figures for the previous year have been regrouped/rearranged & reclassified wherever found necessary to conform with the current year's presentation.

Signatures to Notes '1' to '46'

As per our Report of even date  
For **Guru Jana & Associates**  
Chartered Accountants  
Firm Registration No.-0251945

  
Ananth Prasad B R  
Partner  
Membership No.218145  
UDIN:23218145BGXYT2606



For and on behalf of Board of Directors  
FOUNDATION FOR NEGLECTED DISEASE RESEARCH

  
Shridhar Narayanan  
Chairman & CEO  
DIN: 06534130

  
Radha Krishan Shandil  
Director - Chief Scientific Officer  
DIN: 06927253

Place: Bangalore  
Date: 09-08-2023

