32nd ANNUAL REPORT 2018-19

IF YOU WANT TO GO FAST, GO ALONE.
IF YOU WANT TO GO FAR, GO TOGETHER.

Quality Excellence
BAL PHARMA LIMITED
An ISO 9001 Company

Bal Pharma Limited

Your Preferred Partner in Quality Health Care

COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Shailesh Siroya	-	Managing Director
Dr. Subba Rao Prasanna	-	Executive Director
Dr. G.S.R Subba Rao*	-	Independent Director
Mr. Pramod Kumar.S	-	Independent Director
Mrs. Sarika Bhandari	-	Independent Director
Dr. C.V. Srinivas#	-	Additional Director

*Resigned w.e.f 31.03.2019

#Appointed w.e.f 29.06.2019

STATUTORY AUDITORS

Messrs NSVM & Associates
Chartered Accountants

INTERNAL AUDITORS

Messrs Bharath & Associates
Chartered Accountants

SECRETARIAL AUDITORS

Mr.Parameshwar G Bhat
Practising Company Secretary

COST AUDITORS

Mr.M.R Krishna Murthy
Cost Accountant

REGISTRAR & TRANSFER AGENTS

TSR DARASHAW Limited
6-10, Haji Moosa Patrawala Industrial Estate
20, Dr. E.Moses Road, Mahalaxmi
Mumbai - 400 011.

PLANT LOCATIONS

1. Unit 1-Formulations
   # 21 & 22, Bommasandra Industrial Area,
   Bangalore-560099. Karnataka.
2. Unit 2 – API's
   # 61/B, Bommasandra Industrial Area
   Bangalore-560099. Karnataka.
3. Unit 3 – Parenterals (Temporarily in-operational)
   # 732/735, Off National Highway No.4
   Village Kenjal, Dist Bhor, Maharashtra.
4. Unit 4- Formulations
   Plot # 1,2,3&69, Sector 4, IIE-Pantnagar
   Rudrapur, Udham Singh Nagar – 263153, Uttarakhand.
5. Unit 5 – API's and Intermediates
   Thabadewadi Post, Kavatha Mahankal
   Sangli-416405, Maharashtra
6. Unit 6, API's and Intermediates
   Golden Drugs Private Ltd #
   (Wholly owned subsidiary of Balpharma Limited)
   # C-155, Mewar Industrial Area
   Madri , Udaipur-313001,Rajasthan, Rajasthan.

BANKERS

Canara Bank
HDFC Bank
Standard Chartered Bank
Yes Bank Limited

CONTENTS

NOTICE IS HEREBY GIVEN THAT the 32nd (Thirty Second) Annual General Meeting of the Members of Bal Pharma Limited will be held on the 23rd September, 2019 i.e on Monday at 10.30 A.M at KRG Hall, Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560 001, to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss for the financial year ended as on that date together with the Board's Report and Independent Auditors' Report thereon.
2. To declare Dividend of Re.1/- per Equity Share of ₹ 10/- each.
3. To appoint a Director in place of Dr. Subba Rao Prasanna (DIN # 00084602), who is retiring by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

4. To increase Authorised Share Capital of the Company from the existing capital of ₹ 15,00,00,000/- to ₹ 20,00,00,000/-

To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"**RESOLVED THAT** in pursuant to the provisions of Section's 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder ("Act") including any statutory modification(s) or re-enactment thereof for the time being in force, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from the existing Capital of ₹ 15,00,00,000 (Rupees Fifteen Crores) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of ₹ 10 (Rupees Ten only) each to ₹ 20,00,00,000 (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹ 10 (Rupees Ten only) each, which shall rank *pari-passu* in all respect with existing Equity Shares of the Company.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to file, sign all such e-forms, documents as may be required and to do all such acts, deeds, matters, things as may be necessary and incidental for giving effect to this resolution"

5. To Alter the Capital Clause of Memorandum of Association

To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT in pursuant to the provisions of Section's 13, 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder ("Act") including any statutory modification(s) or re-enactment thereof for the time being in force, the consent of the Members of the Company be and is hereby accorded for substituting the Clause V of the Memorandum of Association of the Company with the following clause:

V. The Authorised Share Capital of the Company is ₹ 20,00,00,000 (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹ 10 (Rupees Ten only) each, with powers to increase or reduce or reclassify and to vary, modify or abrogate any such rights, privileges or conditions in such manner as provided by resolution of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to file, sign the all such e-forms or documents as may be required and to do all such acts, deeds, matters, things as may be necessary and incidental for giving effect to this resolution"

6. To Alter the Capital clause of Articles of Association

To consider, and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT in pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder ("Act") including any statutory modification(s) or re-enactment thereof for the time being in force, the consent of the Members of the Company be and is hereby accorded for substituting the Article No. 3 of Articles of Association of the Company with the following Article:

3. The Authorized Share Capital of the Company is ₹ 20,00,00,000 (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crores) equity shares of ₹ 10 (Rupees Ten only) each, with powers to increase or reduce or reclassify and to vary, modify or abrogate any such rights, privileges or conditions in such manner as provided by resolution of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to file, sign the all such e forms, Papers or documents as may be required and to do all such acts, deeds, matters, things as may be necessary and incidental for giving effect to this resolution"

7. To reappoint Mr.Shailesh Dheerajmal Siroya (DIN # 00048109) as the Managing Director of the Company and to fix the remuneration.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 or any amendment(s) or modification(s) thereof and subject to applicable Clauses of Articles of Association of the Company, Mr. Shailesh Dheerajmal Siroya (DIN # 00048109**)** be and is hereby reappointed as Managing Director of the Company for a period of 5 years from 01.08.2019 to 31.07.2024.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

RESOLVED FURTHER THAT subject to all applicable provisions and Schedules of the Companies Act, 2013, and the rules made there under and subject to applicable clauses of Articles of Association of the Company, the managerial remuneration payable to Mr. Shailesh Dheerajmal Siroya, Managing Director, as recommended by the Nomination and Remuneration Committee and the Board is fixed at ₹ 8,50,000/- (Rupees Eight Lakhs Fifty Thousands only) per month for a period of 3 (three) years with effect from 01.08.2019, which is inclusive of salary and perquisites, but exclusive of the followings:

1. Variable commission of not exceeding 5% of the net profits of the Company or such other percentage as may be decided by the Board from time to time.
2. Contribution to provident fund, superannuation fund or annuity fund to the extent they singly or together are not taxable under the Income Tax Act, 1961;
3. Gratuity payable at a rate not exceeding half a months salary for each completed year of service; and
4. Encashment of leave at the end of the tenure.

MINIMUM REMUNERATION

In the event of absence or inadequacy of profits in any Financial Year during the currency of tenure of his appointment, the entire applicable remuneration by way of Salary and Perquisites mentioned above shall be revised to match with the provisions prescribed under Schedule V of the Companies Act, 2013.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to vary the terms and conditions of appointment of Mr. Shailesh Siroya as Managing Director, subject to the limits prescribed under the Schedule V of the Companies Act, 2013."

8. **To appoint Dr. C.V Srinivas (DIN: 08495304) as Director of the Company.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 161 of the Companies Act,2013 and Articles of Association of the Company, Dr.C.V Srinivas (DIN: 08495304) who was appointed as an Additional Director of the Company with effect from 29.6.2019 and whose appointment has been recommended by Nomination and Remuneration Committee and by the Board of Directors at their Meetings held on 29/06/2019 and who holds his office until the end of this Annual General Meeting, be and is hereby appointed as a Director of the Company."

9. **To appoint Dr. C.V Srinivas (DIN: 08495304) as an Independent Director of the Company.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and the other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. C.V Srinivas (DIN: 08495304),Director of the Company, be and is hereby appointed as an Independent Director of the Company and whose appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors at their Meetings held on 29.06.2019 for consideration by the Members and who has submitted a declaration to the effect that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, for a period of five consecutive years with effect from 29.06.2019 to 28.06.2024 and whose office shall not be liable to retire by rotation."

10. **To reappoint Mr. Pramod Kumar. S (DIN# 00719828) as an Independent Director of the Company.**

To consider and if thought fit to pass the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 of Companies Act,2013 and the rules framed thereunder read with Schedule IV of the said Act and applicable provisions of SEBI(LODR) Regulations, 2015, Mr. Pramod Kumar S. (DIN # 00719828) Director of the Company who has submitted a declaration that he meets the criteria of Independence as per Section 149(6) of Companies Act,2013 and whose term of five (5) years as Independent Director of the Company is expiring on 17/09/2019, be and is hereby reappointed as the Independent and nonexecutive Director of the Company for a further consecutive period of five (5) years i.e from 18/09/2019 to 17/09/2024".

11. **To ratify the remuneration payable to Cost Auditor:**

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act,2013 and the Companies (Audit and

Auditors) Rules, 2014, Mr. M.R Krishna Murthy, Cost Accountant (Membership #7568) appointed by the Board of Directors as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March 2020, be paid the remuneration as set out in the statement annexed to the Notice convening this Meeting.

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

By the order of the Board of Directors
For **Bal Pharma Limited**

Shailesh Siroya
Managing Director
DIN : 00048109

Place: Bangalore
Date: 13/08/2019

NOTES:-

1. **A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll instead of himself / herself.** A proxy need not be a Member of the Company. Proxy, in order to be effective must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. Proxy Form is forwarded as detachable part of Annual Report.
2. Dividend, if any, that may be declared at the Meeting will be paid on or before 14.10.2019 to those Members entitled there to, whose names appear in the Register of Members of the Company at the close of business hours on 18th September 2019 and for those holding the Shares in demat mode, the dividend will be paid to the Members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services(India) Limited (CDSL) as Beneficial Owners on that date and the bank particulars registered with the respective Depository Accounts will be used for this purpose.
3. Corporate Members intending to send their Authorised Representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. For convenience of the Members and for proper conduct of the Meeting, entry to the place of Meeting will be regulated by an attendance slip, which is forwarded as detachable part of the Annual Report. Members are requested to affix their signature at the place provided in the Attendance Slip and hand it over at the entrance.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 19.09.2019 to 23.09.2019 (both days inclusive).
6. In case of Joint Holders attending the Meeting, only such Joint Holder who is higher in the order of names will be entitled to vote.
7. Members, who hold shares in dematerialized form, are requested to bring in their Client ID and DP ID nos. for easier identification of attendance at the Meeting and those who hold shares in physical form are requested to write their folio number in the Attendance slip for attending the Meeting.
8. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least 7 days prior to the Meeting, so that, the required information can be made available at the Meeting.
9. Members holding shares in physical form are requested to convert their Equity Shares into dematerialised form as the securities of the listed Companies can only be transferred in dematerialised form from 1st April 2019, as per the notification issued by SEBI.
10. Members holding more than one Share Certificate in different folios are requested to apply for consolidation of the folios and send the relative Share Certificates to the Company's Registrar and Share Transfer Agent, TSR Darashaw Limited, # 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011.
11. Members are requested to bring the Annual Report 2018-19 along with them to the Annual General Meeting, since extra copies will not be supplied at the Meeting.
12. Electronic copy of the Annual Report 2018.19 is being sent to all the Shareholders, whose email ID's are registered with the Company/D.P for communication purpose unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of Annual Report 2018-19 is being sent. Soft copy of the Annual Report along with the notice for the Meeting will also be available on the Company's website www.balpharma.com for them to download. Members who desire to get the printed version of the Annual Report may get the same at free of cost, upon making a request for the same.
13. Pursuant to Section 124 of the Companies Act, 2013 (Corresponding Section 205 A of the Companies Act, 1956, as amended), any money transferred to Unpaid Dividend Account and remaining unclaimed for a period of 7 (Seven) years from the date of such transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, and thereafter, the Shareholders shall not be able to claim any Unpaid Dividend amount from the Company. The Company has since transferred the amount lying in the credit of Unpaid Dividend Account for up to the financial year 2008-09, to Investor Education and Protection Fund as stipulated under Section 125 of the Companies Act, 2013 (Corresponding Section 205C of the Companies Act, 1956) read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. The members who have not en-cashed the Dividend Warrants for the financial years 2009-10

onwards are requested to write to the Company directly or to TSR Darashaw Limited, the Registrar and Share Transfer Agents of the Company.

14. The Members may now avail of the facility of nomination, by nominating in the prescribed form, a person to whom your shares in the Company shall vest in the event of death of the Member. Interested Members may write to the Company's Registrar & Share Transfer Agent for the prescribed form.

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agents, TSR Darashaw Limited, Mumbai.

16. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing to its Members facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means through e-Voting Services provided by National Securities Depository Limited (NSDL)

Voting through electronic means using NSDL e-Voting system

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

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

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

Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

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

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

   (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.**

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 3 is given below:

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

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

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to perameshwar@vjkt.in with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Other Instructions:

(i) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.

(ii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

(iii) The e-voting period commences on 20th September, 2019 (9:00 am) and ends on 22th September, 2019 (5:00 pm). During this period, Shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13th September, 2019, may cast their vote electronically.

The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.

(iv) The voting rights of Shareholders shall be in proportion to their shares of the Paid up Equity Share Capital of the Company as on the cut-off date (record date) of 13th September, 2019.

(v) if the Shareholder exercises his vote both electronically and physically, then the vote cast by him electronically will super cede.

(vi) Mr. Parameshwar G Bhat, Practising Company Secretary (Membership No. 8860) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(vii) The Scrutinizer shall within a period not exceeding forty eight (48) hours from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Managing Director or designated Director of the Company.

(viii) The Results shall be declared within forty eight hours from the conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.balpharma.com and on the website of NSDL within two (2) working days of passing of the resolutions at the AGM of the Company and also be communicated to BSE and NSE.

17) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.

18) Members holding shares in electronic form may please note that as per the regulations of National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL), the Company is obliged to print the bank details on the Dividend Warrants as furnished by these Depositories to the Company

and the Company cannot entertain any request for deletion/ change of bank details already printed on Dividend Warrants as per information received from the concerned Depositories. In this regard, Members should contact their Depository Participant (DP) and furnish particulars of any changes desired by them.

By the order of the Board of Directors
For **Bal Pharma Limited**

Shailesh Siroya
Managing Director
DIN : 00048109

Place: Bangalore
Date: 13/08/2019

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013:

Item No.'s 4, 5 & 6:

Envisaging the need to mobilise further capital for the future growth and expansion of the Company, your Directors has decided to increase the Authorised Share Capital of the Company from the existing ₹15,00,00,000 (Rupees Fifteen Crores only) to ₹ 20,00,00,000/- (Rupees Twenty Crores only)

Pursuant to provisions of Sections 61 and 64 of the Companies Act, 2013, the consent of the Shareholders of the Company is required to the proposed increase in the Authorized Share Capital of the Company. Accordingly, the Board of Directors seeks the approval of Members.

Increase in the Authorised Capital needs to be reflected in the Clause V of the Memorandum of Association. According Clause V of the Memorandum of Association of the Company needs to be amended to accommodate the change in the Authorised Capital of the Company.

Clause 3 of the Articles of Association of the Company needs to be amended to include the revised Authorised Capital of the Company. Accordingly, Clause 3 of Articles of Association of the Company shall be amended to accommodate the change in the authorised capital.

None of Directors and Key Managerial Personnel and their relatives are in no way concerned or interested in this resolution, except to the extent of their shareholding in the Company.

Item No.7:

The Board of Directors of the Company at its meeting held on 29.05.2019 has, subject to the approval of Members, reappointed Mr. Shailesh Siroya as Managing Director of the Company for a period of 5 (five) years from the expiry of his present term, which has expired on 31st July, 2019.

As the Company benefits immensely from his vast and extensive experience, your Directors recommended the proposal for renewal of his appointment for a further period of 5 years from 01.08.2019 to 31.07.2024.

Keeping in mind the industry norms and remuneration paid to similar appointees in other Companies and the active role played by Mr. Shailesh Dheerajmal Siroya as Managing Director of the Company, the Nomination and Remuneration Committee of the Company and the Board in its Meeting held on 29.05.2019 have considered and recommended a remuneration of ₹ 8,50,000/- per month, with effect from 01.08.2019 and for a period of 3 years, as per the provisions of Schedule V of the Companies Act, 2013 and subject to the approval of the Members of the Company.

The remuneration recommended may be revised to the minimum remuneration payable in the event of loss or inadequacy of Profits, as per Schedule V of the Companies Act, 2013.

Remuneration based on net profits:

In addition to the salary, perquisites and allowances as set out above, Mr. Shailesh Dheerajmal Siroya shall be entitled to receive the remuneration based on the net profits of the Company with a ceiling of 5% and the same will be determined by the Board and/or the Nomination and Remuneration Committee of the Company, for each financial year.

Reimbursement of Expenses:

Expenses incurred for traveling, board and lodging including for his spouse during business trips, any medical assistance provided including for his family members, and provision of cars for the use of Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

General:

The Managing Director will perform his duties with regard to all works of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board.

The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to the duties of the Directors.

The office of the Managing Director may be terminated by the Company by giving 3 (three) months prior notice in writing.

Mr. Shailesh Dheerajmal Siroya satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub section (3) of Section 196 of the Act for being eligible for his reappointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may also be treated as abstract of terms of appointment in terms of Section 190 of the Companies Act, 2013.

The Board recommends the resolution for approval of the Members.

None of the Directors/ Key Managerial personnel of the Company other than Mr. Shailesh Dheerajmal Siroya is concerned/ interested in the said resolution.

Item No.'s 8 & 9 :

Based on the recommendation of Nomination and Remuneration Committee, Dr.C.V Srinivas was appointed as an Additional Director and Independent Director of Company by the Board at its Meeting held on 29.06.2019.

Dr.C.V Srinivas is an ENT specialist who has published may journals and conducted several phase III and Phase IV clinical trials in his field.

The Board considers that the appointment of Dr. C.V. Srinivas as a Directory of the Company would be of significance to the Company. Accordingly, the Board recommends his appointment as an Independent Director of the Company. The Board recommends the proposed resolutions for approval of Shareholders.

Except Dr.C.V Srinivas, none of the Directors, Key Managerial Personnel or their relatives are either interested or concerned with the said resolution's.

In the opinion of the Board, Dr.C.V Srinivas fulfills the conditions specified in the Companies Act,2013 and SEBI (LODR) Regulations , for his appointment as Independent Director of the Company.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

Item No.10:

Mr. Pramod Kumar.S was appointed as an Independent Director of the Company w.e.f 18.09.2014 for a consecutive period of 5 years i.e up to 17.09.2019. As per the provisions of Section 149 of the Companies Act, 2013 the Company needs to pass a Special Resolution to reappoint Mr. Pramod Kumar S. as Independent Director of the Company for a further term of five (5) years.

Brief resume of Mr.Pramod Kumar .S highlighting his qualifications and expertise is enclosed as annexure to this notice.

In the opinion of the Board and as per the consent /disclosures/ intimations made by Mr.Pramod Kumar.S as per applicable provisions of Companies Act,2013 , he fulfills the conditions mentioned therein for his reappointment as Independent Director of the Company.

None of the Directors or Key Managerial Personnel of the Company except Mr.Pramod Kumar.S himself is concerned or interested in the resolution.

Item No.11:

The Board of Directors of the Company at its Meeting held on 29.05.2019 has appointed Mr. M. R Krishna Murthy, Cost Accountant (Membership No.7568) as Cost Auditor of the Company for the financial year 2019 - 20 and has fixed ₹ 40,000/- (Rupees Forty Thousand Only) as consolidated remuneration payable to him for F.Y 2018-19.

The Shareholders may consider ratifying the decision taken by the Board in fixing the remuneration payable to Mr. M.R Krishna Murthy, Cost accountant.

None of the Directors, Key Managerial Personnel of the Company, and their relatives are concerned or interested in resolution set out at Item No.11.

By the order of the Board of Directors
For **Bal Pharma Limited**

Shailesh Siroya
Managing Director
DIN : 00048109

Place: Bangalore
Date: 13/08/2019

Additional Information relevant to the appointment /reappointment of Directors at the Annual General Meeting (pursuant to Regulation 36 of SEBI(LODR) Regulations,2015 and clause 1.2.5 of Secretarial Standards on General Meetings.

Name of the Director	Mr.Shailesh D Siroya	Dr.C.V Srinivas	Pramod Kumar.S
Date of Birth	10/08/1966	28/02/1966	15/07/1968
DIN #	00048109	08495304	00719828
Date of Appointment/ reappointment		29/06/2019	18/09/2014
Expertise in functional areas	Finance, International Marketing and Administration.	Medical consultation, Healthcare, ENT Surgeries, Advisory Services and clinical research studies.	Managing Agro and Pharma sectors.
Educational Qualifications	MBA Finance	MS in ENT & Fellowship in Otology.	B.Com
Experience in Years	25 + years	20 years	19 years
No of shares held in the Company	13,45,459	Nil	22,687
Relationship with other Directors and KMP's	NA	NA	NA
No of Board Meetings attended during F.Y 2018.19	05	Nil	05
Directorship in other Companies / LLP's	07	Nil	06
Membership of Committees	Corporate Social Responsibility committee and Shareholders Relationship Committee.	Audit Committee, Nomination and Remuneration Committee, Share holders Relationship Committee.	Audit Committee. Shareholders Relationship Committee and Nomination and Remuneration Committee.

Information about Mr.Shailesh D Siroya, whose proposed remuneration is under review.

1.	Name of the Director	Mr.Shailesh D Siroya
2.	Brief background	Mr.Shailesh D Siroya has been associated with the Company from its inception.
3.	Immediate past remuneration	₹ 8,50,000/- per month was paid as salary and perquisites during F.Y 2018-19, The nomination and remuneration committee of the Company has recommended to continue to pay the same remuneration for the next 3 years of his tenure.
4.	Job profile and suitability	Mr.Shailesh D Siroya is the Managing Director of the Company with marketing and finance aspects of the Company as his core focus areas. He has the experience of more then 26 years in the field of pharmaceuticals.
5.	Remuneration proposed	Details of remuneration proposed have been given in the notice. Taking into consideration the size of the Company, profile of the appointee, responsibilities shouldered by them, the remuneration proposed is commensurate with the remuneration packages paid or is comparable to other companies' in the industry.
6.	Pecuniary relationship with the managerial personnel, if any.	Mr.Shailesh D Siroya, besides drawing the prescribed remuneration and holding 9.49% of the paid up equity share capital of the Company, does not have any other pecuniary relationship with the managerial personnel of the Company.

Additional information relevent to re-appointment of Mr. Shailesh D Siroya as Managing Director. (As per Schedule 5 of Companies Act, 2013)

1.	Name of the Industry	Pharmaceuticals
2.	Date or expected date of commencement of Commercial production	The Company was incorporated on 19.05.1987 and has commenced Commercial Production in 1992.
3.	Financial performance	For Financial year ended 31.03.2019 Turnover under other income - ₹ 225.83 Crores Profit Before Tax - ₹ 4.41 Crores Profit After Tax - ₹ 6.76 Crores
4.	Export performance and foreign collaboration	Export Income for F.Y. 2018.19 was ₹ 135.79 Crores Foreign Exchange earnings was ₹ 126.55 Crores (FOB Values)

The Indian pharmaceutical market size is expected to grow to US$ 100 billion by 2025, driven by increasing consumer spending, rapid urbanization, and raising healthcare insurance among others.

Advantage India :

- The pharmaceutical industry in India ranks 3rd in the world terms of volume and 14th in terms of value. India's cost of production is nearly 33 per cent lower than that of the US.
- Labor costs are 50–55 per cent cheaper than in Western countries. The cost of setting up a production plant in India is 40 per cent lower than in Western countries.
- Cost-efficiency continues to create opportunities for Indian companies in emerging markets & Africa.
- India has a skilled workforce as well as high managerial & technical competence in comparison to its peers in Asia.
- India has the 2nd largest number of USFDA-approved manufacturing plants outside the US
- India has 2,633 FDA-approved drug products. India has over 546 USFDA-approved company sites, the highest number outside the US

Growing per capita sales of pharmaceuticals in India offers ample opportunities for players in this market Per capita sales of pharmaceuticals expanded at a CAGR of 17.6 per cent to US$ 43 in 2018. Economic prosperity would improve affordability for generic drugs in the market & improve per capita sales of pharmaceuticals in India.

Indian pharmaceutical companies received 55 Abbreviated New Drug Application (ANDA) approvals and 16 tentative approvals from the US Food and Drug Administration (USFDA) in Q1 of 2018. The USFDA approvals are expected to cross 850 ANDA in 2019, thereby recording a year-on-year growth of 17 per cent. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US$ 70-80 billion US generics market.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US$ 100 billion by 2025. Biopharma, comprising vaccines, therapeutics and diagnostics, is the largest sub-sector contributing nearly 62 per cent of the total revenues at Rs 12,600 crore.

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US$ 15.68 billion between April 2000 and March 2018, according to data released by the Department of Industrial Policy and Promotion. The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programme, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

The implementation of the Goods and Services Tax (GST) is expected to be a game-changer for the Indian Pharmaceuticals industry. It has lead to tax-neutral Inter-state transactions between two dealers, thereby reducing the dependency on multiple states and increasing the focus on regional hubs. This has resulted in an efficient supply chain management, which is expected to reduce its cost considerably. The cost of technology and investment has reduced on account of tax credit which can be availed now on the duties levied on import of costly machinery and equipment.

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

BUSINESS OPERATIONS:

Bal Pharma Limited continues to operate in a single segment i.e Pharmaceuticals and there is no change in the nature of business of the Company during the financial year under review.

Turnover and Net profit:

Your Company has registered a total revenue of ₹ 225.83 Crores for the financial year ended 31.03.2019 as against ₹ 211.52 Crores during the previous year.

₹ 4.41 Cr was the Profit before tax (PBT) of the Company for the financial year ended 31.3.2019.

The Company has registered a net profit of ₹ 6.76 Crores for the year ended 31.03.2019 as against the net profit of ₹ 5.93 Crores during the previous year.

The Company has recorded an EPS of ₹ 4.77 per equity share of ₹ 10 each as against ₹ 4.19 during the previous year.

Formulations Business:

The formulations business of the Company has contributed a revenue of ₹ 131.83 Crores during F.Y 2018.19 as against the revenue of ₹103.09 Crores during F.Y 2017.18, which is 28% growth over the previous year's revenue from formulations business.

Turnover from the export of formulations during the F.Y 2018.19 is at ₹ 75.05 Crores as against ₹ 52.97 crores during F.Y 17.18, there by registering a growth of 42%.

Domestic sales of formulations mainly constituting branded formulations has contributed a revenue of ₹ 56.79 Crores during F.Y 2018.19 as against a revenue of ₹ 50.12 Crores during F.Y 2017.18, there by registering a growth of 13%.

Bulk Drugs Business:

API business of the Company has contributed to a revenue of ₹ 86.70 Crores for F.Y 2018.19 as against the revenue of ₹ 103.17 Crores during F.Y 2017.18, which is a drop of around 16% revenue from API business which is mainly because of fragile domestic market conditions due to implementation of GST and also due to the competition from overseas markets , especially from China.

Revenue from export of API products has resulted in a turnover of ₹ 60.75 Crores and domestic sales of the said products has yield a revenue of ₹ 25.95 Crores.

Diabetic and cardiac drugs of the Company continues to be the major revenue earners of the Company, from both domestic and export markets during the financial year.

Export Business:

The Company has recorded export sales of ₹ 135.79 Crores during F.Y 2018.19 as against ₹ 113.29 Crores recorded during the previous financial year.

Domestic Business:

The Company has recorded a revenue of ₹ 82.74 Crores from its domestic business for the financial year 2018.19 as against the revenue of ₹ 92.97 crores during F.Y 2017.18.

Revenue from Operations :

Revenue from operations for F.Y 2018.19 stood at ₹ 223.07 Crores as against ₹ 209.84 Crores during F.Y 2017.18, which is 6.30% growth over the previous financial year.

Total income from operations for F.Y. 2018.19 stood at ₹ 225.82 Crores as against ₹ 211.52 Crores during F.Y 2017.18 recording a growth of 6.76%.

Expenses:

Total expenses for the financial year ended 31.3.2019 stood at ₹ 221.41 Crores as against ₹ 203.06 Crores during F.Y 2017.18. This marginal increase in the expenses is mainly due to increase in the finance cost which stood at ₹ 12.52 Crores during F.Y 2018.19 as against ₹ 9.10 Crores during F.Y 2017.18. Cost of the materials also has an effect on the expenditure which stood at ₹ 113.64 Cr as against ₹ 104.92 Cr during F.Y 2017.18.

EBIDTA :

Due to the increase in the expenditure, there was a decline in the EBIDTA during the F.Y 2018.19 which was at ₹ 4.19 Crores as against ₹ 8.45 Crores during F.Y 2017.18.

Net Profits :

Total comprehensive income during the financial year 2018.19 stood at ₹ 6.33 Crores as against ₹ 5.64 crores during the financial year 2017.18 which is an increase of 12.16%.

Earnings per Share :

EPS for the year ended 31/3/2019 stood at ₹ 4.77 as against ₹ 4.19 during the previous financial year.

Key Financial ratios/ Indicators:

Debtors Turnover : Debtors turnover during 2018.19 is 3.44 as against 3.27 during F.Y 2017.18. The company is reassessing its credit policy to ensure the timely collection of its receivable and reduce the debtors turnover period.

Interest Coverage Ratio: For the financial year ended 31.3.2019 the interest coverage ratio of the Company is at 1.35 as against 1.93 for the financial year ended 31.3.2018 which indicates that the Company can service its interest obligations without much strain on its financial health.

Current Ratio: Current ratio for the year ended 31.3.2019 stood at 1.31 as against 1.36 for the financial year ended 31.3.2018, which indicates that the Company remains solvent towards its short term obligations.

Debt Equity ratio: The debt-to-equity (D/E) ratio calculated by dividing a company's total liabilities by its shareholder equity for the F.Y 2018.19 stood at 0.69. which is a measure of the degree to which a company is financing its operations through debt versus wholly-owned funds i.e total shareholders equity.

Operating profit margin: 7.5% is the operating profit margin of the Company for the financial year ended 31.3.2019 which is an indicator of how much percentage profits the Company makes out of its total revenue from operations.

Net Profit Margin: 3.0% is the net profit margin of the Company for F.Y 2018.19 which indicates profits generated as a percentage of total revenue.

Return on Net Worth: 8.80% is the return on net worth of the Company for F.Y 2018.19, which is an indicator of how effectively management is using the company's assets to create profits.

Your Directors are pleased to present the thirty second (32nd) Annual Report and the Audited Financial Statements of the Company, for the financial year ended 31.03.2019.

FINANCIAL ANALYSIS

The following is the analysis of the Standalone Financial Statements of the Company during the year under review.

(in ₹ Crores)

Particulars	F.Y 2018.19	F.Y 2017.18
Total income from operations	225.79	211.48
Profit from operations before interest, other income and exceptional items.	14.18	15.89
Tax Expense	-2.35	2.51
Finance Cost	12.53	9.11
Profit after tax	6.76	5.94
Total Comprehensive Income	6.33	5.64
Earnings per share (In ₹)	4.77	4.19

Appropriations:

Your Directors are pleased to recommend a dividend of ₹ 1 /- per Equity Share of ₹10 each i.e 10% of the Equity Share Capital of the Company thereby appropriating an amount of ₹ 1.41 Crores towards Dividend for the F.Y 2018.19, which is exclusive of the dividend distribution tax of ₹ 28.85 Lakhs.

The Register of Members and Share Transfer Books of the Company shall remain closed from 19th September 2019 to 23rd September 2019 (both days inclusive) for the purpose of payment of dividend for the F.Y 2018-19 and for the 32nd Annual General Meeting of the Company scheduled to be held on 23.09.2019. The Company has not transferred any amount to General Reserves.

Share Capital:

During the financial year under review, ₹ 14,17,23,720/- comprising of 1,41,72,372 Equity Shares of ₹ 10 each continues to be the Issued and Paid Up Capital of the Company.

During the financial year 2018.19, the Company has not issued any Equity Shares with differential voting rights, granted stock options nor issued sweat Equity Shares.

CONSOLIDATED FINANCIAL STATEMENTS:

The Annual consolidated financial statements together with the Auditors Reports is annexed along with Standalone Financial Statements for the financial year ended 31.3.2019.

NEW PROJECTS:

The Company assesses the future infrastructure requirements and continuously invests in the same on need basis. During the financial year under review the Company has spent INR 207.85 Lakhs towards capital expenditure.

AUDITORS AND AUDITORS REPORT:

a) Statutory Auditors:

Messers NSVM & Associates, Chartered Accountants (FRN # 010072S) were appointed as Statutory Auditors of the Company from the conclusion of 30th Annual General Meeting held on 22.09.2017 up to the conclusion of 35th Annual General Meeting i.e for a period of 5 years.

Pursuant to the recent amendment to Section 139 of the Act effective 7th May 2018, ratification by Shareholders every year for the appointment of the Statutory Auditors is no longer required and accordingly, the notice of ensuing Annual General meeting does not include the proposal for seeking Shareholders' approval for ratification of Statutory Auditors appointment. In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

There are no qualifications or adverse remarks or observations by the Statutory Auditors in their report issued for the financial year 2018.19.

b) Cost Auditors:

Mr. M.R Krishna Murthy , Cost accountant,(FCMA # 7568) was reappointed as the Cost Auditor of the Company for the financial year 2019-20, to conduct cost audit of the cost records maintained by the Company.

Cost Audit Report for the FY 2018 has been filed with the Ministry of Corporate Affairs on 29/09/2018.

c) Secretarial Auditors:

Pursuant to Section 204 of the Companies Act, 2013 and Rules made thereunder and in compliance with Regulation 24 A of SEBI (LODR) Regulations, Mr. Parameshwar G Bhat, Practising Company Secretary (CP # 11004) were appointed as the Secretarial Auditor of the Company for the financial year 2018.19.

The following are the Management responses to the observations made by Secretarial Auditors.

1. There was discontinuity in appointments and cessations of Company Secretaries during first 3 quarters of Financial year 2018-19 and the same was rectified on 27.12.2018.
2. The Company has initiated suitable actions to comply with the provisions of Secretarial Standards.
3. As the Company do not have adequate profits at Consolidated level, the CSR Committee has not recommended any budget for CSR activities during FY 2018.19.
4. Minor lapses in fillings pertaining to Factories and labour laws was addressed suitably by the Company.

5. Due to technical issues which are beyond the control of the Management, remittances to PF and ESI was delayed during 4th quarter but subsequently the same was paid.
6. The Company is in the process of appointing the external member for the Sexual Harassment Committee.

No other adverse comments or remarks were made by the Auditor in his report for the F.Y 2018.19, which is annexed to this report.

d) Internal Auditors:

Messers Bharath & Co, Chartered Accountants, (MRN # 240163) were appointed as the Internal Auditors of the Company for the F.Y 2018.19 and the Internal Audit Reports issued by them were periodically reviewed by the Audit Committee and the Management of the Company is appraised about the observations of the internal Auditor and on corrective actions, if any, that needs to be taken.

Risk Management:

The Risk Management Committee of the Company comprising of the functional heads of the Company will submit its periodical report to the Board of Directors on the measures to be taken for mitigation of potential risk factors that may affect the business of the Company.

The Risk Management Policy implemented by the Company which is designed to enable risks to be identified, assessed and mitigated appropriately, is available on the website of the Company i.e www.balpharma.com.

Internal Control System and its Adequacy:

Your Company has an adequate system of internal controls with clearly defined authority limits. Internal controls ensure that the Company's assets are protected against loss from unauthorised use or disposition and all transactions are authorised, recorded and reported in conformity with generally accepted accounting principles. These systems are designed to ensure accuracy and reliability of accounting data, promotion of operational efficiency and adherence to the prescribed management principles. These policies are periodically reviewed to meeting business requirements. The Company has in place adequate internal financial controls with respect to financial statements.

Directors responsibility statement

In compliance with the provisions of Section 134(5) of the Companies Act,2013, your Directors wish to confirm,

a) That in preparing the annual accounts, all the applicable accounting standards had been followed along with proper explanation relating to material departures.

b) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit and loss of the Company for that period.

c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing / detecting fraud and other irregularities.

d) That the Directors had prepared the annual accounts on a going concern basis.

e) That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

f) That the Company had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Related party Transactions:

All contracts /arrangements / transactions entered by the Company during the financial year with related parties were in ordinary course of business and at arms length basis and the same were undertaken after prior approval of Audit Committee.

All the RPT's affected during the financial year are disclosed in the notes to the financial statements.

During the year, the Company has not entered into any contract/ arrangement/transaction with the related parties that could be considered as material, as per the policy of the Company on materiality of related party transactions.

There were no materially significant related party transactions which could have potential conflict with the interests of the Company at large.

The Company's policy on the related party transactions as approved by the Board can be assessed from the website i.e www.balpharma.com.

For disclosure relating to the related party transactions, please refer to note # 34 of the financial statements.

Since all the transactions with related parties were in the ordinary course of business and at arm's length, and there were no material related party transactions, the statement Form AOC-2, is not annexed to this report.

Subsidiary, Joint Venture and Associate Companies:

During the year under review, the following Companies listed below continues to be the subsidiaries, joint ventures or associates of Bal Pharma Ltd. A report on the financial performance of each of the subsidiaries, joint ventures or associate companies as per section 129(3) of the Companies Act, 2013 is provided in Annexure I to the Board's report and hence not repeated here for the sake of brevity.

Sl. No.	Name of the Company/LLP	Nature of Business	% of stake with Bal Pharma, as on 31.03.2019
01	Lifezen Healthcare Private Limited	Marketing of OTC products	50.50%
02	Bal Research Foundation	Research and Development	80%
03	Balance Clinics LLP.	Diabetic care clinics	80%
04	Golden Drugs Private Limited	Manufacturing of API's	100%
05	AB VET Pharma Pty Ltd	R&D and Veterinary Medicine	50%

Secretarial Standards:

Secretarial Standards i.e SS1 & SS2 relating to the meetings of Board of Directors and General meetings, respectively have been duly followed by the Company.

Directors and Key Managerial Personnel (KMP's):

Dr.Subba Rao Prasanna , Independent and non executive Director of the Company has tendered his resignation for his Directorship in the Company with effect from 31.03.3019, due to advancing age.

Dr. C.V. Srinivas was appointed as an Additional Director on the Board of the Company w.e.f 29/06/2019 by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee of the Company.

Resolutions for aforementioned re-appointments along with brief profile of the director proposed to be re-appointed, form part of the Notice of the AGM and the resolutions are recommended for Shareholders approval.

The Nomination and Remuneration Committee has recommended for reappointing Mr. Shailesh Dheerajmal Siroya as the Managing Director of the Company for a further period of 5 years. His reappointment is being considered through a Special Resolution at the ensuing Annual General Meeting of the company.

Mr.Shailesh Siroya (DIN 00048109) Managing Director , Dr.Subba Rao Prasanna (DIN # 00084602) Director, Mr.Chaitanya A.N.V.K, Chief Financial Officer and Ms.Anika Merciline , Company Secretary are the Key Managerial Personnel of the Company as on the date of this Report.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence, as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

All the Independent Directors have also confirmed under Regulation 16(b) of SEBI (LODR) Regulations, 2015 that they are not Non-Independent Director of another Company on the Board of which any non-independent Director of the listed entity is an Independent Director.

The Company has devised a policy for familiarization of Independent Directors on their roles, rights, responsibilities with the Company and the said policy is available on our website.

The Company has devised a policy for performance evaluation of the Board, Committees and Individual Directors. The evaluation process among others considers attendance of Directors at Board and Committee Meetings, acquaintance with business, communication within Board members, effective participation, domain knowledge, compliance with the internal code of conduct, vision and strategy.

The Company has also in place a Policy for nomination and remuneration of KMP's, Senior Management personnel and Directors of the Company, which is in compliance with Section 178 of the Companies Act, 2013. Policy guiding the nomination and remuneration of the Directors and KMP's can be assessed from our website www.balpharma.com.

The Board carried out annual performance evaluation of itself, Committees, Individual Directors and Chairman. The performance of each committee is evaluated based on the reports of evaluation received from the respective Committees.

Report on performance evaluation of the individual Directors was reviewed by the Chairman and feedback was given to the Directors.

Details of the meetings of the Board and Committee meeting held during the year is disclosed in Corporate Governance Report.

Vigil Mechanism:

The vigil mechanism of the Company which also incorporates Whistle Blower Policy as prescribed by SEBI(LODR) Regulations, 2015 includes compliance task force comprising of senior executives of the Company. The policy of whistle blower is available on our website. The policy is reviewed by the Audit Committee from time to time and no concerns and/or irregularities were reported by the employees till date. Please access our website i.e www.balpharma.com to refer to the whistle blower policy of the Company.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow:

As per the provisions of Section 134 of the Companies Act, 2013, details relating to the conservation of energy, technology absorption, foreign exchanges earnings and outflow are given as Annexure -3 to this report.

Corporate Governance:

The Company is committed to maintaining highest standards of Corporate Governance requirements set out by the Securities and Exchange Board of India. A detailed report on the corporate governance system and practises of the Company along with a certificate from the practising Company Secretary confirming to the compliance with the corporate governance requirements, are given in a separate section of this report as Annexure-5.

Particulars of Loans given, investments made, Guarantee's given or security provided by the Company

The Company makes investments and trade advances to its subsidiaries for their business purpose. Details of loans, investments and advances covered under Section 186 of the Companies Act, 2013, form part of the notes to the financial statements provided in this Annual Report.

Your Company has not accepted any deposits from the public falling within the purview of Section 73 of the Companies Act, read with Companies (Acceptance of Deposit) Rules, 2014.

Material Changes and Commitments affecting the financial position of the Company between the end of the financial year and up to the date of this report.

There have been no material changes or commitments affecting the financial position of the Company between the end of the financial year and as on the date of this Report.

Nature of Business

There has been no change in the nature of business or constitution of the Company.

Extract of the Annual Return:

In accordance with Section 134 (3) (a) of the Companies Act, 2013, an extract of the Annual Return of the Company for the financial year 2018-19 in Form MGT-9 is uploaded on our website. The same can be assessed through the web link i.e www.balpharma.com.

Corporate Social Responsibility:

As per the provisions of Section 135 of the Companies Act,2013, the Company has constituted a CSR committee with the following Composition.

1. Mr. Pramod Kumar. S - Chairman
2. Dr. S. Prasanna - Member
3. Mr. Shailesh Siroya - Member

The Committee has formulated a Corporate Social Responsibility policy which recommends the social activities to be undertaken by the Company, as specified in Schedule VII of the Companies Act,2013. A copy of the said policy is available on the website i.e www.balpharma.com. The Committee has not recommended any CSR budget for the financial year 2018.19, due to inadequate profits at consolidated level.

Human Resources:

Human resources of the Company has major share in the growth and development of the Company. The Company continues to hire new talent in order to keep pace with the new projects and initiatives undertaken. The Management of the Company aims to strengthen its employee relations through progressive people management.

Board Evaluation:

The Board of Directors of the Company has carried out annual performance evaluation of its own performance, its Committees and individual Directors at their meeting held on 14.02.2018. The Board has expressed satisfaction over the overall functioning of the Board members and their committees, which are in line with the objectives and goals of the Company.

Listing with Stock Exchanges:

The Equity Shares of the Company continued to be listed on BSE Limited, Mumbai and National Stock Exchange of India Ltd, Mumbai and the Company has paid the annual listing fees for F.Y 2019-20 to the exchanges.

CEO & CFO certification:

The CEO and CFO of the Company in their submission to the Board have confirmed that the annual financial statements presents a true and fair view of the Company's affairs and do not omit any material facts, which may make the statements or figures contained therein either misleading or false.

Insurance Coverage:

The Management of the Company wishes to confirm that all the movable, immovable and current assets of the Company are covered with comprehensive and adequate insurance cover.

Credit Rating:

The discipline with which the Company conducts its financial transactions is reflected in the BBB (stable) rating given by the credit rating agency ICRA for the financial year 2018-19. The Management of the Company aims at further improving its credit rating during the current financial year.

Disclosure under the sexual harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an Anti-Sexual Harassment Policy on lines with the requirements of the sexual harassment of women at the Work Place (Prevention, Prohibition and Redressal) Act,2013. All the employees of the Company either they are permanent, contractual, temporary or trainees, are covered by the policy.

The following is the summery of the Complaints regarding sexual harassment, received and redressed during the financial year 2018-19.

Number of Complaints received during the year	: Nil
Number of Complaints resolved	: NA
Number of Complaints pending at the end of the year	: NA

Particulars of Employees:

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rules 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as "Annexure 4" to this report.

General Information:

Your Directors reports that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

1. Details relating to the deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of Equity Shares with differential voting rights with respect to dividend, voting etc.
3. Issue of Shares (including Sweat Equity Shares) to the employees of the Company under any scheme.
4. Neither the Managing Director nor the Whole Time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the regulators or courts or tribunals which impacts the going concern status of the Company and its operations in future.
6. No fraud has been reported by the Auditors to Audit Committee or the Board during the year.

Appreciation:

Your Directors express their gratitude to the Company's customers, shareholders, employees, business partners' viz. distributors, suppliers, medical professionals, Company's bankers, financial institutions including investors for their valuable, sustainable support and co-operation.

For and on behalf of Board of Directors

Place : Bangalore	Dr.Subba Rao Prasanna	Shailesh Siroya
Date : 30.05.2019	Director	Managing Director
	DIN : 00084602	DIN : 00048109

Annexure-1

AOC-1

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF THE SUBSIDIARIES/ASSOCIATES /JOINT VENTURES.

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

In ₹

Particulars	Lifezen Healthcare Pvt Ltd. (Subsidiary) *INR*	Bal Research Foundation (Subsidiary) *INR*	Balance Clinics LLP. (Subsidiary) *INR*	Golden Drugs Private Ltd.~ (Subsidiary) *INR*	AB VET Pharma Pty Ltd (Overseas Joint Venture) *Australian $*
Paid up Share Capital	2,00,00,000	10,00,000	10,00,000	3,59,00,000	100.00
Reserves & Surplus	(15,75,62,705)	(7,92,020)	(1,47,13,557)	(16,950)	--
Total Assets	15,80,67,624	8,64,030	40,69,242	15,35,71,363	--
Total Liabilities	29,56,30,330	6,56,050	1,77,82,799	11,76,88,313	--
Investments	0	0	0	0	--
Turnover	2,54,48,757	0	18,71,131	0	--
Profit before taxation	(2,98,42,859)	(4,10,160)	(6,02,947)	0	--
Provision for taxation	(1,31,351)	0	(72,401)	0	--
Profit after tax	(2,97,11,508)	(4,10,160)	(6,75,348)	0	--
Proposed Dividend	0	0	0	0	--
Share Holding	Bal Pharma Ltd=50.50% Bennett, Coleman & Co Ltd=49% Shailesh Siroya=0.5 %	Bal Pharma Ltd=80% Shailesh Siroya=20%	Bal Pharma Ltd= 80% Shailesh Siroya=20%.	Bal Pharma Ltd = 100%	Bal Pharma Ltd=50% Akaal Pharma Pty Ltd=50%

Annexure -2

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

To
The Members,
Bal Pharma Limited
Bangalore

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bal Pharma Limited (CIN: L85110KA1987PLC008368) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) The Industry specific laws applicable to the Company are as follows:
a) Pharmacy Act, 1948
b) Drugs and Cosmetics Act, 1940
c) Homeopathy Central Council Act, 1973
d) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
e) Narcotic Drugs and Psychotropic Substances Act, 1985
f) Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974
g) The Medicinal & Toilet Preparations (Excise Duties) Act, 1955
h) Petroleum Act, 1934
i) Poisons Act, 1919
j) Food Safety and Standards Act, 2006
k) Insecticides Act, 1968
l) Biological Diversity Act, 2002
m) The Indian Copyright Act, 1957
n) The Patents Act, 1970
o) The Trade Marks Act, 1999

(vii) The other general laws as may be applicable to the Company including the following:

(1) Employer/Employee Related Laws & Rules:

i. Industries (Development & Regulation) Act, 1951
ii. The Factories Act, 1948
iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
iv. The Apprentices Act, 1961
v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
vi. The Employees State Insurance Act, 1948
vii. The Workmen's Compensation Act, 1923
viii. The Maternity Benefits Act, 1961
ix. The Payment of Gratuity Act, 1972.
x. The Payment of Bonus Act, 1965.
xi. The Industrial Disputes Act, 1947.
xii. The Trade Unions Act, 1926.
xiii. The Payment of Wages Act, 1936.
xiv. The Minimum Wages Act, 1948 .
xv. The Child Labour (Regulation & Abolition) Act, 1970.
xvi. The Contract Labour (Regulation & Abolition) Act, 1970.
xvii. The Industrial Employment (Standing Orders) Act, 1946.
xviii. Equal Remuneration Act, 1976.
xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act,1979.
xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013.

xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996.
xxii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
xxiii. Dangerous Machines (Regulation) Act, 1983
xxiv. Indian Boilers Act, 1923
xxv. The Karnataka Shops & Establishments Act, 1961
xxvi. The Industrial Establishments (National and Festival Holidays) Act, 1963
xxvii. The Labour Welfare Fund Act, 1965
xxviii. The Karnataka Daily Wage Employees Welfare Act, 2012
xxix. For majority of Central Labour Laws the State has introduced Rules [names of each of the Rules is not included here]

(2) Environment Related Acts & Rules:

i. The Environment Protection Act, 1986
ii. The Water (Prevention & Control of Pollution) Act, 1974
iii. The Air (Prevention & Control of Pollution) Act, 1981
iv. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
v. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999.

(3) Economic/Commercial Laws & Rules:

i. The Competition Act, 2002.
ii. The Indian Contract Act, 1872.
iii. The Sales of Goods Act, 1930.
iv. The Forward Contracts (Regulation) Act, 1952.
v. The Indian Stamp Act, 1899.
vi. The Transfer of Property Act, 1882.

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS – 2.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Certain nonmaterial findings made during the course of the audit relating to the provisions of Companies Act, Secretarial Standards, Labour Laws were addressed suitably by the Management. Following are my observations / recommendation on the overall compliance of the Company.

1. There was no Company Secretary for the Company from 14.02.2018 to 27.12.2018.
2. Company needs to take proper steps to comply with compliances under Secretarial Standards on Board and General Meetings i.e. SS-1 and SS-2.
3. The Company has not spent CSR contribution during the year considering the loss under Consolidated Financials.
4. Minor lapses were observed in relation to the fillings of returns with regard to the Factories Act and Labour Laws.
5. Contribution to PF are pending for January to March 2019 and ESI is pending for March, 2019.
5. External member of Internal Complaints Committee (ICC) under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act has resigned and it was informed to me that the Company is in process of finding suitable person.

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

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

Parameshwar G. Bhat
FCS No.: 8860
C P No.: 11004

Place: Bangalore
Date: 23.07.2019

Note: This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise Act, Customs Act, Central and State Sales Tax Act.

4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Parameshwar G. Bhat
FCS No.: 8860
C P No.: 11004

Place: Bangalore
Date: 23.07.2019

Annexure 3

Conversion of Energy, Technology Absorption & Foreign Exchange Earnings and Outflow:

The Company is planning to shift its focus from utilization of conventional energy sources like gas, oil, coal etc to nonconventional energy sources like solar and wind energy. Even though the cost of migrating to the nonconventional energy resources is high due to expenditure on infrastructures etc but in the long run, the energy generated from nonconventional resources will be cost effective and will also result in emission of less carbon into the environment.

a) Technology absorption & Adaptation:

The Research and Development wing in the Active Pharmaceutical Ingredient department of Bal Pharma Limited has stayed its course on developing new and economical methods for products possessing medicinal properties. These now include cardio related drugs which reduce heart rates and prevent heart attacks. Some in this category inhibit platelet aggregation and treat deep vein thrombosis.

Also under development are drugs for hyperparathyroidism and benign prosthetic hyperplasia. At the other end, work is in progress on bladder muscle relaxants.

Another class of drugs that is receiving R & D's attention is connected with antidepressants. Depression is a serious malady that affects a large number of people. The drugs for the treatment of this ailment have been receiving great attention. Such drugs have good export potential from the country.

Metal chelators which remove excess unwanted and, at times toxic, impurities from the human body is an additional field which Bal Pharma is working on. These are drugs that form clathrates with excess metals rejected by the body and excrete them out.

In continuance of its specialization, Bal Pharma is focusing on developing novel antihistaminic compounds.

Expenditure on R&D during the financial year ended 31-03-2019:

(Amount in ₹)

Capital	51,004
Recurring	2,89,30,657
Total	2,89,81,661
Total R&D expenditure as a percentage of total turnover.	1.28%

Foreign Exchange earnings and outflow:

(Amount in ₹)

	2018.19	2017.18
Total Foreign Exchange Earnings	₹ 126,55,61,867/-	₹ 98,72,99,193/-
Total Foreign Exchange outflow	₹ 38,07,39,534/-	₹ 43,17,39,541/-
a) Towards purchase of raw materials	₹ 35,27,34,409/-	₹ 41,23,12,533/-
b) Towards purchase of capital goods.	-	₹ 29,12,941/-
c) Towards other foreign currency payments	-	-
i) Travelling expenses	₹ 53,54,496/-	₹ 44,43,012/-
ii) Export Promotion Expenses.	₹ 1,37,38,343/-	₹ 1,07,88,931/-
iii) Commission on export sales	₹ 76,58,417/-	₹ 8,78,075/-
iv) Registration fees	₹ 12,53,869/-	₹ 4,04,049/-

Annexure - 4

Particulars of Employees:

Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

a) The Nomination and Remuneration Committee of the Company fixes the remuneration of Whole Time Directors and Key Managerial Personnel and is as per the remuneration policy of the Company.

b)

Name and Designation of Director & KMP	Ratio of remuneration of each Director to the median remuneration of employee of the Company for F.Y 2018.19.	% Increase/ Decrease in remuneration in the F.Y 2017.18.
1. Shailesh Siroya	37:1	Nil
2. Subbarao Prasanna	20:1	Nil

c) % increase in the median remuneration of the employees in the financial year: 5%

d) Number of permanent employees on the rolls of the Company: 1,120.

e) Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration:

Average increase in the remuneration of the employees for the financial year 2018-19 was 6% against NO increase in the % of managerial remuneration of Directors & KMP's. The percentile increase in the median remuneration and that of managerial personnel does not require any justification.

Annexure - 5

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2018-19

Bal Pharma Limited believes that a good corporate governance practise is all about maintaining a transparent and has been laying significant emphasis on Corporate trustworthy relationship with all its stakeholders, be it its employees, shareholders, vendors, lenders and policy makers. Corporate Governance practises of the Company encompasses a set of system and practises which are aimed at meeting the investors aspirations and societal expectations. The Board considers itself as a Trustee of its Stakeholder's and acknowledges its responsibilities towards them for safeguarding their interests.

2. BOARD OF DIRECTORS:

2.1 Composition:

The Board consist's of 5 Directors, of which 3 Directors are Independent (including 1 Woman Director). The composition of Board is in conformity with the relevant Regulations of the SEBI (LODR) Regulations, 2015.

Composition of the Board is as follows:

Sl. No.	Name of the Director	Directors Identification Number	Designation
1.	Mr. Shailesh Siroya	00048109	Managing Director
2.	Dr. S. Prasanna	00084602	Whole-Time Director
3.	Mr. Pramod Kumar. S	00719828	Independent Director
4.	Mrs. Sarika Bhandari	07140112	Independent Director
5.	* Dr.C.V Srinivas	07140112	Independent Director (Additional)

Mr. G S R Subbarao, Independent Director ceases to be a Director of the Company w.e.f 31.03.2019.

* Dr. C.V. Srinivas was inducted into the Board of the Company as Independent and Non executive Director w.e.f 29.06.2019.

All the Independent Directors possess the requisite qualifications and are experienced in their own fields. None of the Directors is a Director in more than Eight (8) Listed Companies or Ten (10) Public Limited Companies or acts as an Independent Director in more than Seven (7) Listed Companies. Further, none of the Directors are the members of more than ten committees or Chairman of more than five committees in public listed companies in which they are Directors. Necessary disclosures have been obtained from all the Directors regarding their Directorship's and have been taken on record by the Board.

The Board of Directors confirms that all the Independent Directors of the Company ful fill the conditions specified under SEBI (LODR) Regulations, 2015 and are Independent of the Management of the Company.

2.2 Board Meetings:

During the financial year under review, 6 (Six) Board Meetings were held on 29-5-2018, 10-08-2018, 03-10-2018, 14-11-2018, 27-12-2018 and 13-02-2019. Compositions of the Board, attendance of the members of the Board at the Board meetings and Annual General Meeting along with their Chairmanship/Membership on Boards/Committees as on 31.3.2019, are as furnished below:

Sl. No.	Name of the Director	Category	Attendance at		Total Number of Directorships in Boards of Public Limited Companies as on the date of this report	Total Number of memberships in Committees of Public Limited Companies on the date of this report	
			Board Meetings	Last AGM held on 22.09.2018		As Chairman	As Member
1.	Mr. Shailesh Siroya	Executive Director	5	YES	1	0	1
2.	Dr. S. Prasanna	Executive Director	6	YES	1	0	0
3.	Dr. G.S.R Subba Rao	Independent Director	4	YES	1	1	4
4.	Mr. Pramod Kumar. S	Independent Director	5	NO	2	4	1
5.	Mrs. Sarika Bhandari	Independent Director	3	NO	2	0	4
**6.	Dr.C.V Srinivas	Additional Director	-	NO	-	-	-

* Dr. G.S.R Subba Rao ceases to be the Independent and Non executive Director of the Company w.e.f 31.3.2019 citing personal reasons which includes advancing age. Dr.G.S.R Subba Rao also has confirmed that there is no material reason for his exit from the Board other then what is stated above.

** Dr. C.V.Srinivas is an ENT Doctor by profession and is also a professor of Dr. Ambedkar Medical College , Bangalore. He was inducted into the Board as an Additional Director w.e.f 29.06.2019.

Notes:

1. Other directorships excludes Foreign Companies, Private Limited Companies and alternate Directorships.
2. Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee memberships.
3. Other than Mr. Pramod Kumar.S who is also a Director of Sunil Agro Limited , which is a listed entity , non of the other Directors has any Directorship in other listed Companies.
4. All the Directors possess requisite qualifications ,experience and expertise in leadership , Mentorship , Business ethics and vision to achieve the goals of the Company , which the Board has identified as key functional areas which a Director should possess and which are in sync with the business and operations of the Company.

Declaration under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018:

All the Directors have confirmed that they are neither debarred nor disqualified from being appointed or continuing as Director by Securities and Exchange Board of India / The Ministry of Corporate Affairs or any such statutory authority. The Company has obtained a Certificate to this effect from Mr. Vijayakrishna K.T., Practising Company Secretary, Bangalore as mandated under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

2.3 TRANSACTIONS OF THE BOARD

Board Meetings are governed by structured agenda. The Board, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to make informed decisions. Agenda papers and all the supporting information are circulated at least seven working days prior to the Board meeting date among the Board members.

The following are, among other things tabled before the Board's for its periodic review/information/approval:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of the Audit Committee and of Subsidiaries and other committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non payment of goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions which involve any substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary retirement Scheme etc.
- Sales of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risk of adverse exchange rate movement, if material.
- Non-Compliance of any regulatory, statutory or listing requirements and shareholder services such as non payment of dividend, delay in share transfer etc.

2.4 BOARD COMMITTEES:

Currently, the Board has 5 (five) Committees namely (1) Audit Committee (2) Nomination and Remuneration Committee (3) Stakeholders' Relationship Committee (4) Corporate Social Responsibility Committee and (5) Banking Transaction Committee (Non Statutory Committee).

The Board decides the terms of reference of these Committees and the assignment of its Members thereof.

3. AUDIT COMMITTEE:

The Audit Committee assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the Company. The terms of reference of Audit Committee covers all matters specified in SEBI (LODR) Regulations, 2015 and also those specified in Section 177 of Companies Act, 2013.

The terms of reference broadly include:

1. Review of internal Audit Reports and action taken reports.
2. Assessment of the efficiency of internal control systems/ financial reporting systems and reviewing the efficiency of the financial policies and the practices followed by the company.
3. Review of the compliances with the legal and Statutory requirements, the quarterly and annual financial statement and related party transactions and report its findings to the Board.
4. Recommendations of the appointment of the Internal Auditor, Statutory Auditor and Cost Auditor.
5. Noting of any default in the payments to creditors and shareholders.
6. Such other matters as may be specifically referred to it by the Board.

The Audit Committee comprises of the following Directors for the year ended 31st March, 2019:

Sl. No.	Name & Designation of the Member	Category
1.	Mr. Pramod Kumar S, Chairman	Independent Director
2.	Dr. G.S.R Subba Rao, Member	Independent Director
3.	Mrs. Sarika Bhandari, Member	Independent Director

As on 31st March 2018, the Committee comprised of three Independent Directors , all of whom are financially literate and have relevant finance/ audit exposure.

The Company Secretary acts as the Secretary to the Committee.

The composition of the Audit Committee is as per the SEBI (LODR) Regulations, 2015. Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company held on 22nd September, 2018.

The Audit Committee met four (4) times during the year on 28-05-2018, 08-08-2018, 14-11-2018 and 13-02-2019. The details are as follows:

Sl. No.	Name of the Member	Number of meeting attended
1.	Mr. Pramod Kumar.S.	4
2.	Dr. G.S.R Subba Rao.	2
3.	Mrs. Sarika Bhandari.	3

*Resigned with effect from 31.03.2019

4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee functions as per the provisions of Section 178 of the Companies Act, 2013.

4.1 Brief description of terms of reference:

- To guide the Board in relation to appointment and removal of the Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and commitment relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity.
- To develop a succession plan for the Board and to regularly review the plan.

4.2 Composition of the Committee and attendance of the members:

Sl. No.	Name & Designation of the Member	Number of meeting attended
1.	Mr. Pramod Kumar. S, Chairman	3
2.	Dr. G.S.R Subba Rao, Member*	2
3.	Mrs. Sarika Bhandari, Member	1

* Resigned with effect from 31.03.2019

4.3 Remuneration Policy:

The Company has framed detailed Remuneration Policy as per the requirement of Companies Act, 2013. The policy is available on the website of the Company (www.balpharma.com/pdf/Nomination_and_RemunerationPolicy.pdf).

4.4 The Nomination and Remuneration Committee is also authorized to function as 'Compensation Committee' under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

4.5 The Remuneration paid to Mr. Shailesh Siroya (Managing Director), Dr. S. Prasanna, (Whole Time Director) and sitting fee paid to Non-executive Director and Independent Directors, during the year 2018-19 are as under:

Sl. No.	Particulars	Mr. Shailesh Siroya	Dr. S. Prasanna	Dr. G.S.R. Subba Rao	Mr. Pramod Kumar.S	Mrs. Sarika Bhandari
1.	Salary and Perquisites	80,00,000	31,80,000	N.A.	N.A.	N.A.
2.	Sitting Fees	N.A.	N.A.	4000	8000	8000
	TOTAL	80,00,000	31,80,000	4000	8000	8000

Remuneration paid to Whole time Directors, KMPs and Employees of the Company is based on the Remuneration policy adopted by the Company.

4.6 There were no pecuniary relationships or transactions of the Non-executive Directors vis-a-vis the Company during the Financial Year ended 31st March, 2019.

4.7 Details of Equity Shares held by Non- executive Directors as on 31.03.2019:

Sl. No.	Director	No. of Equity Shares held
1.	Dr. G.S.R Subba Rao, Member*	Nil
2.	Mr. Pramod Kumar. S, Chairman	Nil
3.	Mrs. Sarika Bhandari, Member	Nil

*Resigned with effect from 31.03.2019

5. STAKE HOLDER'S RELATIONSHIP COMMITTEE:

5.1 The Committee consists of the following members of the Board:

Sl. No.	Name & Designation of the Member	Category
1.	Mrs. Sarika Bhandari*, Chairman	Independent Director
2.	Mr. Shailesh Siroya, Member	Executive Director
3.	Mr. Pramod Kumar S, Member	Independent Director

*Reconstituted on 13.02.2019

5.2 The Committee meets on need basis to resolve the matters under its reference.

5.3 Investor Queries/Requests/ Complaints handled:

Year	Outstanding as on 31.03.2018	Received during the FY 2018-19	Resolved during the FY 2018-19	Pending as on 31.03.2018
2018-19	NIL	0	0	0

6. OTHER COMMITTEES:

6.1 Banking Transactions Committee.

Considering the size and the continuous growth of both the Company and its banking transactions, a Sub-Committee of Board, named as Banking Transactions Committee was constituted on 30th April, 2006 for approving specific banking transactions, annexed below:

a) To review periodically the banking transactions of the Company;

b) To open new bank accounts for the business purposes of the Company, wherever required;

c) To close bank accounts of the Company, where required

d) To change signatories to the bank accounts of the Company, where required;

e) To borrow funds from various Banks and financial institutions, within the limits prescribed towards working capital and for purchase of movable and immovable assets and to create charge of these assets.

The Committee comprises of Mr. Shailesh Siroya, Executive Director, Dr. S Prasanna, Executive Director and Mrs. Sarika Bhandari, Independent Director.

7. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met on 13.02.2019, to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairperson of the Company and has accessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Company has also during the year conducted familiarization programmes for Independent Directors of the Company and the details of such familiarization programmes was disseminated on the websites of the Company (www.balpharma.com/pdf/Familiarization_program_for_Director's.pdf).

8. GENERAL BODY MEETINGS:

8.1 The details of the last three Annual General Meetings held are as follows:

Financial Year	Date	Time	Location
2015-16	22-09-2016	10:30 AM	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru-560 001.
2016-17	22-09-2017	11:00 AM	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru-560 001.
2017-18	22-09-2018	11:00 AM	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru-560 001.

8.2 The Special Resolutions passed by the Company in its 29th, 30th and 31st AGM(s) are as under:

Date of AGM	AGM No.	Business Transacted by Special Resolution
22-09-2016	29th	1. To reappoint Dr. Subba Rao Prasanna as the whole time Director of the Company.
22-09-2017	30th	1. To revise the managerial remuneration payable to Mr. Shailesh Siroya, Managing Director. 2. To renew contract with M/s Desa Marketing International.
22-09-2018	31st	1. To reappoint Dr. Subba Rao Prasanna as the whole time Director of the Company. 2. To increase the investments limits of NRI's and FPI's in the Share Capital of the Company.

8.3 e-Voting:

The Company has entered into a tripartite agreement with National Securities Depository Ltd (NSDL) and T.S.R Darashaw Private Limited, Mumbai (R&T agents) for providing e-voting facility to shareholders, as specified in Section 108 of the Companies Act, 2013 and Regulation 44 of the SEBI(LODR)Regulations,2015.

8.4 Postal Ballot:

The Company has not passed any resolution by way of Postal Ballot during the Financial year 2018-19.

9. SUBSIDIARY /ASSOCIATE COMPANIES:

During the year under review, Lifezen Healthcare Private Limited, Bal Research Foundation and Balance Clinics LLP continue to be the Subsidiaries/ Associates of the Company and Golden Drugs Private Ltd to be the Wholly owned Subsidiary.

AB Vet Pharma PTY Ltd, incorporated in Melbourne, Australia as a joint venture Company between Bal Pharma Ltd and Akaal Pharma Pty Ltd. This Joint Venture is intended for developing, promoting and marketing of veterinary medicines in the regulated markets.

10. WHISTLE BLOWER POLICY:

The Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour.

As per the requirements of the SEBI (LODR) Regulations, 2015, the Company has issued a circular including its employees, about their right to access the Audit Committee for the purpose of bringing to the committee's notice unethical or improper practices in the Company. The Company affirms that no employee has been denied access to the Audit Committee. The Directors and Management personnel are obliged to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discrimination.

11. DISCLOSURES:

11.1 Related Party Transactions:

There have been no materially significant related party transactions with the Company's Promoters, Directors, the Management, their Subsidiaries or relatives, which may have potential conflicts with the interest of the Company at large.

The Company has also formulated a policy for determining the material Related Party Transactions and detail of such policies for dealing with related party and the related party transactions are disseminated in the website of the Company, (www.balpharma.com/pdf/Policy_on_dealing_with_Related_Party_Transactions.pdf)

11.2. Compliances:

The Company has complied with the statutes applicable to it during the year under review.

11.3. Demat suspense Account:

As the Company do not have any outstanding /unclaimed shares, we are not reporting the details of the outstanding shares in the demat suspense account.

11.4. Transfer of shares to IEPF Suspense Account:

During the year under review, the Company has not transferred any Equity Shares of the shareholders, whose dividend is outstanding for 7 years and above, to the IEPF suspense account, as per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Shareholders holding shares in physical form are advised to encash their Dividend on time to avoid transfer of their shares to IEPF a/c.

12. MEANS OF COMMUNICATION:

a) The Un-audited quarterly financial results of the Company are published in newspapers such as Financial Express, Bengaluru & Mumbai editions and Sanjevani newspapers. The financial results are uploaded on the website on periodic intervals for the benefit of our shareholders.

b) The financial result and other information about the Company were disseminated to the stock exchanges for its up-dation on their respective websites.

c) Pursuant to the Listing Regulations, all data related to quarterly financial results, shareholding pattern, etc are filed in NEAPS within the time frame prescribed in this regard.

d) No presentations have been made to institutional investors or to analysts.

13. RISK MANAGEMENT:

Risk Management is attempting to identify and then manage threats that could severely impact or bring down the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

The Company has constituted the Risk Management Committee with various functional heads of the Company and the Company Secretary, as its members.

14. GENERAL INFORMATION TO SHAREHOLDERS:

a) Annual General Meeting:

Date of Incorporation	May 19, 1987
CIN	L85110KA1987PLC008368
Date and time of the 32nd Annual General meeting.	23-09-2019 at 10:30 AM
Venue of Annual General Meeting	KRG Hall, Bharatiya Vidya Bhavan, Race Course Road, Bengaluru - 560001.
Date of Book Closure	19.09.2019 to 23.09.2019 (both days inclusive)
Financial Year	1st April, 2018 - 31st March, 2019

b) Financial Calendar 2019-20(tentative):

Financial reporting for the first quarter ended on 30-06-2019	13th August 2019
Financial reporting for the second quarter ended on 30-09-2019	12th November 2019
Financial reporting for the third quarter ended 31-12-2019	On or before 14th February 2020
Financial reporting for the quarter & year ended on 31-03-2020	On or before 30th May 2020

c) Particulars of payment of Dividend for the year ended 31.03.2019:

Date of Declaration (if approved at the General Meeting)	23.09.2018
Rate of Dividend (proposed)	Re.1 per equity share of Rs.10/- each i.e 10%.
Book Closure Date	19.09.2019 to 23.09.2019 (Both days inclusive)
Date of payment of dividend (subject to approval at the general meeting)	14.10.2019
Amount of dividend to be paid	₹ 1,41,72,372/-
Share Capital	₹ 14,17,23,720/-

d) Listing of Shares:

Name of the Stock Exchange	Stock Code
BSE Ltd (BSE)	524824
National Stock Exchange of India Ltd (NSE)	BALPHARMA
ISIN Number	INE083D01012

e) Market Price Data:

Monthly high and low quotations as well as the volume of shares traded at National Stock Exchange of India Limited during F.Y 2018-19 are as under:

Month	Month's High Price ₹	Month's Low Price ₹	Total volume of shares traded
2018-04-01	90.6	77.2	363573
2018-05-01	86.75	69.35	672610
2018-06-01	100.5	70.55	1581904
2018-07-01	80.2	70.1	379716
2018-08-01	94.7	75.05	1741986
2018-09-01	109.2	82	4805612
2018-10-01	87.6	72	487344
2018-11-01	92.5	77.5	500903
2018-12-01	85	75.55	440023
2019-01-01	83	72.3	448587
2019-02-01	80.6	63	384889
2019-03-01	75.9	67.8	375352

Monthly high and low quotations as well as the volume of shares traded at BSE Limited, during 2018-19 are as under:

Month	Month's High Price ₹	Month's Low Price ₹	Total volume of shares traded
2018-04-01	90.6	77.05	139349
2018-05-01	86.5	69.55	96561
2018-06-01	98.4	70	170418
2018-07-01	79.4	70.05	47760
2018-08-01	94.6	75.4	217027
2018-09-01	109	82.85	718546
2018-10-01	87	71.75	79042
2018-11-01	98.8	76.5	79833
2018-12-01	85.5	76.1	38632
2019-01-01	83.8	71.65	48836
2019-02-01	78.4	62.75	42378
2019-03-01	75.8	67.55	25408

f) Distribution of Shareholding as on 31.03.2019:

Range Start	Range End	Total Number of Shares	Percentage of Capital	Total Number of shareholders	% of total Security holders
1	5,000	3206907	22.63	11806	98.69
5,001	10,000	528850	3.73	72	0.6
10,001	20,000	662046	4.67	45	0.38
20,001	30,000	257273	1.82	10	0.08
30,001	40,000	70680	0.5	2	0.02
40,001	50,000	187880	1.33	4	0.03
50,001	1,00,000	370003	2.61	5	0.04
1,00,001	9,99,99,99,999	8888733	62.72	19	0.16
Total		1,41,72,372	100.00	11963	100.00

g) Categories of Shareholders as on 31.03.2019:

Sl No.	Category	No of Shareholders	No of shares held	% of shareholding
1.	Financial Institutions/ Banks	4	34178	0.25
2.	Mutual Fund	1	200	0.00
3.	Body Corporates	245	446694	3.15
4.	Promoters, Directors & Relatives	15	6016482	42.45
5.	Indian Public	11698	7674762	54.15
	Total	11963	1,41,72,372	100.00

h) Detail of shares held in Demat and Physical form:

Name of the Depository	Number of share holders	Number of shares held	% to total capital
NSDL	5919	9242490	65.21
CDSL	4552	4686262	33.07
Physical	1492	243620	1.72
Total	11963	1,41,72,372	100.00

i) Share Transfer System:

The Company's shares are listed and traded on the Stock Exchange in compulsory Demat mode. Shares in physical form which are lodged for transfer at the investor Service Centre of our R&T agent are processed and credit of shares have been given to the investors Demat account.

Periodical audits are carried out at the office of the Share Transfer Agents by independent Practising Company Secretary and requisite Compliance Certificates/Reports are obtained by the Company from Practising Company Secretary.

TSR Darashaw Limited, Mumbai, is the Share Transfer Agent of the Company for both physical and electronic mode of transfer of the Company's shares. Transfer of shares held in the physical mode are approved within a maximum period of 15 days, if found in order. Shares under objection are returned within 7 days.

Share Transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects.

The Demat requests are processed within 21 days from the date of request. The Shareholder's and Investors Grievances Committee whose terms of reference include approving physical transfer of shares, meets as and when required.

j) Details of the outstanding amounts in the unpaid Dividend accounts:

Year	Outstanding amount in ₹
2012-13	1,98,398
2013-14	2,37,790
2014-15	3,87,297
2015-16	2,69,034
2016-17	2,49,342
2017-18	4,36,318

As per Section 125 of the Companies Act, 2013, dividends which remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Shares pertaining to such unpaid dividends outstanding for 7 consecutive years are also liable for transfer to IEPF a/c.

- Shareholders are advised to en-cash their dividend before the due date for transfer of unclaimed dividend amount to IEPF account.
- Shareholders holding shares in electronic form are requested to deal only with their Depository Participant in respect of change of address, nomination facility and furnishing bank account number, etc.

k) Request to Investors:

Shareholders are requested to follow the general safeguards/ procedures as detailed here under in order to avoid risks, while dealing in the securities of the Company.

- Shareholders are requested to convert their physical holding of share certificates into demat /electronic form through any of the DP's (Depository Participants) to avoid any possibility of the loss, mutilation etc, of physical share certificates and also to ensure safe and speedy transaction in securities. As per the notification of SEBI, transfer of physical shares lodged for transfer will not be processed by the R&T Agents from 1st April 2019 onwards. Hence, the Shareholders are advised to convert their shareholding into electronic form before April 2019 in order to avoid any possible hurdles in the transfer process.
- Shareholders holding shares in physical form should communicate the change of address, if any, directly to the Registrar and Share Transfer Agent of the Company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the Nomination Form SH-13. Those holding shares in electronic form are advised to contact their DP's.
- As required by SEBI, it is advised that the shareholder furnish details of their bank account and name address of their bank for incorporating the same in the dividend warrants. This would avoid credits being given to the unauthorized persons.

l) Reconciliation of Share Capital Audit:

Quarterly audit was conducted by a Practising Company Secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificate were submitted to the Stock Exchange within the prescribed time limit. As on 31st March, 2019 there was no difference between the Issued Capital and the Listed capital and the aggregate of shares held by investors in both physical and electronic form with the depositories. 1,39,28,752 Equity Shares of the Company representing 98.28% of the Paid Up Equity Capital is in dematerialized form as on 31st March, 2019.

m) Locations of manufacturing Units:

1) **Unit 1(Formulations)**
21 & 22, Bommasandra Industrial Area, Bangalore - 560092.

2) **Unit 2 (API & Intermediates)**
61/B, Bommasandra Industrial Area, Bangalore - 560092.

3) **Unit 3 (Parenterals)**
732/735, Off National Highway No.4
Village Kenjal-412217, Dist Bhor. Maharashtra.

4) **Unit 4 (Formulations)**
Plot # 1,2,3 & 69, Sector 4, IIE-Pantnagar
Rudrapur, Udham Singh Nagar-263153, Uttarakhand.

5) **Unit 5 (API's and Intermediates)**
Thabadewadi Post, Kavatha Mahankal
Sangli-416405, Mahatashtra.

6) **Unit 6 (API and Intermediates)**
(Golden Drugs Private Ltd-WOS of Bal Pharma Ltd)
#C-155, Mewar Industrial Area
Madri, Udaipur-313001, Rajasthan.

n) Address for Correspondence:

Compliance Officer
Bal Pharma Limited,
Corporate Office:
5th Floor, 'Lakshmi Narayan Complex',
10/1, Palace Road, Bengaluru – 560052.
Tel: 080 - 41379500 Fax: 080 - 22354057
Email:- secretarial@balpharma.com.

TSR Darashaw Limited,
6-10, Haji Moosa Patrawala Industrial Estate
20 Dr. E. Moses Road, Mahalaxmi, Mumbai -400011.
Phone:-91-22-66568484 : Fax :-91-22-66568494
Email: - csg-unit@tsrdarashaw.com

Shareholders can also contact the branch offices/Agencies of TSR Darashaw Limited, whose addresses are given below:

i. TSR Darashaw Limited, 503, Barton Centre, 84, MG Road, Bengaluru – 560 001, Tel: 080-25580019/25320321, Fax: 080-25580019, Email: tsrdlbang@tsrdarashaw.com.

ii. TSR Darashaw Limited, Bungalow No: 1 E Road, Northern Town, Bistupur, Jamshedpur – 831001, Tel: 0657-2426616, Fax: 0657-2426937, Email: tsrdljsr@tsrdarashaw.com.

iii. TSR Darashaw Limited, Tata Centre, 1 st floor, 43, Jawaharlal Nehru Road, Kolkata 700071. Tel: 033- 22883087, Fax: 033-22883062, Email: tsrdlcal@tsrdarashaw.com.

iv. TSR Darashaw Limited, Plot No: 2/42, Sant Vihar, Ansari Road, Darya Ganj, Fax: 011-23271802, Email: tsrdldel@tsrdarashaw.com.

v. Agent: Shah Consultancy Services Pvt. Ltd, 3 Sumatinath Complex, 2nd Dhal Pritam Nagar, Ellisbridge, Ashram Road, Ahmedabad – 380006, Telefax: 079 – 26576038, Email ID shahconsultancy8154@gmail.com.

DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT AS PER REGULATION 34(3) OF SEBI (LODR) REGULATIONS, 2013

To,
The Members
Bal Pharma Limited
Bangalore.

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2019.

Place: Bengaluru
Date:29.05.2019

Shailesh Siroya
Managing Director

CEO & CFO certification

To,
The Board of Directors
Bal Pharma Limited
Bangalore.

SUB : CEO & CFO Certification.
Ref : As per Regulation 17(8) of SEBI (LODR) Regulations

A. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2019 and that to the best of our knowledge and belief:
   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee,
   (1) significant changes in internal control over financial reporting during the year;
   (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

s/d
Chief Executive Officer /MD

s/d
Chief Financial Officer/Head of Finance

Certificate on compliance with the conditions of the Corporate Governance as required under the SEBI (LODR) Regulations, 2015

To
The Members
Bal Pharma Limited
Bangalore

I have examined all the relevant records of Bal Pharma Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company for the year ended 31st March, 2019 as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Vijayakrishna K T
Practising Company Secretary
FCS - 1788
COP - 980

Place: Bangalore
Date: 30th May, 2019

Certificate Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors
Bal Pharma Limited ,
CIN: L85110KA1987PLC008368
Regd Office : # 21 & 22, Bommasandra Industrial Area,
Bangalore-560099.

We have examined the relevant registers, records, forms, returns and disclosures (hereinafter referred to as 'relevant documents') produced to us by M/s. Bal Pharma Limited , bearing CIN L85110KA1987PLC008368 and having Registered Office at # 21&22, Bommasandra Industrial Area, Bangalore-660099 (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on our examination of relevant documents made available to us by the Company and such other verifications carried out by us as deemed necessary and to the extent possible, in our opinion and to the best of our information and according to the verifications (including Directors. Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, we hereby certify that, for the financial year ending on March 31, 2019, none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sl No	Name of the Director	DIN #
01	Shailesh D Siroya	00048109
02	Subbarao Prasanna	00084602
03	G.S.R Subba Rao	00048126
04	Sarika Bhandari	07140112
05	Pramod Kumar.S	00719828

Ensuring that the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company, Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2019.

Vijayakrishna K T
Practising Company Secretary
FCS - 1788
COP - 980

Place: Bangalore
Date: 30th May, 2019

To the Members of Bal Pharma Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Bal Pharma Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matter
Inventory The Company has inventories amounting to ₹ 6951.58 lakhs being carried at cost or NRV whichever is lower based on Ind AS 2, Inventories. We identified the Inventories as a key audit matter because there is risk of being overstated or understated. Further, given the nature of goods, that is, goods with shelf life, it becomes imperative to ensure the same is excluded at time of valuation of inventories.	Our key audit procedures included the following: • Assessing the appropriateness of the policies in respect of inventories by comparing with applicable accounting standards. • Evaluating the design, testing the implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition and measurement of movement of inventory. • Obtain sufficient appropriate audit evidence regarding the existence and condition of inventory by attending the physical inventory counting and evaluating managements instructions and procedures for the same. • Performing test counts on the same by selecting samples of purchase and sales and tracing items from records to physical inventory. • Test check of batches with expiration date and ensuring that expired, obsolete goods are not included in the closing stock of inventory
Revenue Recognition Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax etc., where applicable. Revenue is one of the key performance indicators of the Company and there could be a risk that revenue is recognized in the incorrect period or before the control has been transferred to the customer.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of the Company's revenue recognition accounting policies including those relating to discounts and sales return and assessed compliance with the policies in terms of applicable accounting standards. • Tested the effectiveness of the Company's controls over measurement and recognition of revenue in accordance with customer contracts which includes control over transaction pricing including discounts and correct timing of revenue recognition. • Assessed sales transactions taking place at either side of the balance sheet date as well as credit notes issued after the year end date to assess whether that revenue was recognised in the correct period.

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained 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.

Responsibilities of Management for the Standalone Financial Statements

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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, The Statement of Changes in Equity, the Statement of Profit and Loss (including other comprehensive income), and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

   e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 35 to the standalone financial statements;

      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

      iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

For **N S V M & Associates**
Chartered Accountants
Firm registration number: 010072S

G.C.S Mani
Partner
Membership No: 036508

Bengaluru
30th May, 2019

Annexure A to the Independent Auditor's Report of even date to the members of Bal Pharma Limited, on the standalone financial statements for the year ended 31 March 2019

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that,

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and Situation of Fixed assets.

b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years which, In our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.

c. The title deeds of immovable properties (which are included under the head 'Property, Plant and Equipment') are held in the name of the Company.

(ii) As explained to us, the inventories have been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.

(iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

a. in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;

b. the schedule of repayment of principal and payment of interest has not been stipulated and we are unable to comment on the regularity of repayment/ receipts of the principal amount and the interest;

c. there is no overdue amount in respect of loans granted to such companies.

(iv) In respect of loans, investments and guarantees, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) The Company has not accepted any deposits to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under and the directions issued by the RBI are applicable. Hence paragraph 3(v) of CARO is not applicable to the Company.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, as amended, specified by the Central Government under Section 148(1) of the Companies Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.

a. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31 March 2019 for a period of more than six months from the date they became payable.

b. On the basis of our examination of the documents and records of the Company, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of an any dispute, except as enumerated herein below which are pending before respective authorities as mentioned there against:

Name of the statute	Nature of dues	₹	Period to which the amount relates	Forum where dispute is pending
Chapter V of Finance Act, 1994	Service Tax and equivalent penalty	31,70,397	Nov 2007 to March 2012	Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	2,88,356	January to October 2010	Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	24,91,506	April to Oct 2006, January 2007 to December 2009	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	85,01,823	Nov 2007 to July 2011	CESTAT
The Central Excise Act, 1944	Central Excise Duty and Penalty	1,91,590	March -June 2012	Assistant Commissioner of Central Excise

Name of the statute	Nature of dues	₹	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Central Excise Duty and Penalty	11,59,254	July 2012 to January 2013	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	21,82,891	FY 2010-11,2011-12 & 2012-13	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	2,67,151	FY 2013-14	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	3,06,151	FY 2013-14 & 2014-15	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	2,73,898	FY 2014-15	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	1,53,283	FY 2013-14 & 2014-15	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	1,17,741	FY 2013-14 & 2014-15	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Penalty Imposed	1,87,609	FY 2016-17	Commissioner Appeals-I
The Central Excise Act, 1944	Penalty Imposed	1,52,527	FY2013-14 to 2015-16	Commissioner Appeals-I
The Central Excise Act, 1944	Central Excise duty	9,85,543	FY 2016-17 & FY 2017-18	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise duty	9,26,141	FY 2016-17	Assistant Commissioner of Central Excise
Chapter V of Finance Act, 1994	Service Tax	27,34,320	FY 2012-13 to FY 2016-17	Audit Commissioner of Central Excise
Chapter V of Finance Act, 1994	Service Tax	15,51,441	FY 2012-13 to FY 2015-16	Audit Commissioner of Central Excise

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its any banks and financial institutions.

(ix) According to the information and explanations given to us, the term loans were applied for the purposes for which those are raised. The Company has not raised any money by way of public issue or further public offer (including debt instruments) during the year.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information & explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with schedule V to the act.

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

(xiii) All transactions with the related parties are in compliance with Section 188 and 177 (where applicable) of Companies Act, 2013 and the details thereof have been disclosed in the standalone financial statements as required by the Accounting standards and Companies Act, 2013.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **NSVM & Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani

Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May, 2019

Annexure B to the Independent Auditors' Report

(Referred to paragraph 1(f) under 'Report on other Legal and Regulatory requirements' Section of our report to the members of Bal Pharma Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Bal Pharma Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on audit of internal financial controls and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of information and according to the explanations given to us, the Company has in all material aspects, an adequate internal financial control system over financial reporting as at March 31, 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **N S V M & Associates**
Chartered Accountants
Firm registration number: 010072S

G.C.S Mani
Partner
Membership No: 036508

Place: Bengaluru
Date:30th May, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

₹ in Lakhs

Particulars	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	5,127.00	5,381.59
Capital work-in-progress		5.68	21.08
Other Intangible Assets	4	567.09	446.87
Intangible assets under development			
Financial assets			
- Investments	5	744.19	744.19
- Loans	6	185.96	237.27
- Other financial assets	7	253.86	54.85
Other non-current assets	8	94.83	75.77
		6,978.61	**6,961.62**
Current assets			
Inventories	9	6,951.58	6,616.67
Financial assets			
- Investments		-	-
- Trade receivable	10	6,569.33	6,405.67
- Loans	11	1,358.02	753.78
- Cash and cash equivalents	12	219.74	257.96
- Other bank balances	13	188.75	144.54
- Other financial assets		-	-
Other current assets	14	3,449.20	3,969.34
		18,736.62	18,147.96
		25,715.23	**25,109.58**
EQUITY & LIABILITIES			
Equity			
Equity share capital	15	1,417.24	1,417.24
Other equity	16	6,268.71	5,806.17
		7,685.95	**7,223.41**

BALANCE SHEET AS AT 31ST MARCH, 2019

₹ in Lakhs

Particulars	Note	As at 31 March 2019	As at 31 March 2018
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	17	2,875.60	3,467.60
- Other financial liabilities	18	164.59	127.59
Provisions	19	266.08	201.80
Deferred tax liabilities (Net)	20	418.06	755.90
Other non-current liabilities		-	-
		3,724.33	**4,552.89**
Current liabilities			
Financial liabilities			
- Borrowings	21	6,805.83	4,928.72
- Trade payables			
Due to Micro, Small and Medium Enterprises		-	-
Due to Other than Micro, small and Medium Enterprises	22	4,749.08	4,994.61
- Other financial liabilities	23	1,348.07	1,419.79
Other current liabilities	24	1,306.22	1,753.20
Provisions	25	49.86	37.36
Current tax liabilities (Net)	26	45.89	199.60
		14,304.95	**13,333.28**
		25,715.23	**25,109.58**

Summary of Basis of Preparation of Financial Statements and Significant Accounting Policies 1 & 2

The accompanying notes are an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

for **NSVM and Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani
Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May 2019

for and on behalf of the board of directors of
Bal Pharma Limited

Shailesh Siroya
Managing Director
DIN: 00048109

Place: Bengaluru
Date: 30th May 2019

Dr S Prasanna
Director
DIN: 00084602

Place: Bengaluru
Date: 30th May 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	27	22,307.94	20,984.74
Other income	28	274.57	167.34
Total Income		**22,582.51**	**21,152.08**
Expenses			
Cost of materials consumed	29	11,363.87	10,491.63
Purchase of traded goods	30	769.88	694.10
(Increase)/decrease in inventories of finished goods and work-in-progress	31	(440.66)	(1,123.61)
Employee Benefit expense	32	4,845.35	4,961.28
Finance costs	33	1,252.86	910.86
Depreciation and amortisation	3 & 4	611.50	672.80
Other expenses	34	3,738.65	3,699.55
Total expenses		**22,141.45**	**20,306.61**
Profit before exceptional items and tax		441.06	845.47
Profit before tax		**441.06**	**845.47**
Tax expense:			
Current tax	20	102.80	255.23
Tax adjustments relating to previous year	20	(8.15)	-
Deferred tax charge/ (credit)	20	(329.59)	(3.60)
Profit for the year		**676.00**	**593.84**
Other Comprehensive Income (OCI)			
A (i) Items that will not be reclassified to statement of profit or loss			
Remeasurements of post-employment benefit obligations		(50.86)	(43.46)
(ii) Income tax relating to items that will not be reclassified to statement profit or loss		8.24	14.37
Total other comprehensive income		(42.62)	(29.09)
Total Comprehensive Income for the period		**633.38**	**564.75**
Earning per share (face value per equity share ₹ 10)			
- Basic		4.77	4.19
- Diluted		4.77	4.19

Summary of Basis of Preparation of Financial Statements and Significant Accounting Policies 1 & 2

The accompanying notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

for **NSVM and Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani
Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May 2019

for and on behalf of the board of directors of
Bal Pharma Limited

Shailesh Siroya
Managing Director
DIN: 00048109

Place: Bengaluru
Date: 30th May 2019

Dr S Prasanna
Director
DIN: 00084602

Place: Bengaluru
Date: 30th May 2019

STATEMENT OF CHANGES IN EQUITY AS ON MARCH 31, 2019

₹ in Lakhs

Particulars	Equity share capital	Other Equity					Total Other Equity	Total Equity
		Reserves & Surplus				OCI		
		Securities premium reserve	General Reserve	Capital Reserves	Retained earnings	Remeasure-ments of the net defined benefit plans		
Balance as at 1 April 2017	1,417.24	2,407.66	245.15	44.06	2,579.55	(35.00)	5,241.42	6,658.65
Reconciliation for the period ended 31 March 2018								
Changes in equity share capital during the year	-	-	-	-	-	-	-	-
Premium on issue of equity shares	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	593.83	-	593.83	593.83
Appropriations for dividend and tax on same		-	-	-	-		-	-
Other Comprehensive income	-	-	-	-	-	(29.09)	(29.09)	(29.09)
Balance as on 31.03.2018	**1,417.24**	**2,407.66**	**245.15**	**44.06**	**3,173.39**	**(64.09)**	**5,806.17**	**7,223.40**
Reconciliation for the period ended 31 March 2019								
Changes in equity share capital during the year	-	-	-	-	-	-	-	-
Premium on issue of equity shares	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	676.02	-	676.02	676.02
Appropriations for dividend and tax on same	-	-	-	-	(170.86)	-	(170.86)	(170.86)
Other Comprehensive income	-	-	-	-	-	(42.62)	(42.62)	(42.62)
Balance as on 31.03.2019	**1,417.24**	**2,407.66**	**245.15**	**44.06**	**3,678.53**	**(106.71)**	**6,268.69**	**7,685.92**

for **NSVM and Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani
Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May 2019

for and on behalf of the board of directors of
Bal Pharma Limited

Shailesh Siroya
Managing Director
DIN: 00048109

Place: Bengaluru
Date: 30th May 2019

Dr S Prasanna
Director
DIN: 00084602

Place: Bengaluru
Date: 30th May 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities:		
Profit before tax	441.06	845.47
Add/(Less): Non cash adjustments to reconcile profit before tax to net cash flows		
- Depreciation and Amortization	611.50	672.80
- Finance cost (including effect of amortisation of processing fees)	1,252.86	924.32
- Interest income	(222.45)	(21.87)
- (Gain)/ Loss on sale of Fixed assets	(0.44)	-
- Expected Credit Losses	16.40	15.51
- Unrealised Foreign (Gain)/Loss	(87.48)	(79.75)
- Balances written off	(2.91)	(3.41)
Operating cash flow before working capital changes	**2,008.55**	**2,353.07**
Add/(Less): Working Capital changes		
- Decrease/(Increase) in Inventories	(334.90)	(1,180.04)
- Decrease/(Increase) in Trade receivables	(92.58)	(237.42)
- Decrease/(Increase) in Loans	48.21	383.89
- Decrease/(Increase) in Other Assets (Current and Non current)	259.97	(329.17)
- Increase/ (Decrease) in Trade payables	(245.53)	(360.75)
- Increase/ (Decrease) in Other liabilities	(511.77)	825.29
- Increase/ (Decrease) in Provisions	15.62	(71.18)
Cash (used in)/ generated from operations	**1,147.57**	**1,383.69**
Income taxes (paid)/ refund	(237.58)	(126.51)
Net cash generated (used in) operating activities (A)	**909.98**	**1,257.18**
Cash flow from investing activities:		
Purchase of fixed assets including intangible assets and capital work-in-progress	(477.80)	(378.26)
Intercorporate Deposit to Subsidiary	(437.63)	(552.59)
Investment in Subsidiaries	(92.60)	(650.09)
Proceeds from sale of fixed assets	1.84	-
Interest received	53.22	21.87
Net cash (used in) investing activities	**(952.98)**	**(1,559.07)**
Cash flow from financing activities:		
Proceeds from / (repayment) of long term borrowings	(493.78)	1,722.44
Proceeds from / (repayment) of short term borrowings	1,877.11	(276.40)
Dividend Paid including dividend distribution tax	(147.22)	(168.39)
Interest Paid (Gross)	(1,231.33)	(924.32)
Net cash generated from/ (Used in) financing activities	**4.78**	**353.33**
Net (decrease)/ increase in cash and cash equivalents	(38.22)	51.43
Cash and cash equivalents at the beginning of the year	257.96	206.52
Cash and cash equivalents at the end of the year	**219.74**	**257.95**
Cash and cash equivalents comprise of:		
- Cash on hand	4.86	10.97
- Bank Balances - Current Acounts	176.11	192.91
- Fixed Deposits (original maturity of less than 3 months)	38.77	54.08
	219.74	**257.95**

Summary of Basis of Preparation of Financial Statements and Significant Accounting Policies 1 & 2

The accompanying notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

for **NSVM and Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani
Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May 2019

for and on behalf of the board of directors of
Bal Pharma Limited

Shailesh Siroya
Managing Director
DIN: 00048109

Place: Bengaluru
Date: 30th May 2019

Dr S Prasanna
Director
DIN: 00084602

Place: Bengaluru
Date: 30th May 2019

SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2019

Company Overview

Bal Pharma Limited (the company) is a Public Limited Company domiciled in India and incorporated under provisions of the Companies Act, 1956. Its shares are listed on two recognized stock exchanges in India. The company is engaged in the manufacturing and selling of pharmaceutical products. The company caters to both domestic and international markets.

1. Basis of Preparation of Financial Statements

a) Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013, (the "Act") and other relevant provisions of the Act.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees, which is also the Company's functional currency. All the amounts have been rounded- off to the nearest lakhs, unless otherwise indicated.

c) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Defined Benefits and other long term employment benefits

The financial statements are presented in INR

d) Use of Estimates and Judgments

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognized prospectively.

The estimates and underlying assumptions are reviewed by management at each reporting date. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Assumptions and estimations uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial year ending 31 March 2019 are included in the following notes:

1) Useful lives of various of Property, Plant and Equipment (Note 3 & 4)
2) Fair Value of Financial Instruments (Note No 56)
3) Accounting for Defined Benefit Plan (Note No 54) - measurement of defined benefit obligation - key actuarial assumptions.
4) Expected Credit Losses associated with its assets carried at amortized cost;
5) Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

e) Current vs Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2. Significant Accounting Policies

a) **Fair Value Measurement**

The Company measures financial instruments at fair value at each reporting date.

SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2019

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

b) **Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of Goods:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, chargebacks, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Other Operating revenue is recognised on accrual basis.

Rendering of Services

Revenue from services rendered is recognised in the profit or loss as the underlying services are performed and is recognised net of service tax and goods and service tax (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend Income

Dividend income from investments is recognized when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2019

Export Incentives

Export entitlements under the Duty Drawback ('DBK'), Focus Marketing incentive scheme(FMS), Focus product scheme (FPS), Market Linked Product Scheme (MLPS), Incremental Exports incentive scheme, Merchandise Export India Scheme and Service tax rebate scheme (STR) are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

c) **Property, Plant and Equipment**

Recognition and Measurement

All items of property, plant and equipment, including freehold land, are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria is met. Freehold land has an unlimited useful life and therefore is not depreciated.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in note below.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Subsequent Measurement

Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Capital Work-in-Progress

Capital work-in-progress includes cost of property, plant and equipment that are not ready for their intended use. Capital work-in-progress included property, plant and equipment are not depreciated as these assets are not yet available for use.

Transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as of April 01,2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

d) **Intangible Asset**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on straight line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

e) **Research and Development**

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. An internally-generated intangible asset arising from development is recognised if following have been demonstrated by the Company

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Company intends to and has sufficient resources to complete development and to use or sell the asset.

These assets with finite useful lives shall be amortized over a period of 10 years. These asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. As such, expenditure on projects which have become unsuccessful are charged off as an expense in the year in which they are abandoned. Capital expenditure

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incurred on research and development is capitalized as Property, Plant and Equipment and depreciated in accordance with the depreciation policy of the company.

f) **Depreciation**

Depreciable amount for assets in the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on the property, plant and equipment is provided on straight line method, over the useful life of the assets, as specified in schedule II to the companies Act, 2013.

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Premium on leasehold lands are amortised over the period of lease. Building constructed on leasehold land is depreciated based on the useful life specified in schedule II to the companies Act, 2013.

Where the lease period of the land is beyond the life of the building. In other cases, building constructed on leasehold lands are amortised over the primary lease period of the lands.

g) **Impairment of Non-Financial Asset**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

h) **Borrowing Costs**

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use or sale.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

i) **Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials and accessories:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Finished goods and work in progress:

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.

Trading Goods:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j) **Employee Benefits**

Short Term Employee Benefits

The employee benefits payable only within 12 months of rendering the services are classified as short term employee benefits. Benefits such as salaries, Leave Travel Allowance, short term compensated absences etc., and the expected cost of bonus is recognized in the period in which the employee renders the related services.

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognized in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. These benefits include leave travel allowance, bonus/performance incentives and leave encashment.

Post-Employment Benefits

Post retirement benefits comprise of Provident fund, Employees State Insurance and gratuity accounted for as follows:

i) *Provident Fund & Employee State Insurance:*

Payment to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

ii) *Gratuity Fund:*

The Company has an obligation towards gratuity, a defined benefit retirement plan covering all eligible employees of the Company. The plan provides for a lump

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sum payment to vested employees on retirement, death while in employment or on termination of employment in an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Contributions to Gratuity fund are made to recognized funds managed by the Life Insurance Corporation of India. The Company accounts for the liability for future gratuity benefits on the basis of an independent actuarial valuation.

iii) Leave Encashment

Liability in respect of leave encashment becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of leave encashment becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary.

k) **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and interest rate swaps.

a. **Financial Assets**

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management

A financial asset is measured at amortized cost net of impairment, if the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through the Statement of Profit and Loss

Derecognition

The company derecognize a financial asset only when contractual rights to the cash flow from the asset expires or it transfer the financial asset and substancially all the risks and rewards of ownership of the asset.

b. **Financial Liability**

Financial Liability are classified, at intial recognition, as either 'Financial Liability at fair value through profit or loss' or 'Other Financial Liabilities'.

- Financial Liabilities are classified as 'Financial Liability at fair value through profit or loss', if they are held for trading or if they are designated as financial liabilities at fair value through profit or loss. These are initially at fair value with subsequent changes recognized in profit or loss.
- Other financial liabilities, are initially measured at fair value, net of directly attributable transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

l) **Trade Receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 18 (or when the entity applies the practical expedient) or pricing adjustments embedded in the contract.

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade receivables.
- Financial assets measured at amortized cost (other than trade receivables and lease receivables).
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal

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to twelve month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

If a customer pays consideration before the Company transfers goods or services to the customer, a liability is recognised when the payment is made. They are recognised as revenue when the Company performs under the contract.

m) **Foreign Currency Transaction**

Transactions in Foreign Currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within the account caption pertaining to the nature of transaction.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

n) **Leases**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

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

A leased asset is depreciated over the useful life of the asset. Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

o) **Earnings Per Share**

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion into equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

p) **Income Tax**

a. **Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b. **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities not recognised if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit not the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2019

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

q) **Provisions and Contingencies**

A. **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and are liable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

B. **Contingent Liabilities and Contingent Assets**

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

r) **Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

s) **Standards issued but not yet effective**

Ind AS 116 Leases was notified in March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards, if applicable, when they become effective. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its standalone Ind AS financial statements.

₹ in Lakhs

Description	3. Tangible*								Total Tangible assets	4. Intangible*		Total Intangible assets
	Freehold land	Lease-hold land	Building	Plant and machin-ery	Utilities	Furniture and fixtures	Office equip-ment	Motor vehicles		Com-puter software	R&D Expenses	
Year ended 31 March 2018												
Gross Carrying amount												
Opening Gross Carrying amount	517.91	123.12	1,914.85	1,532.52	1,478.88	70.54	130.85	186.14	5,954.81	8.98	650.46	659.44
Additions	-	-	50.48	194.07	86.55	14.92	14.12	-	360.12	3.04	165.91	168.95
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying amount	**517.91**	**123.12**	**1,965.33**	**1,726.59**	**1,565.43**	**85.46**	**144.97**	**186.14**	**6,314.93**	**12.02**	**816.37**	**828.39**
Accumulated Depreciation	-	4.82	81.18	158.01	137.66	12.13	25.86	29.37	449.03			
Opening Accumulated Depreciation	-	1.05	94.00	176.54	153.09	12.19	17.12	30.33	484.31	1.78	191.26	193.04
Depreciation Charge for the year	-	-	-	-	-	-	-	-	-	**2.37**	186.12	**188.49**
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Difference	-	**5.87**	**175.18**	**334.55**	**290.75**	**24.32**	**42.98**	**59.70**	933.34	-	-	-
Closing Accumulated Depreciation	-	**5.87**	**175.18**	**334.55**	**290.75**	**24.32**	**42.98**	**59.70**	**933.34**	**4.15**	**377.38**	**381.53**
Net Carrying Amount as at 31 March 2018	**517.91**	**117.25**	**1,790.15**	**1,392.04**	**1,274.68**	**61.14**	**101.99**	**126.44**	**5,381.59**	**7.87**	**438.99**	**446.86**
<u>Year ended 31 March 2019</u>												
Gross Carrying amount												
Opening Gross Carrying amount	517.91	123.12	1,965.33	1,726.59	1,565.43	85.46	144.97	186.14	6,314.95	12.02	816.37	828.39
Additions	-	-	14.20	77.56	96.97	10.46	5.49	-	204.68	3.17	269.95	273.12
Disposals	-	-	-	(1.60)	-	-	(0.23)	-	(1.83)	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying amount	**517.91**	**123.12**	**1,979.53**	**1,802.55**	**1,662.40**	**95.92**	**150.23**	**186.14**	**6,517.80**	**15.19**	**1,086.32**	**1,101.51**
Accumulated Depreciation												
Opening Accumulated Depreciation	-	5.87	175.18	334.55	290.75	24.32	42.98	59.70	933.34	4.15	377.38	381.54
Depreciation Charge for the year	-	-	97.80	169.68	133.11	12.70	16.76	28.57	458.62	2.88	150.00	152.88
Disposals	-	-	-	(1.16)	-	-	-	-	(1.16)	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	**5.87**	**272.98**	**503.07**	**423.86**	**37.02**	**59.74**	**88.27**	**1,390.80**	**7.04**	**527.38**	**534.42**
Net Carrying Amount as at 31 March 2019	**517.91**	**117.25**	**1,706.55**	**1,299.48**	**1,238.54**	**58.91**	**90.50**	**97.87**	**5,127.00**	**8.15**	**558.94**	**567.09**

*** The assets are owned by the Company except as stated otherwise.**

Capital Work in Progress : ₹ 5.68 lakhs for 31 March 2019 (31 March 2018 : ₹ 21.08 Lakhs)

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

Non-current financial assets

5 Investments

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Investment in equity instruments - Quoted		
Equity Shares at FVTPL		
10,000 (31 Mar 2018 : 10,000) Equity shares of ₹ 10 each fully paid in Lamina Foundries Limited	3.72	3.72
73,600 (31 Mar 2018-73,600) Equity shares of ₹ 10 each fully paid in Sri Jayalakshmi Autospin Limited	7.36	7.36
Investment in equity instruments - Unquoted		
Equity Shares at Amortised Cost		
4,000 (31 Mar 2019: 4,000 , 31 Mar 2018: 4,000) Equity shares of Rs 25 each fully paid in The saraswat co-operative Bank Limited	1.00	1.00
5,000 (31 Mar 2018: 5,000) Equity shares of Rs 10 each fully paid in The Shamrao vithal Co-operative Bank Ltd.	0.50	0.50
Investments in Subsidiary Companies		
10,10,000 (31 Mar 2018: 10,10,000) Equity shares of Rs 10 each fully paid in Lifezen Healthcare Pvt Ltd.	101.00	101.00
80,000 (31 Mar 2018 : 80,000) Equity shares of ₹ 10 each fully paid in Bal Research Foundation	8.00	8.00
80% (31 Mar 2018 : 80%) Percentage of share in Balanace Clinic LLP	8.00	8.00
647,000 (31 Mar 2018: 647000) Equity shares of Rs 10 each fully paid in Golden drugs Pvt Ltd.	741.69	741.69
Less: Impairment in value of Investments	(127.08)	(127.08)
Total	**744.19**	**744.19**
Aggregate Amount of Quoted Investments and market value thereof	11.08	11.08
Aggregate Amount of Unquoted Investments	860.19	860.19
Aggregate Amount of Impairment in Value of Investments	(127.08)	(127.08)
Details of Investment in LLP		
Name of Partners :		
Bal Pharma Limited	80%	80%
Shailesh D Siroya	20%	20%
Total Capital of the Firm (₹ in Lakhs)	10	10

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

6 Loans and advances

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
a) Security deposit	185.96	237.27
From above :		
Secured, considered good	-	-
Unsecured, considered good	185.96	237.27
Doubtful	-	-
	185.96	**237.27**

7 Other financial assets

Particulars	As at 31 March 2019	As at 31 March 2018
Bank Deposits (maturity of more than 12 months)	248.30	51.41
Others		
Interest accrued but not received - Fixed Deposits	5.56	3.44
	253.86	**54.85**

Non-financial assets

8 Other non-current assets

Particulars	As at 31 March 2019	As at 31 March 2018
Capital Advances	90.59	72.23
Advances other than Capital Advances	-	-
Balances with Statutory/Government Authorities	4.24	3.54
	94.83	**75.77**

Current assets

9 Inventories (valued at lower of cost and net realisable value)

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials	2,229.90	2,315.27
Packing material	541.91	557.68
Work-in progress	1,836.09	1,577.89
Finished goods	2,331.00	2,148.54
Stores and spares	12.68	17.29
	6,951.58	**6,616.67**

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

Current financial assets

10 Trade receivables

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Receivables from Related Parties (refer note no. 55)	388.89	266.69
Receivables from others	6,212.35	6,154.50
	6,601.24	**6,421.19**
Loss Allowance	(31.91)	(15.51)
Total Trade Receivables	**6,569.33**	**6,405.68**
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	6,601.24	6,421.18
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	6,601.24	6,421.18
Loss Allowance	(31.91)	(15.51)
Total Trade Receivables	**6,569.33**	**6,405.67**

11 Loans

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured-Considered good		
Security deposit	102.62	158.17
Rent Deposits	-	-
Loans/advances to employees	98.06	43.02
Inter-Corporate Loan		
- To Related Parties (Refer Note No. 55)	990.22	552.59
Interest receivable on Inter-Corporate Loan	167.12	-
	1,358.02	**753.78**

12 Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Cash on hand	4.86	10.97
Balance with bank		
On current Account	176.11	192.91
Deposits with original maturity of less than 3 months	38.77	54.08
	219.74	**257.96**

13 Bank balances other than Cash and Cash Equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Bank Deposits (maturity between 3 months to 12 months)	170.97	133.10
Balance earmarked for Unclaimed Dividends	17.78	11.44
	188.75	**144.54**

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

Non-financial assets

14 Other current assets

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with statutory/government authorities	1,215.18	2,099.07
Advances recoverable in Cash or Kind		
- From Related Parties (Refer Note No. 55)	825.72	789.51
Advance to suppliers	937.48	657.94
Insurance claims	-	4.67
Prepayments	69.32	18.44
Other Loans And Advances		
- From Related Parties (Refer Note No. 55)	376.09	376.76
- Others Loans & Advances	25.41	22.95
	3,449.20	**3,969.34**

15 Equity

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised Share capital		
1,50,00,000 equity shares of ₹ 10 each	1,500.00	1,500.00
Issued, subscribed and paid-up share capital		
1,41,72,372 equity shares of ₹ 10 each	1,417.24	1,417.24
	1,417.24	**1,417.24**

a) Equity shareholders holding more than 5 percent shares in the Company:

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of shares (in Lakhs)	%	No. of shares (in Lakhs)	%
Shailesh Siroya	13.45	9.49%	16.45	11.61%
Micro Labs Limited	13.11	9.25%	13.11	9.25%
Anita Siroya	10.49	7.40%	10.49	7.40%
	37.05	**26.15%**	**40.05**	**28.26%**

b) Reconciliation of the shares outstanding at the beginning and at the end of the period

Particulars	As at 31 March 2019	As at 31 March 2018
Opening Balance (Number of shares in Lakhs)	141.72	141.72
Add : Shares Issued during the year (in Lakhs)	-	-
Closing Balance	**141.72**	**141.72**

c) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 10 each. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholders' meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders' meeting.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) There have been no buy back of shares, issue of shares by way of bonus or issue of share pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet date.

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

16 Other Equity

	Particulars	As at 31 March 2019	As at 31 March 2018
(i)	**Securities premium**		
	Balance as at beginning of the reporting period	2,407.66	2,407.66
	Add: Additions on account of issue of shares reserved for preferential share warrants	-	-
		2,407.66	**2,407.66**
(ii)	**Retained Earnings**		
	Balance as at beginning of the reporting period	3,173.38	2,579.55
	Surplus/(Deficit) in the statement of profit and loss	676.02	593.83
	Less: dividend payable	(141.72)	-
	Less: provision for DDT	(29.13)	-
		3,678.54	**3,173.38**
(iii)	**General reserve**		
	Balance as at beginning of the reporting period	245.15	245.15
	Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
		245.15	**245.15**
(iv)	**Capital Reserve**		
	Balance as at beginning of the reporting period	44.06	44.06
	Add: Additions during the year	-	-
		44.06	**44.06**
(v)	**Other comprehensive income**		
	Others (acturial gain/ (Loss))	(106.71)	(64.09)
		(106.71)	**(64.09)**
		6,268.72	**5,806.17**

Financial liabilities

17 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Terms loans		
- from banks	1,600.68	1,922.25
- From Other parties	1,226.38	1,400.00
Other Loans		
- Vehicle Loans	26.62	38.89
- Other Loans	21.92	106.46
	2,875.60	**3,467.60**
The above amount includes		
Secured Borrowings	2,817.26	3,324.87
Unsecured Borrowings	58.33	142.73

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

A) Details of securities, repayment and interest of term loans (including current maturities of long-term debt):

A Exim Bank

31 March 2019: ₹ Nil (31 March 2018 : ₹ 2.40 Cr)

Security

i. The Loan is secured by first charge on the entire moveable property, Plant and equipment of the Company by way of hypothecation and pari passu first charge by way of equitable mortagage on all immovable property, Plant and equipment of the Company.

Repayment and interest

ii. The loan was repayable in 20 equal quarterly installments of ₹ 0.30 crore each, starting from April 2015.

iii. Interest was payable on EXIM bank LTLMR plus 250 basis points which is currently at 12.70% per annum.

iv. The loan was closed on 27.12.2018 by takeover of HDFC Bank

B Corporation Bank

31 March 2019: ₹ Nil (31 March 2018: ₹ 9.52 Cr)

Security

i. The loan is secured by entire moveable property, plant and equipment of the Company, both present and future, belonging to unit 1, unit 2 and unit 4 of the Company.

Repayment and interest

ii. The loan was repayable in 80 monthly installments starting from April 2017.

iii. Interest was payable on LTLMR plus 5.60% which is currently at 13.75% per annum

iv. The loan was closed on 19.12.2018 by takeover of HDFC Bank

C Yes Bank

31 March 2019: ₹ 2.28 cr (31 March 2018 : ₹ 3.56 Cr)

Security

i. The loan is secured by mortagage of the property of unit 5, sangli and personal guarantee of managing director.

Repayment and interest

ii. The loan was repayable in 48 monthly installments starting from June 2017.

iii. Interest was payable on at 10.25% per annum

D Tata Capital Financial Services Limited

31 March 2019: ₹ 14.00 Cr (31 March 2018 : ₹ 14.00 Cr)

Security

i. The loan is secured by mortagage of the property of Golden Drugs Private Limited Unit at Udaipur and personal guarantee of managing director.

Repayment and interest

ii. The loan was repayable in 72 monthly installments starting from April 2019.

iii. Interest was payable on at 11.06% per annum

E South Indian Bank

31 March 2019: ₹ 4.66 Cr (31 March 2018 : ₹ 4.86 Crores)

Security

i. The loan is secured by mortagage of the Freehold Land at Vasanth Nagar, Bengaluru

Repayment and interest

ii. The loan was repayable in 154 monthly installments starting from March 2018.

iii. Interest was payable on at 10.65% per annum

F South Indian Bank

31 March 2019: ₹ 3.28 Cr (31 March 2018: ₹ 3.39 Crores)

Security

i. The loan is secured by mortagage of the Freehold Land at Vasanth Nagar, Bengaluru

Repayment and interest

ii. The loan was repayable in 180 monthly installments starting from April 2018.

iii. Interest was payable on at 10.65% per annum

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

G Kotak Mahindra Bank Limited

31 March 2019: ₹ Nil (31 March 2018: ₹ 0.17 Cr)

Security

i. The loan is unsecured

Repayment and interest

ii. The loan was repayable in 36 monthly installments starting from July 2015.

iii. Interest was payable on at 11.75% per annum

H Kotak Mahindra Bank Limited

31 March 2019: ₹ 0.36 Cr (31 March 2018: ₹ 0.59 Cr)

Security

i. The loan is unsecured

Repayment and interest

ii. The loan was repayable in 36 monthly installments starting from Aug 2017.

iii. Interest was payable on at 16.50 % per annum

I Standard Chartered Bank

31 March 2019: ₹ 1.63 Cr (31 March 2018: ₹ Nil)

Security

i. A fresh loan of ₹ 5.00 crores has been sanctioned for funding the facility upgradation of unit 2 located at Plot no. 61B, Bommasandra Industrial Area, Bengaluru secured against plant & machinery.

Repayment and interest

ii. The disbursed loan to be repayable in 60 monthly EMI.

iii. Interest was payable on at 10.40 % per annum

J HDFC Bank Loan

31 March 2019: ₹ 9.05 Cr (31 March 2018: ₹ Nil)

Security

i. The loan of ₹ 11.00 crores has been sanctioned to takeover the Exim loan outstanding and Corporation Bank as on 15.12.2018 against primary security of plant & machinery of Unit I located at 21 &22, Bommasandra Industrial Area, Bengaluru. Secondary collateral is Unit I land & building. Out of ₹ 11.00 crores sanctioned, ₹ 9.90 crores was disbursed for the above purpose.

Repayment and interest

ii. The loan was repayable in 5 equal quarterly installments of ₹ 30 lakh and ₹ 14 lakh equal monthly installments till November 2023.

iii. Interest was payable on at 10.75 % per annum

B) Details of securities, repayment and interest of other loans (including current maturities of long-term debt):

A Magma Fincorp Limited

31 March 2019: ₹ 0.14 Cr (31 March 2018: ₹ 0.53 Cr)

Security

i. The loan is unsecured

Repayment and interest

ii. The loan was repayable in 24 monthly installments starting from Aug 2017.

iii. Interest was payable on at 16.00% per annum

B Tata Capital Financial Services Limited

31 March 2019: ₹ 0.14 Cr (31 March 2018: ₹ 0.53 Cr)

Security

i. The loan is unsecured

Repayment and interest

ii. The loan was repayable in 24 monthly installments starting from July 2017.

iii. Interest was payable on at 15.94% per annum

C) Capital First Limited

31 March 2019: ₹ 0.38 Cr (31 March 2018: ₹ 0.62 Cr)

Security

i. The loan is unsecured

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

Repayment and interest
ii. The loan was repayable in 24 monthly installments starting from Aug 2017.
iii. Interest was payable on at 15.00% per annum

D) Equitas Small Finance Bank Limited
31 March 2019: ₹ 0.29 Cr (31 March 2018: ₹ 0.44Cr)
Security
i. The loan is unsecured
Repayment and interest
ii. The loan was repayable in 36 monthly installments starting from November 2017.
iii. Interest was payable on at 16.50% per annum

E) Neo Growth Private Limited
31 March 2019: ₹ 0.11 Cr (31 March 2018 : ₹ 0.44 Cr)
Security
i. The loan is unsecured
Repayment and interest
ii. The loan was repayable in 36 monthly installments starting from May 2018.
iii. Interest was payable on at 18.00% per annum

C) The Vehicle Loans have been taken on the hypothecation of vehicles

D) There are no defaults in repayment of principal or interest to lenders as at the balance sheet date.

18 Other financial liabilities

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Deposits received from customers	164.59	127.59
	164.59	**127.59**

19 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity	212.14	159.20
Leave benefits	53.94	42.60
	266.08	**201.80**

20 Income tax

A. Amounts recognised in statement of profit and loss

Particulars	As at 31 March 2019	As at 31 March 2018
Current income tax:		
Current income tax charge	102.80	255.23
Previous Year's Tax Adjustment	(8.15)	-
	94.65	**255.23**
Deferred tax:		
Attributable to -		
Origination and reversal of temporary differences	329.59	3.60
	329.60	**3.60**
Minimum Alternate Tax credit entitlement		
Excess of tax liability under Minimum Alternate Tax over Normal Provisions as per Income Tax Act, 1961	-	-
	-	-
Income tax (credit) / expense reported in the statement of profit or loss	**(234.95)**	**251.63**

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

B. Income tax recognised in other comprehensive income

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Net (gain)/loss on remeasurement of defined benefit liability/ (assets)	8.24	14.37
Income tax charged to OCI	**8.24**	**14.37**

C. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	As at 31 March 2019	As at 31 March 2018
Profit before income tax	441.06	845.46
Domestic tax rate *	27.820%	33.063%
Tax using the Company's domestic tax rate	122.70	279.53
Weighted Deductions and Exemptions	(69.99)	(123.07)
Impact of non-deductible expenses for tax purposes (Net)	55.70	29.65
Impact of Depreciation on Property, Plant and Equipment and others	(5.62)	69.11
Current tax Expense	**102.79**	**255.22**
Effective Tax Rate	23.30%	30.19%

* Including applicable surcharge rate and cess

D. Deferred Tax

Deferred tax relates to the following:

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred Tax Liability		
Property, Plant and Equipment	569.34	707.42
Weighted Deduction in Research and Development	-	144.67
Borrowings	12.86	-
Deferred tax Asset		
Employee benefits expenses	93.30	95.84
Disallownce under sec 40(a)(ia)	18.36	-
Income tax relating to items that will not be reclassified to Statement profit or loss	8.24	-
Others	44.23	0.35
Deferred tax Liability Reflected in Balance Sheet	**418.06**	**755.90**

Current financial liabilities

21 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Secured:		
Loans repayable on demand from Bank		
- Cash Credit	5,123.62	2,997.06
- Packing Credit	1,330.14	766.92
- Buyers Credit	-	513.84
- Bills Discounting	352.07	650.90
	6,805.83	**4,928.72**

All secured loans payable on demand and secured short term loans from banks are secured by first charge by way of hypothecation of all the stocks, book debts and other current assets (both present and future) and carries interest rate @ 9.75% to 13.15%.

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

22 Trade Payables

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Due to Micro, Small and Medium Enterprises (Refer Note No. 38)	-	-
Due to Other than Micro, small and Medium Enterprises		
- Due to Related Parties (Refer Note No 55)	224.47	158.37
- Due to Others	4,524.61	4,836.24
	4,749.08	**4,994.61**

23 Other Financial Liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long-term debt	766.69	655.02
Interest accrued but not due on borrowings	16.66	8.57
Creditors for Capital Goods	71.81	111.98
Other current liabilities		
- Due to Related Parties (Refer Note No 55)	26.45	4.85
- Due to Others	400.10	579.36
Bonus Payable	19.42	49.04
Other liabilities	46.94	10.97
	1,348.07	**1,419.79**

24 Other Current Liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Advance received from Customers	766.31	657.70
Statutory dues	166.33	421.71
Security Deposits		
- Rental deposits from Related Parties (Refer Note No. 55)	4.00	4.00
- Rental deposits from Others	-	-
Book Overdraft due to issue of cheques	369.58	669.79
	1,306.22	**1,753.20**

25 Provision

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity	33.97	26.82
Leave Encashment	15.89	10.54
	49.86	**37.36**

26 Current Tax Liabilities (Net)

Particulars	As at 31 March 2019	As at 31 March 2018
Current Income Tax Liabilities (Net)	45.89	199.60
	45.89	**199.60**

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

27 Revenue from operations

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of Product	21,853.27	20,626.91
Sale of services	15.86	5.38
Other operating revenue	438.81	352.45
	22,307.94	**20,984.74**
Sale of Product		
API		
- Domestic	2,594.99	4,284.69
- Exports	6,074.87	6,032.53
Formulations		
- Domestic	5,678.69	5,012.84
- Exports	7,504.73	5,296.85
Other operating revenue		
Scrap Sales	15.85	12.47
Export Incentives	421.33	339.51
Sale of Waste Solvents	1.62	0.47

28 Other income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income		
- on Inter-Corporate Loans (Refer Note No. 41)	167.12	-
- on fixed deposits with bank	32.43	18.39
- Others	22.90	3.48
Net gain on foreign currency translation and transactions	12.53	131.94
Profit on sale of PPE	0.44	-
Rental Income	12.57	10.12
Insurance Claim received	22.96	-
Balances/Advances No More Payable	2.91	3.41
Other Non -Operating revenue	0.71	-
	274.57	**167.34**

29 Cost of materials consumed

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Raw materials		
Opening stock	2,315.27	2,235.85
Add: Purchases - Raw Material	9,954.46	9,300.47
Less: Closing stock	2,229.90	2,315.27
	10,039.83	**9,221.05**
Packing Materials		
Opening Stock	557.68	559.35
Add: Purchases - Packing Material	1,308.27	1,049.69
Less: Closing stock	541.91	557.68
	1,324.04	**1,051.36**
Excise Duty	-	219.22
	11,363.87	**10,491.63**

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

30 Purchases of traded goods

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Purchase of traded goods	769.88	694.10
	769.88	**694.10**

31 (Increase)/decrease in Inventories of finished goods and work in progress

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the end of the year		
Work-in-progress	1,836.09	1,577.89
Finished goods	2,331.00	2,148.54
	4,167.09	**3,726.43**
Inventories at the beginning of the year		
Work-in-progress	1,577.89	862.99
Finished goods	2,148.54	1,739.84
	3,726.43	**2,602.83**
	(440.66)	**(1,123.60)**

32 Employee benefits expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	4,261.32	4,448.87
Contribution to provident and other funds	271.65	230.94
Staff welfare expenses	263.88	228.69
Gratuity Expenses	48.50	52.78
	4,845.35	**4,961.28**

33 Finance Cost

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest Expenses	1,085.56	825.25
Processing fees	42.95	8.33
Other Financial Cost	124.35	77.28
	1,252.86	**910.86**

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

34 Other expenses

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Consumption of stores and spares	29.58	46.72
Power and fuel		
Fuel- OB	17.29	35.31
Add: Fuel Purchases	269.80	243.46
Less: Closing Stock of Fuel	12.68	17.29
Cost of fuel consumption	274.41	261.48
Electricity charges	13.86	16.70
Power charges	333.25	307.55
Water Charges	16.95	20.53
Laboratory and Testing Charges	164.12	164.15
Sub contracting expenses	156.67	287.62
Repairs & Maintenance		
- Plant and machinery	199.20	86.67
- Building	21.72	21.44
- Others	122.22	141.19
Commission on sales	572.75	458.26
Freight and forwarding charges	536.49	411.76
Travelling Expenses	197.36	195.85
Advertisement and selling expenses	262.04	362.50
Legal and professional charges	176.73	212.53
Rent	154.55	195.52
Rates & Taxes	79.81	85.77
Communication Cost	53.64	59.89
Director Sitting fees	0.16	0.19
Registeration fees	13.97	28.63
Liquidated damages	64.01	10.06
Security Charges	58.91	67.06
Donation	0.84	0.60
Payment to Auditors (Refer Note No. 36)	9.00	9.00
Professional Fees	9.50	-
Seminar, Conference & Exhibition Expenses	19.37	14.65
Corporate social responsibility	-	1.00
Insurance	18.04	18.89
Printing & Stationary	44.01	34.37
Subscription & Membership	8.20	26.17
Bank charges	17.68	13.46
Vehicle operation & Maintainance	24.66	31.69
Expected Credit Losses	16.40	15.51
Interest on Delayed payment of taxes	17.74	14.29
Other expenses	50.82	77.87
	3,738.65	**3,699.55**

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

35 Contingent liabilities and commitments

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Contingent liabilities		
- Income tax	-	9.64
- Excise & Customs	181.85	172.59
- Service Tax	74.56	31.70
- Others (Letter of credit)	1772.45	561.22
Capital commitments		
- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	7.95	117.58

Note: The Company is also involved in other lawsuits, claims, investigations and proceedings, which arise in the ordinary course of business, however, there are no such matters pending that the company expects to be material in relation to its business.

36 Auditors' remuneration excluding tax

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor		
- for Statutory audit	7.00	7.00
- for Taxation matters	0.50	0.50
- for Limited Review	0.20	0.20
In other capacity	-	-
Other services (certification fees)	0.80	0.80
Reimbursement of expenses	0.50	0.50
	9.00	**9.00**

37 Profit per share

The following table sets forth the computation of basic and diluted earnings per share :

(Figures in Rupees except number of shares)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net Profit for the year attributable to equity shareholders	676.02	593.83
Weighted average number of equity shares of ₹ 10 each used for calculation of basic earnings per share (adjusted for partly paid shares)	141.72	141.72
Earnings per share, basic and diluted*	4.77	4.19

*The Company has no potentially dilutive equity shares

38 Disclosure with respect to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act'). Accordingly, The company is in the process of collecting information by communicating with parties to determine whether they fall under the MSMED Act 2006.

39 Confirmations

Balances of Trade Receivables, Trade Payables, Loans and Advances, Receivables and Payables are subject to confirmation / reconciliation, if any.

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

40 Unclaimed Dividends on Equity Shares

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
2012- 2013	1.98	1.64
2013-2014	2.39	2.25
2014-2015	3.88	2.26
2015-2016	2.69	2.48
2016-2017	2.49	2.34
2017-2018	4.36	-
	17.79	**10.97**

41 Loans to wholly owned subsidiary

During the month of March 2018, the Company had granted a loan of Rs 552.59 lakhs and a sum of Rs 492.85 lakhs during the financial year 2018-19 to its wholly owned subsidiary Golden Drugs Private Limited and has charged an interest of Rs 167.12 Lakhs persuant to the provisions of section 186 of the Companies Act, 2013 and the relevant rules made thereunder for the purpose of setting up its manufacturing unit.

Particulars	As at 31 March 2019	As at 31 March 2018
Loan given to wholly owned subsidiary - Golden Drugs Private Limited		
Purpose : setting up and upgradation of manufacturing unit		
Loan Amount outstanding during the year	990.22	552.59

42 Investments in Golden Drugs Private Limited (wholly owned subsidiary)

The company has invested ₹ 741.69 Lakhs in obtaining 100% shareholding in Golden Drugs Private Limited loacted in Udaipur in the business of manufaturing APIs/Bulk Drugs. Out of the said invested amount, ₹ 649.09 Lakhs was paid during the year end March 2018 and the balance was invested in year 2018-2019.

43 Corporate Social Responsibility

As per provisions of section 135, the Company is required to make contributions towards CSR activities as specified in schdule VII of Companies Act, 2013. The Company has made ₹ 1 lakh for year ended 31 March 2018.

44 Expenditure on Research and Development

Particulars	As at 31 March 2019	As at 31 March 2018
Capital Expenditure		
Laboratory Equipment	0.51	-
Office Equipment (Computers)	-	0.30
Utilities	-	0.91
Total Capital Expenditure (a)	**0.51**	**1.21**
Revenue Expenditure		
Raw material consumed	29.02	0.86
Power and Fuel	46.18	-
Water Charges	4.96	-
Laboratory and testing	8.52	3.90
Employee benefit expense	151.11	158.10
Others	49.52	1.60
Total Revenue Expenditure (b)	**289.31**	**164.46**
	289.82	**165.67**

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

45 Subsequent Events ₹ in Lakhs

Declaration of Dividend - The Board of Directors of the Company has proposed a 10% dividend on face value of the shares, subject to the approval by Shareholders at AGM.

46 Value of Imports calculated on CIF basis

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Raw Materials	3,622.94	4,123.13
Capital goods (Including spares and components)	-	29.13
	3,622.94	**4,152.26**

47 Details of consumption of imported and indigenous raw materials, components and spare parts:

Particulars	31 March 2019		31 March 2018	
	Value in ₹	% of total consumption	Value in ₹	% of total consumption
Raw Material				
Imported	3,319.85	33.07%	3,815.98	41.38%
Indegenious	6,719.97	66.93%	5,405.07	58.62%
	10,039.82	**100.00%**	**9,221.05**	100.00%
Stores and Spares				
Imported	-	-	-	-
Indegenious	-	100.00%	29.13	100.00%
	-	**100.00%**	**29.13**	**100.00%**
	10,039.82		**9,250.18**	

48 A) Expenditure in Foreign Currency

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Traveling expenditure	53.54	44.43
Registration fee	12.54	4.04
Commission on export sales	76.58	8.78
Sales promotion expenses	137.38	107.89
	280.04	**165.14**

B) Earnings in Foreign Currency

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
FOB value of Exports	12,655.62	9,872.99
	12,655.62	**9,872.99**

49 Note on Suspended Activities in Unit located in Pune

The Management of the Company has decided to suspend the operations of its IV fluids and parenterals manufacturing facility at Pune as this unit has been consistantly incurring operational losses due to various reasons such as higher costs of raw materials, escalation in production cost, employee cost, lack of adequate orders and thin margins on products manufacured. The above have led to a situation wherein any further efforts to restore the profitablity of the unit will be futile.

This decision was taken as part of the restructuring excercise undertaken by the Company to streamline its operations and to exit from its noncore businesses, so that further deterioration of its noncore business revenues can be plugged. The management is considering future course of action for the said unit.

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

50 Export Benefit Incentives

The Company has accounted an amount of ₹ 421.33 Lakhs (31 March 2018 : ₹ 339.51 Lakhs) being the net amount of credit under various export incentive schemes as announced under Foreign trade Policy. The management has represented that the same will be either received in cash or utilized for off-setting customs duty on future imports. The accumulated amount outstanding on this account as on 31 March 2019 is ₹ 351.75 Lakhs (31 March 2018: ₹ 525.87 Lakhs) and the same is reflected under Balance with Government Authorities.

51 Segment reporting

The Company is primarily engaged in a single business segment of manufacturing and marketing of pharmaceutical formulations and active pharmaceutical ingredients and is managed as ONE entity, for its various activities and is governed by a similar set of risks and returns.

In accordance with Ind AS-108 "Operating Segments", information about geographical areas has been given in the Consolidated Financial Statements of Bal Pharma Ltd., and therefore, no separate disclosure on geographical areas is given in these financial statements.

52 Leasing Arrangements

The company's significant leasing arrangements are in respect of operating leases for premises (office, stores, godowns, residential, guest houses, etc.) Theses are cancelable operating leases and these lease agreements are normally renewed on expiry. The aggregate lease rental payable are charged as rent under note No. 34.

53 Investment in Joint Venture : AB Vet Pharma Pty. Ltd.

AB vet Pharma PTY Ltd, incorporated in Melbourne, Australia as a joint venture Company between Bal Pharma Limited and Akaal Pharma PTY Ltd. This Joint venture is intended for developing, promoting and marketing of veterinary medicines in the regulated markets. As on 31 March 2019, no investment outflow has been made.

54 Employee benefits

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the number of years of employment with the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity benefit.

Particulars	Gratuity		Leave Encashment	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Changes in present value of defined benefit obligations during the year				
Present Value of Defined Benefits at the beginning of the year	186.02	238.92	53.14	57.06
Service cost	34.34	26.82	-	-
Past Service Cost	-	12.39	-	-
Interest on defined benefit obligation	14.16	13.57	3.91	3.84
Benefits settled	(18.05)	(138.70)	(8.45)	(18.19)
Actuarial (gain) / loss	29.63	33.02	21.23	10.44
	246.10	**186.02**	**69.84**	**53.15**
Reconciliation of present value of the obligation and the fair value of the plan assets:				
Present Value of Defined Benefits at the end of the year	246.10	186.02	(69.84)	(53.15)
Fair value of plan assets at the end of the year	-	-	-	-
	(246.10)	**(186.02)**	**(69.84)**	**(53.15)**
Net Liability - Current (Refer Note No. 25)	33.97	26.82	15.89	10.54
Net Liability - Non Current (Refer Note No. 19)	212.14	159.20	53.94	42.60
Expenses recognised in Statement of Profit or Loss during the year				
Current Service cost	34.34	26.82	-	-
Past Service Cost	-	12.39	-	-
Interest cost on defined benefit (net)	14.16	13.57	3.91	3.84
Expected return on plan assets	-	-	-	-
	48.50	**52.78**	**3.91**	**3.84**

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

₹ in Lakhs

	Gratuity		Leave Encashment	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Recognised in other comprehensive income for the year				
Remeasurements - Due to Demographic Assumptions	-	-	-	-
Remeasurements - Due to Financial Assumptions	38.25	(29.43)	21.23	10.44
Remeasurements - Due to Experience Adjustments	(8.62)	62.45	-	-
(Return) on Plan Assets (Excluding Interest Income)	-	-	-	-
(Return) on Reimbursement Rights	-	-	-	-
Changes in Asset Ceiling / Onerous Liability	-	-	-	-
	29.63	**33.02**	**21.23**	**10.44**

Particulars	Gratuity		Leave Encashment	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Maturity Profile of Defined Benefit Plan				
Within the next 12 months	33.97	26.82	15.89	10.54
Between 2 and 5 years	74.94	65.57	37.84	29.49
Between 6 and 9 years	100.09	78.41	14.49	10.14
For 10 years and above	37.11	15.23	1.61	2.97
Sensitivy Analysis for significant assumptions				
Salary Escalation - Up by 1%	8.00%	7.40%	4.60%	4.80%
Salary Escalation - Down by 1%	-7.20%	-6.60%	-4.30%	-4.50%
Attrition Rates - Up by 1%	0.70%	1.90%	0.30%	0.50%
Attrition Rates - Down by 1%	-0.80%	-2.10%	-0.30%	-0.50%
Discount Rates - Up by 1%	-7.10%	-6.50%	-3.80%	-4.00%
Discount Rates - Down by 1%	8.20%	7.40%	4.20%	4.40%
Assumptions				
Discount rate	7.65%	8.00%	7.65%	8.00%
Estimated rate of return on plan assets	0.00%	0.00%	0.00%	0.00%
Salary increase	6.00%	4.00%	6.00%	6.00%
Attrition Rate	5.33%	5.33%	5.33%	5.33%
Retirement age	58 years	58 years	58 years	58 years

54 Related party disclosures

A. Subsidiaries

Golden Drugs Private Limited	Wholly owned Subsidiary Company
Balance Clinics LLP	Subsidiary Company
Bal Research Foundation	Subsidiary Company
Lifezen Healthcare Private Limited	Subsidiary Company

B. Joint Controlled Operations

AB Vet Pharma Pty. Ltd.	Joint Venture

C. Enterprise owned by the Managing Director of the company — Desa Marketing Internation

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

D. Enterprise over which the Managing Director of the Company exercises joint control with other partners	Siroya Construction Siroya Wellness
E. Enterprise over which the Managing Director of the Company exercises joint control with other directors	Siroya Properties & Holdings Private Limited Siroya Developers Private Limited Sanjay Gems Private Limited Legend Siroya Infrastructure Private Limited
E. Significant Interest Entities	Micro Labs Limited
F. Key management personnel	Shailesh D Siroya - Managerial Director S Prasanna - Executive Director

(i) Particulars of Related Party Transactions

₹ in Lakhs

Particulars	Category	For the year ended 31 March 2019	For the year ended 31 March 2018
Sales to			
- Micro Labs Limited	F	115.15	478.83
- Lifezen Healthcare Private Limited	A	42.78	44.66
- Balance Clinics LLP	A	1.11	1.46
- Golden Drugs Private Limited	A	5.44	-
Total		**164.48**	**524.95**
Purchases From			
- Lifezen Healthcare Private Limited	A	10.84	8.31
		10.84	**8.31**
Rent Received from			
- Lifezen Healthcare Private Limited	A	9.75	10.44
- Bal Research Foundation	A	2.40	2.40
Total		**12.15**	**12.84**
Job Work Charges to			
- Golden Drugs Private Limited	A	17.22	-
		17.22	**-**
Commission Paid to			
- Desa Marketing International	C	58.80	57.09
		58.80	**57.09**
Rent Paid to			
- Shailesh D Siroya (Managing Director)	G	12.00	12.00
		12.00	**12.00**
Loans Given To			
- Golden Drugs Private Limited	A	437.63	552.59
		437.63	**552.59**

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

₹ in Lakhs

Particulars	Category	For the year ended 31 March 2019	For the year ended 31 March 2018
Expenses incurred on behalf of			
- Siroya Constructions	D	2.20	3.79
- Siroya Wellness	D	-	0.98
- Siroya Properties & Holdings Private Limited	E	3.12	7.56
Total		**5.32**	**12.33**
Expenses reimbured by			
- Siroya Constructions	D	3.12	3.57
- Siroya Properties & Holdings Private Limited	E	4.91	7.21
Total		**8.03**	**10.78**
Interest received from			
- Golden Drugs Private Limited	A	167.12	-
Total		**167.12**	**-**
Key Management Compensation			
Shailesh D Siroya	G	80.00	78.00
Dr. S. Prasanna	G	31.80	30.00
Total		**111.80**	**108.00**

(ii) Amount outstanding as at the balance sheet date

Particulars	Category	As at 31 March 2019	As at 31 March 2018
Trade Receivables			
- Lifezen Healthcare Private Limited	A	196.37	143.15
- Balance Clinics LLP	A	3.29	2.48
- Micro Labs Limited	F	24.98	117.96
- Bal Research Foundation	A	4.94	3.10
- Golden Drugs Private Limited	A	159.31	-
		388.89	**266.69**
Trade Payables			
- Desa Marketing International	C	185.46	139.54
- Lifezen Healthcare Private Limited	A	19.20	5.14
- Balance Clinics LLP	A	7.29	13.69
- Golden Drugs Private Limited	A	12.52	-
		224.47	**158.37**
Advances recoverable in Cash or Kind			
- Lifezen Healthcare Private Limited	A	674.59	639.11
- Balance Clinics LLP	A	148.58	145.87
- Bal Research Foundation	A	0.32	0.41
- Siroya Constructions	D	1.25	2.02
- Siroya Wellness	D	0.98	0.98
- Siroya Properties & Holdings Private Limited	E	-	1.12
		825.72	**789.51**

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

₹ in Lakhs

Particulars	Category	As at 31 March 2019	As at 31 March 2018
Inter Corporate Loan			
- Golden Drugs Private Limited	A	990.22	552.59
		990.22	**552.59**
Other Loans and Advances			
- Siroya Properties & Holdings Private Limited	E	376.09	376.76
		376.09	**376.76**
Rental Deposit			
- Bal Research Foundation	A	1.00	1.00
- Lifezen Healthcare Private Limited	A	3.00	3.00
		4.00	**4.00**
Other Current Liabilities			
Shailesh D Siroya	G	26.45	4.85
		26.45	**4.85**

56 Fair Value Disclosure

The carrying value and fair value of financial instruments by categories for year ended 31 March, 2019

Particulars	Note No	Carrying value	Amor-tized Cost	FVTPL	FVTOCI	Fair value Level 1	Fair value Level 2	Fair value Level 3
Financial Asset at Amortised Cost (Non-Current)								
Investments	5	744.19	744.19	-	-	-	-	-
Loans	6	185.96	185.96	-	-	-	-	-
Other financial assets	7	253.86	253.86	-	-	-	-	-
Financial Asset at Amortised Cost (Current)								
Investments	-	-	-	-	-	-	-	-
Trade receivable	10	6,569.33	6,569.33	-	-	-	-	-
Loans	11	1,358.02	1,358.02	-	-	-	-	-
Cash and cash equivalents	12	219.74	219.74	-	-	-	-	-
Other bank balances	13	188.75	188.75	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
Total Financial Assets		**9,519.85**	**9,519.85**	**-**	**-**	**-**	**-**	**-**
Financial Liabilities at Amortised Cost (Non-Current)								
Borrowings	17	2,875.60	2,875.60	-	-	-	-	-
Other financial liabilities	18	164.59	164.59	-	-	-	-	-
Financial Liabilities at Amortised Cost (Current)								
Borrowings	21	6,805.83	6,805.83	-	-	-	-	-
Trade payables	22	4,749.08	4,749.08	-	-	-	-	-
Other financial liabilities	23	1,348.07	1,348.07	-	-	-	-	-
Total Financial Liabilities		**15,943.17**	**15,943.17**			**-**	**-**	**-**
		(6,423.32)	**(6,423.32)**			**-**	**-**	**-**

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

The carrying value and fair value of financial instruments by categories for year ended 31 March, 2018 : ₹ in Lakhs

Particulars	Note No	Carrying value	Amortized Cost	FVTPL	FVTOCI	Fair value		
						Level 1	Level 2	Level 3
Financial Asset at Amortised Cost (Non-Current)								
Investments	5	744.19	744.19	-	-	-	-	-
Loans	6	237.27	237.27	-	-	-	-	-
Other financial assets	7	54.85	54.85	-	-	-	-	-
Financial Asset at Amortised Cost (Current)								
Investments	-	-	-	-	-	-	-	-
Trade receivable	10	6,405.68	6,405.68	-	-	-	-	-
Loans	11	753.78	753.78	-	-	-	-	-
Cash and cash equivalents	12	257.96	257.96	-	-	-	-	-
Other bank balances	13	144.54	144.54	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
Total Financial Assets		**8,598.27**	**8,598.27**	**-**	**-**	**-**	**-**	**-**
Financial Liabilities at Amortised Cost (Non-Current)								
Borrowings	17	3,467.60	3,467.60	-	-	-	-	-
Other financial liabilities	18	127.59	127.59	-	-	-	-	-
Financial Liabilities at Amortised Cost (Current)								
Borrowings	21	4,928.72	4,928.72	-	-	-	-	-
Trade payables	22	4,994.61	4,994.61	-	-	-	-	-
Other financial liabilities	23	1,419.79	1,419.79	-	-	-	-	-
Total Financial Liabilities		**14,938.31**	**14,938.31**			**-**	**-**	**-**
		(6,340.04)	**(6,340.04)**			**-**	**-**	**-**

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

57 Financial risk management

The Company has exposure to following risks arising from financial instruments-

- Market Risk
- Credit Risk
- Liquidity Risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to idenitfy and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relations to the risks faced by the Company.

A Market Risk

I) Currency Risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and services and purchases from overseas suppliers in various foreign currencies. Market Risk is the risk that changes in market prices such as foreign exchange rates will effect company's income or value of its holding financial assets/ instruments. The exchange rate between the Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the Rupee appreciates/ depreciates against US dollar (USD), Euro (EUR), Dhirams (AED) and Others.

(a) Foreign Exchange Exposures outstanding at the year end

₹ in Lakhs

Nature of Instrument	As at 31 March 2019	As at 31 March 2018
Unhedged Foreign Exchange Exposures		
Trade Receivables	2,316.80	2,759.99
Trade Payables	(792.35)	(1,323.64)
Current Borrowings	(1,672.81)	(1,801.72)
Cash and Cash Equivalents	-	4.15
	(148.36)	**(361.22)**

(b) Foreign Currency Risk from Financial Instrument as at 31 March 2019

Nature of Instrument	USD	EUR	AED	Others	Total
Trade Receivables	1,915.48	377.31	24.01	-	2,316.80
Trade Payables	(792.35)	-	-	-	(792.35)
Current Borrowings	(1,391.77)	(281.04)	-	-	(1,672.81)
Cash and Cash Equivalents	-	-	-	-	-
Net Assets/(Liabilities)	**(268.64)**	**96.27**	**24.01**	**-**	**(148.36)**

(c) Foreign Currency Risk from Financial Instrument as at 31 March 2018

Nature of Instrument	USD	EUR	AED	Others	Total
Trade Receivables	2,155.49	267.24	51.13	286.13	2,759.99
Trade Payables	(1,323.64)	-	-	-	(1,323.64)
Current Borrowings	(1,801.72)	-	-	-	(1,801.72)
Cash and Cash Equivalents	4.15	-	-	-	4.15
Net Assets/(Liabilities)	**(965.72)**	**267.24**	**51.13**	**286.13**	**(361.22)**

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

(d) Sensitivity Analysis

A reasonably possible change in foreign exchange rates by 5% would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular interest rates remain constant

Particulars	USD	Euro	AED
Impact on Statement of Profit and Loss			
Increase by 5%			
As at 31 March 2019	(13.43)	4.81	1.20
As at 31 March 2018	(48.29)	13.36	2.56
Decrease by 5%			
As at 31 March 2019	13.43	(4.81)	(1.20)
As at 31 March 2018	48.29	(13.36)	(2.56)
Impact on Equity (Net of Tax)			
Increase by 5%			
As at 31 March 2019	(8.99)	3.22	0.80
As at 31 March 2018	(32.32)	8.94	1.71
Decrease by 5%			
As at 31 March 2019	8.99	(3.22)	(0.80)
As at 31 March 2018	32.32	(8.94)	(1.71)

2) Cash Flows and Interest rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

a) Exposure to Interest Rate Risk

The interest rate profile of the Company's interest-bearing financial instruments as reported :

Nature of Instrument	As at 31 March 2019	As at 31 March 2018
Fixed Rate Instruments		
Financial Assets	458.04	238.58
Financial Liabilities	(7,152.11)	(5,447.77)
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	(3,490.18)	(3,773.69)
	(10,184.25)	**(8,982.88)**

(b) Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk as defined Ind AS 107, since neither the carrying amount nor future cash flows will fluctuate because of change in market interest rates.

(c) Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 2% (200 basis points) in interest rates at the reporting date would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Impact on Statement of Profit and Loss		
Loan and Borrowing		
Increase by 2%	(61.97)	(52.92)
Decrease by 2%	61.97	52.92
Impact on Equity (Net of Tax)		
Loan and Borrowing		
Increase by 2%	(41.48)	(35.42)
Decrease by 2%	41.48	35.42

B Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities:

The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Contractual Cash Flows				
	On demand	< 12 Months	1 to 5 years	> 5 years	Total
31 March, 2019					
Borrowings (Incl Current Maturities)*	-	773.28	2,305.86	592.71	3,671.85
Trade and other payables	-	4,749.08	-	-	4,749.08
Short Term Borrowings	5,123.62	1,682.22	-	-	6,805.84
Other Financial Liabilities	26.45	554.93	164.59	-	745.98
31 March, 2018					
Borrowings (Incl Current Maturities)*	-	662.92	2,852.07	650.63	4,165.63
Trade and other payables	-	4,994.61	-	-	4,994.61
Short Term Borrowings	2,997.06	1,931.67	-	-	4,928.74
Other Financial Liabilities	4.85	759.91	127.09	-	891.86

* indicates actual outflow

C Credit Risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the date of the balance sheet, as summarised in the table below. The Company periodically assesses the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual customer limits are set accordingly.

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and Cash Equivalents	219.74	257.96
Other Bank Balances	188.75	144.54
Trade Receivables	6,569.33	6,405.67
Short Term Financial Assets	1,358.02	753.78
Long Term Financial Assets	1,184.02	1,036.32
	9,519.86	**8,598.27**

NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

Credit risk on cash and cash equivalents is limited as they are generally invested in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Advances to Related Parties are for business purposes and the Company assesses the credit risk on the these advances on a regular basis and does not forsee any event of default.

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base. Adequate expected credit losses are recognized as per the assessments and as such has provided for a expected credit loss of ₹ 16.40 Lakhs (31 March 2018 : ₹15.51 lakhs).

Ageing of Trade Receivable

Particulars	0-180 Days	Above 180 Days	Total
As on 31 March, 2019	4,948.62	1,620.72	6,569.34
As on 31 March, 2018	4,804.89	1,600.78	6,405.67

58 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust its capital structure, the Company may adjust the amount of dividends paid, return the capital to shareholders, issue new shares or adjust its short term borrowings. The current capital structure of the Company is equity based backed with short term borrowings.

Particulars	As at 31 March 2019	As at 31 March 2018
Long Term Borrowings (incl Current Maturities)*	3,642.29	4,122.61
Short Term Borrowings	6,805.83	4,928.72
Total Borrowings (A)	10,448.12	9,051.33
As a percentage of total equity	88.06%	86.46%
Total equity (B)	1,417.24	1,417.24
As a percentage of total equity	11.94%	13.54%
Total Capital (A+B)	**11,865.36**	**10,468.57**

* Taken Borrowings at amortised cost

for **NSVM and Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani
Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May 2019

for and on behalf of the board of directors of
Bal Pharma Limited

Shailesh Siroya
Managing Director
DIN: 00048109

Place: Bengaluru
Date: 30th May 2019

Dr S Prasanna
Director
DIN: 00084602

Place: Bengaluru
Date: 30th May 2019

To the Members of Bal Pharma Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Bal Pharma Limited (hereinafter referred to as the "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March 2019, and the consolidated statement of Profit and Loss (including other comprehensive income), consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019, and consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matter
Inventory The Group has inventories amounting to ₹ 6975.11 lakhs being carried at cost or NRV whichever is lower based on Ind AS 2, Inventories. We identified the Inventories as a key audit matter because there is risk of being overstated or understated. Further, given the nature of goods, that is, goods with shelf life, it becomes imperative to ensure the same is excluded at time of valuation of inventories.	Our key audit procedures included the following: • Assessing the appropriateness of the policies in respect of inventories by comparing with applicable accounting standards. • Evaluating the design, testing the implementation and operating effectiveness of the Group's internal controls including general IT controls and key IT application controls over recognition and measurement of movement of inventory. • Obtain sufficient appropriate audit evidence regarding the existence and condition of inventory by attending the physical inventory counting and evaluating managements instructions and procedures for the same. • Performing test counts on the same by selecting samples of purchase and sales and tracing items from records to physical inventory. • Test check of batches with expiration date and ensuring that expired, obsolete goods are not included in the closing stock of inventory.
Revenue Recognition Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax etc., where applicable. Revenue is one of the key performance indicators of the Group and there could be a risk that revenue is recognized in the incorrect period or before the control has been transferred to the customer.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of the Group's revenue recognition accounting policies including those relating to discounts and sales return and assessed compliance with the policies in terms of applicable accounting standards. • Tested the effectiveness of the Group's controls over measurement and recognition of revenue in accordance with customer contracts which includes control over transaction pricing including discounts and correct timing of revenue recognition. • Assessed sales transactions taking place at either side of the balance sheet date as well as credit notes issued after the year end date to assess whether that revenue was recognised in the correct period.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and in doing so consider whether such other information is materially inconsistent with the consolidated Ind AS 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.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matters

We did not audit the financial statements and other financial information, in respect of four subsidiaries whose Ind AS financial statements include total assets of ₹ 1654.50 Lakhs and net assets of ₹ (463.41) Lakhs as at 31 March 2019, and total revenues of ₹ 248.89 Lakhs and net cash flows of ₹11.05 Lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors. Our opinion above on the consolidated Ind AS financial statements, and our report on Other Lega land 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 and other financial information certified by the Management.

We further state that the Company is a partner in a joint venture floated outside India. We were informed by the management that no operations have been commenced and hence no books of accounts have been maintained. The Joint venture has therefore not been considered for the purpose of consolidation.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

1. As required by Section 143(3) of the Act, we report that:

   (a) We/the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

   (b) in our opinion, proper books of account as required by law relating to preparation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   (d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended;

   (e) on the basis of the written representations received from the directors of the Holding as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under section 139 of the Act, of its subsidiary companies, none of the directors of the Group is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries and the operating effectiveness of such controls, refer to our separate report in **Annexure A**, and

   (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as notes in 'Other Matter' paragraph;

      i. The consolidated Ind AS financial statements has disclosed the impact of pending litigations on its consolidated financial position– Refer Note 35 to the Consolidated Ind AS financial statements.

      ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Group.

For **N S V M & Associates**
Chartered Accountants
Firm registration number: 010072S

G.C.S Mani
Partner
Membership No: 036508

Bengaluru
30th May, 2019

Annexure A to the Independent Auditors' Report

(Referred to paragraph 1(f) under 'Report on other regulatory requirements' Section of our report to the members of Bal Pharma Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Bal Pharma Limited** ("the Holding Company") and its subsidiaries as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on audit of internal financial controls and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of information and according to the explanations given to us based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the Holding Company and its subsidiaries have in all material aspects, an adequate internal financial control system over financial reporting as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

We did not audit the Internal Financial Controls over Financial Reporting insofar as it relates to four subsidiary companies, whose financial statements reflect total assets of ₹ 1654.50 Lakhs and net assets of ₹ (463.41) as at 31st March, 2019, total revenue ₹ 248.89 Lakhs and net cash flow amounting to ₹ 11.05 Lakhs for the year ended on that date, as considered in these consolidated financial statements. Our report on the adequacy and operating effectiveness of the internal Financial Control over financial Reporting for the Holding Company and its subsidiary companies under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries is solely based on the corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For **NSVM & Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani
Partner

Membership number: 036508
Place: Bengaluru
Date: 30th May, 2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

₹ in lakhs

Particulars	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	6,084.61	6,316.32
Capital work-in-progress		363.17	21.08
Goodwill	4A	382.86	382.86
Intangible Assets	4	571.19	448.83
Financial assets			
- Investments	5	1.50	1.50
- Loans	6	186.29	239.60
- Other financial assets	7	253.86	54.85
Other non-current assets		96.69	75.77
		7,940.17	**7,540.81**
Current assets			
Inventories	9	6,975.11	6,649.33
Financial assets			
- Investments		-	-
- Trade receivable	10	6,469.41	6,404.63
- Loans	11	215.99	205.04
- Cash and cash equivalents	12	243.61	270.85
- Other bank balances	13	188.75	144.54
- Other financial assets		-	-
Other current assets	14	4,097.79	4,802.58
		18,190.66	**18,476.98**
		26,130.83	**26,017.79**
EQUITY & LIABILITIES			
Equity			
Equity share capital	15	1,417.24	1,417.24
Other equity	16	5,247.06	5,081.58
Non Controlling interest		(642.18)	(478.68)
		6,022.12	**6,020.13**

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

₹ in lakhs

Particulars	Note	As at 31 March 2019	As at 31 March 2018
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	17	2,875.60	3,467.61
- Other financial liabilities	18	220.09	127.59
Provisions	19	271.27	205.19
Deferred tax liabilities (Net)	20	417.98	756.76
Other non-current liabilities		-	-
		3,784.94	**4,557.15**
Current liabilities			
Financial liabilities			
- Borrowings	21	8,707.83	6,830.74
- Trade payables	22	4,733.79	4,995.77
- Other financial liabilities	23	1,339.82	1,515.39
Other current liabilities	24	1,445.91	1,861.23
Provisions	25	50.53	37.78
Current tax liabilities (Net)	26	45.89	199.60
		16,323.77	**15,440.51**
		26,130.83	**26,017.79**

Summary of Basis of Preparation of Financial Statements and Significant Accounting Policies 1 & 2

The accompanying notes are an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

for **NSVM and Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani
Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May 2019

for and on behalf of the board of directors of
Bal Pharma Limited

Shailesh Siroya
Managing Director
DIN: 00048109

Place: Bengaluru
Date: 30th May 2019

Dr S Prasanna
Director
DIN: 00084602

Place: Bengaluru
Date: 30th May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in lakhs

Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	27	22,501.05	21,147.98
Other income	28	100.92	172.96
Total Income		**22,601.97**	**21,320.94**
Expenses			
Cost of materials consumed	29	11,362.87	10,491.63
Purchase of traded goods	30	795.45	756.39
(Increase)/decrease in inventories of finished goods and work-in-progress	31	(430.53)	(1,119.83)
Employee Benefit expense	32	5,027.93	5,216.02
Finance costs	33	1,256.28	913.75
Depreciation and amortization	3 & 4	615.50	677.11
Other expenses	34	3,994.72	4,097.58
Total expenses		**22,622.22**	**21,032.65**
Profit before exceptional and tax		(20.25)	288.29
Profit before tax		**(20.25)**	**288.29**
Tax expense:			
Current tax	20	102.80	255.23
Tax adjustments relating to previous year		(8.15)	-
Deferred tax charge/ (credit)	20	(330.19)	(4.58)
Profit (Loss) for the year		**215.29**	**37.64**
Profit attributable to			
Equity shareholders of the parent company		378.79	278.21
Non controlling interest		(163.50)	(240.57)
Other Comprehensive Income			
A (i) Items that will not be reclassified to statement of profit or loss		(50.69)	(38.38)
(ii) Income tax relating to items that will not be reclassified to statement of profit or loss		8.24	14.37
B (i) Items that will be reclassified to statement of profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to statement of profit or loss		-	-
Total other comprehensive income		(42.45)	(24.01)
Total Comprehensive Income for the period		**172.84**	**13.63**
Profit attributable to			
Equity shareholders of the parent company		331.99	254.20
Non controlling interest		(159.15)	(240.57)
Earning per share (face value per equity share ₹ 10)			
- Basic		1.52	0.27
- Diluted		1.52	0.27

Summary of significant accounting policies and other notes on accounts 1 & 2

The accompanying notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

for **NSVM and Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani
Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May 2019

for and on behalf of the board of directors of
Bal Pharma Limited

Shailesh Siroya
Managing Director
DIN: 00048109

Place: Bengaluru
Date: 30th May 2019

Dr S Prasanna
Director
DIN: 00084602

Place: Bengaluru
Date: 30th May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS ON MARCH 31, 2019

₹ in lakhs

Particulars	Equity share capital	Attributable to Owners					Non-Controlling Interest	Total Equity
		Reserves & Surplus				OCI		
		Securities premium reserve	General Reserve	Capital Reserves	Retained earnings	Remeasure-ments of the net defined benefit plans		
Balance as at 1 April 2017	1,417.24	2,407.66	245.15	44.06	2,165.15	(34.64)	(238.11)	6,006.50
Reconciliation for the period ended 31 March 2018								
Issue of equity shares to holders of share warrants	-	-	-	-	-	-	-	-
Premium on issue of equity shares for preferential share warrants	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	278.22	-	(240.57)	37.65
Appropriations for dividend and tax on same	-	-	-	-	-	-	-	-
Other Comprehensive income	-	-	-	-	-	(24.01)	-	(24.01)
Balance as on 31.03.2018	**1,417.24**	**2,407.66**	**245.15**	**44.06**	**2,443.35**	**(58.65)**	**(478.68)**	**6,020.13**
Reconciliation for the period ended 31 March 2019								
Changes in equity share capital during the year	-	-	-	-	-	-	-	-
Premium on issue of equity shares	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	278.22	-	(159.15)	119.08
Other Comprehensive income	-	-	-	-	-	(42.45)	-	(42.45)
Balance as on 31.03.2019	**1,417.24**	**2,407.66**	**245.15**	**44.06**	**2,651.29**	**(101.10)**	**(642.18)**	**6,022.12**

for **NSVM and Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani
Partner
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Place: Bengaluru
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for and on behalf of the board of directors of
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Dr S Prasanna
Director
DIN: 00084602

Place: Bengaluru
Date: 30th May 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities:		
Profit before tax	(20.23)	288.29
Add/(Less): Non cash adjustments to reconcile profit before tax to net cash flows		
- Depreciation and Amortization	615.50	677.11
- Finance cost	1,256.28	927.21
- Interest income	(55.34)	(21.87)
- (Gain)/ Loss on sale of Fixed assets	(0.44)	-
- Expected Credit Losses	16.40	15.51
- Unrealised Foreign (Gain)/Loss	(87.48)	(79.75)
- Balances written off	(4.37)	(4.44)
Operating cash flow before working capital changes	**1,720.32**	**1,802.06**
Add/(Less): Working Capital changes		
- Decrease/(Increase) in Inventories	(325.76)	(1,176.26)
- Decrease/(Increase) in Trade receivables	6.30	(144.48)
- Decrease/(Increase) in Loans (Current and Non-Current)	42.36	(168.70)
- Decrease/(Increase) in Other Assets (Current and Non current)	442.77	270.05
- Increase/ (Decrease) in Trade payables	(261.98)	(446.76)
- Increase/ (Decrease) in Financial Liabilities	(207.21)	311.92
- Increase/ (Decrease) in Other liabilities	(414.68)	(194.22)
- Increase/ (Decrease) in Provisions	11.24	(69.20)
Cash (used in)/ generated from operations	**1,013.35**	**184.41**
Income taxes (paid)/ refund	(237.58)	(126.51)
Net cash generated (used in) operating activities (A)	**775.76**	**57.91**
Cash flow from investing activities:		
Purchase of fixed assets including intangible assets and capital work-in-progress	(859.41)	(378.26)
Proceeds from sale of fixed assets	1.84	-
Interest received	53.22	21.87
Net cash (used in) investing activities	(804.35)	(356.39)
Net cash (used in) investing activities		
Cash flow from financing activities:		
Proceeds from / (repayment) of long term borrowings	(493.78)	1,722.44
Proceeds from / (repayment) of short term borrowings	1,877.09	(276.40)
Dividend Paid including dividend distribution tax	(147.21)	(168.39)
Finance Cost	(1,234.75)	(924.32)
Net cash generated from/ (Used in) financing activities	**1.36**	**353.33**
Net (decrease)/ increase in cash and cash equivalents	(27.24)	54.84
Cash and cash equivalents at the beginning of the year	270.85	216.00
Cash and cash equivalents at the end of the year	**243.61**	**270.84**
Cash and cash equivalents comprise of:		
- Cash on hand	15.55	12.14
- Bank Balances - Current Acounts	189.29	204.63
- Fixed Deposits (original maturity of less than 3 months)	38.77	54.08
	243.61	**270.84**

Summary of significant accounting policies and other notes on accounts 1 & 2

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

This is the Cash Flow Statement referred to in our report of even date

for **NSVM and Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani
Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May 2019

for and on behalf of the board of directors of
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Shailesh Siroya
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Place: Bengaluru
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Dr S Prasanna
Director
DIN: 00084602

Place: Bengaluru
Date: 30th May 2019

SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2019

Overview of the Group

The consolidated financial statements comprise financial statements of Bal Pharma Limited ('the Parent Company' or 'Holding Company' or 'the Company') together with its subsidiaries (collectively termed as 'the Group' or 'the Consolidated Entities') for the year ended March 31, 2019. Bal Pharma Limited is a public company domiciled in India and was incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The Group is primarily engaged in the manufacturing and selling of pharmaceutical products and related services. The Group caters to both domestic and international markets.

1. **Basis of Preparation of Financial Statements**

a) **Compliance with Ind AS**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

b) **Historical Cost Convention**

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Defined Benefits and other long term employment benefits

c) **Principles for consolidation**

The Consolidated Financial Statements relate to Bal Pharma Limited and its subsidiaries.

Subsidiaries are all entities over which Bal Pharma Limited exercises control. The Holding Company exercises control if and only if it has the following:

- Power over the entity
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of its returns.

The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Group have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-Group balances and intra-group transactions and resulting unrealised profits. Unrealised losses resulting from intra-group transactions are eliminated unless cost cannot be recovered.
- The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.
- The Financial Statements of the subsidiaries used for the purpose of consolidation are drawn up to the same reporting date as of the Group.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstance and are presented to the extent possible, in the same manner, as the Company's separate Financial Statements.

Group Information

The Consolidated Financial Statements have been prepared on the basis of the financial statements of the following subsidiaries:

Sl. No.	Name of the Entity	Country of Incorporation	% of interest As at 31 March	
			2019	2018
1.	Lifezen Healthcare Private Limited	India	50.50	50.50
2.	Balance Clinic LLP	India	80	80
3.	Bal Research Foundation	India	80	80
4.	Golden Drugs Private Limited	India	100	100

d) **Use of Estimates and Judgments**

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognized prospectively.

The estimates and underlying assumptions are reviewed by management at each reporting date. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Judgments

1) Recognition of Deferred Income Taxes
2) Recognition Research and Developments Costs (Note no 41)

SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2019

Estimates

1) Useful lives of various of Property, Plant and Equipment (Note 3 & 4)
2) Fair Value of Financial Instruments (Note No 53)
3) Accounting for Defined Benefit Plan (Note No 49)
4) Expected Credit Losses

f) **Current vs Non-Current Classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

2. Significant Accounting Policies

a) **Fair Value Measurement**

The Group measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

b) **Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of Goods:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its

SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2019

revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, chargebacks, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Group estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved..

Other Operating revenue is recognised on accrual basis.

Rendering of Services

Revenue from services rendered is recognised in the profit or loss as the underlying services are performed and is recognised net of service tax and goods and service tax (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend Income

Dividend income from investments is recognized when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Export Incentives

Export entitlements under the Duty Drawback ('DBK'), Focus Marketing incentive scheme(FMS), Focus product scheme (FPS), Market Linked Product Scheme (MLPS), Incremental Exports incentive scheme, Merchandise Export India Scheme and Service tax rebate scheme (STR) are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

c) **Property, Plant and Equipment**

Recognition and Measurement

All items of property, plant and equipment, including freehold land, are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria is met. Freehold land has an unlimited useful life and therefore is not depreciated.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in note below.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Subsequent Measurement

Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Capital Work-in-Progress

Capital work-in-progress includes cost of property, plant and equipment that are not ready for their intended use. Capital work-in-progress included property, plant and equipment are not depreciated as these assets are not yet available for use.

Transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognized as of April 01,2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

d) **Intangible Asset**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on straight line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

e) **Research and Development**

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. An internally-generated intangible asset arising from development is recognised if following have been demonstrated by the Group

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Group intends to and has sufficient resources to complete development and to use or sell the asset.

These assets with finite useful lives shall be amortized over a period of 10 years. These asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. As such, expenditure on projects which have become unsuccessful are charged off as an expense in the year in which they are abandoned. Capital expenditure incurred on research and development is capitalized as Property, Plant and Equipment and depreciated in accordance with the depreciation policy of the Group.

f) **Depreciation**

Depreciable amount for assets in the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on the property, plant and equipment is provided on straight line method, over the useful life of the assets, as specified in schedule II to the companies Act, 2013.

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Premium on leasehold lands are amortised over the period of lease. Building constructed on leasehold land is depreciated based on the useful life specified in schedule II to the companies Act, 2013.

Where the lease period of the land is beyond the life of the building. In other cases, building constructed on leasehold lands are amortised over the primary lease period of the lands.

g) **Impairment of Non-Financial Asset**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

h) **Borrowing Costs**

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use or sale.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

i) **Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials and accessories:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Finished goods and work in progress:

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.

Trading Goods:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j) **Employee Benefits**

Short Term Employee Benefits

The employee benefits payable only within 12 months of rendering the services are classified as short term employee benefits. Benefits such as salaries, Leave Travel Allowance,

SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2019

short term compensated absences etc., and the expected cost of bonus is recognized in the period in which the employee renders the related services.

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognized in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. These benefits include leave travel allowance, bonus/performance incentives and leave encashment.

Post-Employment Benefits

Post retirement benefits comprise of Provident fund, Employees State Insurance and gratuity accounted for as follows:

i) *Provident Fund & Employee State Insurance:*

Payment to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

ii) Gratuity Fund:

The Group has an obligation towards gratuity, a defined benefit retirement plan covering all eligible employees of the Group. The plan provides for a lump sum payment to vested employees on retirement, death while in employment or on termination of employment in an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Contributions to Gratuity fund are made to recognized funds managed by the Life Insurance Corporation of India. The Group accounts for the liability for future gratuity benefits on the basis of an independent actuarial valuation.

iii) Leave Encashment

Liability in respect of leave encashment becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of leave encashment becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary.

k) **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and interest rate swaps.

a. **Financial Assets**

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Group assesses the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management

A financial asset is measured at amortized cost net of impairment, if the objective of the Group's business model is to hold the financial asset to collect the contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through the Statement of Profit and Loss.

Derecognition

The Group derecognize a financial asset only when contractual rights to the cash flow from the asset expires or it transfer the financial asset and substantially all the risks and rewards of ownership of the asset.

b. **Financial Liability**

Financial Liability are classified, at initial recognition, as either 'Financial Liability at fair value through profit or loss' or 'Other Financial Liabilities'.

- Financial Liabilities are classified as 'Financial Liability at fair value through profit or loss', if they are held for trading or if they are designated as financial liabilities at fair value through profit or loss. These are initially at fair value with subsequent changes recognized in profit or loss.
- Other financial liabilities, are initially measured at fair value, net of directly attributable transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

l) **Trade Receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with

Ind AS 18 (or when the entity applies the practical expedient) or pricing adjustments embedded in the contract.

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade receivables.
- Financial assets measured at amortized cost (other than trade receivables and lease receivables).
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

In case of trade receivables and lease receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

m) **Foreign Currency Transaction**

Transactions in Foreign Currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within the account caption pertaining to the nature of transaction.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

n) **Leases**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

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

A leased asset is depreciated over the useful life of the asset. Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

o) **Earnings Per Share**

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion into equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

p) **Income Tax**

a. **Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b. **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is

SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2019

probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities not recognised if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit not the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

q) **Provisions and Contingencies**

A. **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and are liable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

B. **Contingent Liabilities and Contingent Assets**

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

r) **Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

s) **Standards issued but not yet effective**

Ind AS 116 Leases was notified in March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today’s accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt these standards, if applicable, when they become effective. As the Group does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its consolidated Ind AS financial statements.

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

₹ in Lakhs

Description	3. Tangible Assets*								Total Tangible assets	4. Intangible Assets*		Total Intangible assets
	Freehold land	Lease-hold land	Building	Plant and machin-ery	Utilities	Furniture and fixtures	Office equip-ment	Motor vehicles		Com-puter software	R&D Expenses	
Year ended 31 March 2018												
Gross Carrying amount												
Deemed Cost at 1 April 2017	667.91	123.12	1,971.22	2,114.95	1,526.73	79.14	136.64	186.15	6,805.86	11.38	650.46	661.85
Additions	-	-	53.23	279.91	88.89	14.92	14.23	-	451.18	3.04	165.91	168.95
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying amount	**667.91**	**123.12**	**2,024.46**	**2,394.87**	**1,615.62**	**94.06**	**150.86**	**186.15**	**7,257.04**	**14.42**	**816.38**	**830.80**
Accumulated Depreciation												
Opening Accumulated Depreciation	-	4.82	81.18	159.08	137.66	13.10	27.26	29.37	452.48	1.85	191.26	193.11
Depreciation Charge for the year	-	1.05	94.00	177.61	153.09	13.16	19.00	30.33	488.24	**2.75**	186.12	**188.87**
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	**-**	**5.87**	**175.18**	**336.69**	**290.75**	**26.26**	**46.26**	**59.70**	**940.72**	**4.60**	**377.37**	**381.97**
Net Carrying Amount	**667.91**	**117.25**	**1,849.28**	**2,058.17**	**1,324.87**	**67.79**	**104.60**	**126.45**	**6,316.32**	**9.83**	**439.00**	**448.83**
Year ended 31 March 2019												
Gross Carrying amount												
Opening Gross Carrying amount	667.91	123.12	2,024.46	2,394.87	1,615.62	94.06	150.86	186.15	7,257.04	14.42	816.38	830.80
Additions	-	-	17.67	89.50	118.00	10.51	6.02	-	241.69	3.17	272.45	275.62
Disposals	-	-	-	(7.18)	(4.92)	-	(0.23)	-	(12.33)	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying amount	**667.91**	**123.12**	**2,042.13**	**2,477.19**	**1,728.70**	**104.56**	**156.65**	**186.15**	**7,486.41**	**17.59**	**1,088.83**	**1,106.42**
Accumulated Depreciation												
Opening Accumulated Depreciation	-	5.87	175.18	336.69	290.75	26.26	46.26	59.70	940.72	4.60	377.37	381.97
Depreciation Charge for the year	-	-	97.80	171.46	133.11	13.36	17.94	28.57	462.24	3.26	150.00	153.26
Disposals	-	-	-	(1.16)	-	-	-	-	(1.16)	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	**-**	**5.87**	**272.98**	**507.00**	**423.87**	**39.62**	**64.20**	**88.27**	**1,401.80**	**7.86**	**527.37**	**535.23**
Net Carrying Amount	**667.91**	**117.25**	**1,769.15**	**1,970.19**	**1,304.83**	**64.94**	**92.45**	**97.88**	**6,084.61**	**9.73**	**561.46**	**571.19**

* The assets are owned by the Group except as stated otherwise

Capital Work in Progress : ₹ 363.17 lakhs for 31 March 2019 (31 March 2018 : ₹ 21.08 Lakhs)

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

₹ in Lakhs

4A Goodwill

Particulars	As at 31 March 2019	As at 31 March 2018
Opening Balance	382.86	-
Acquisition of subsidiaries	-	382.86
De-recognised of disposal of subsidiaries	-	-
Foreign currency translation adjustments	-	-
	382.86	382.86

Non-current financial assets

5 Investments

Particulars	As at 31 March 2019	As at 31 March 2018
Investment in equity instruments - Quoted		
Equity Shares at FVTPL		
31 March 2019 : 10,000 - 31 Mar 2018 : 10,000 Equity shares of ₹ 10 each fully paid in Lamina Foundries Limited	3.72	3.72
31 March 2019 : 73,600 - 31 Mar 2018 : 73,600 Equity shares of ₹ 10 each fully paid in Sri Jayalakshmi Autospin Limited	7.36	7.36
Investment in equity instruments - Unquoted		
31 March 2019 : 4,000 - 31 Mar 2018 : 4,000 Equity shares of Rs 25 each fully paid in The Saraswat Co-operative Bank Limited	1.00	1.00
31 March 2019 : 5,000 - 31 Mar 2018 : 5,000 Equity shares of Rs 10 each fully paid in The Shamrao vithal Co-operative Bank Limited	0.50	0.50
Less: Impairment on Investments	(11.08)	(11.08)
Total	**1.50**	**1.50**
Aggregate Amount of Quoted Investments and market value thereof	11.08	11.08
Aggregate Amount of Unquoted Investments	1.50	1.50
Aggregate Amount of Impairment in Value of Investments	(11.08)	(11.08)

6 Loans and advances

Particulars	As at 31 March 2019	As at 31 March 2018
a) Security deposit	186.29	239.60
From above :		
Secured, considered good	-	-
Unsecured, considered good	186.29	239.60
Doubtful	-	-
	186.29	**239.60**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

₹ in Lakhs

7 Other financial assets

Particulars	As at 31 March 2019	As at 31 March 2018
Bank Deposits (maturity of more than 12 months)	248.30	51.41
Others		
Interest accrued but not received - Fixed Deposits	5.56	3.44
	253.86	**54.85**

Non-financial assets

8 Other non-current assets

Particulars	As at 31 March 2019	As at 31 March 2018
Capital Advances	90.59	72.23
Advances other than Capital Advances	1.86	-
Balance with Statutory/Government Authorities	4.24	3.54
	96.69	**75.77**

Current assets

9 Inventories (valued at lower of cost and net realisable value)

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials	2,229.90	2,315.27
Packing material	541.91	557.68
Work-in progress	1,836.09	1,577.89
Finished goods	2,354.53	2,181.21
Stores and spares	12.68	17.29
	6,975.11	**6,649.34**

Current financial assets

10 Trade receivables

Particulars	As at 31 March 2019	As at 31 March 2018
Trade Receivables		
- Due from Related Parties (Refer Note No. 50)	24.98	117.96
- Due from Others	6,476.34	6,302.17
	6,501.32	6,420.14
Loss Allowance	(31.91)	(15.51)
Total Trade Receivables	6,469.41	6,404.63
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	6,501.32	6,420.14
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	6,501.32	6,420.14
Loss Allowance	(31.91)	(15.51)
	6,469.41	**6,404.63**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

11 Loans

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured-Considered good		
Security deposit	108.18	162.02
Loans/advances to employees*	98.06	43.02
Others	9.76	-
	215.99	**205.04**

* Out of the above Loans & Advances to Employees ₹ 71.50 Lakhs was given to the Director of the Company.

12 Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Cash on hand	15.55	12.14
Balance with bank		
On current Account	189.29	204.63
Deposits with original maturity of less than 3 months	38.77	54.08
	243.61	**270.85**

13 Bank balances other than Cash and Cash Equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Bank Deposits (maturity between 3 months and 12 months)	170.97	133.10
Balance earmarked for Unclaimed Dividends	17.78	11.44
Total	**188.75**	**144.54**

Non-financial assets

14 Other current assets

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with statutory/government authorities	1,257.01	2,123.11
Advances recoverable in Cash or Kind		
- From Related Parties (Refer Note No. 50)	2.23	4.11
- From Others	2,344.42	2,251.26
Insurance claims	-	4.67
Prepayments	69.60	19.73
Others Loans And Advances		
- From Related Parties (Refer Note No. 50)	376.09	376.76
- From Others	48.44	22.94
	4,097.79	**4,802.58**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

15 Equity

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised Share capital		
1,50,00,000 equity shares of ₹ 10 each	1,500.00	1,500.00
Issued, subscribed and paid-up share capital		
1,41,72,372 equity shares of ₹ 10 each	1,417.24	1,417.24
	1,417.24	**1,417.24**

a) Equity shareholders holding more than 5 percent shares in the Company:

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of shares (in Lakhs)	%	No. of shares (in Lakhs)	%
Shailesh Siroya	13.45	9.49%	16.45	11.61%
Micro Labs Limited	13.11	9.25%	13.11	9.25%
Anita Siroya	10.49	7.40%	10.49	7.40%
	37.06	**26.15%**	**40.06**	**28.26%**

b) Reconciliation of the shares outstanding at the beginning and at the end of the period

Particulars	As at 31 March 2019	As at 31 March 2018
Opening Balance (in Lakhs)	141.72	141.72
Add : Shares Issued during the year (in Lakhs)	-	-
	141.72	**141.72**

c) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 10 each. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholders' meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders' meeting.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) There have been no buy back of shares, issue of shares by way of bonus share or issue of share pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet date.

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

16 Other Equity

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Securities Premium Reserve	2,407.66	2,407.66
Retained Earnings	2,651.29	2,443.35
General Reserve	245.15	245.15
Capital Reserve	44.06	44.06
Other Comprehensive Income	(101.10)	(58.65)
	5,247.06	**5,081.59**

Non- Controlling Interest

Financial information of subsidiaries that have material Non-Controlling Interests is provided below:

A. Proportion of Equity Interest held by Non-Controlling Interest

Name of the Entity	As at 31 March 2019	As at 31 March 2018
Lifezen Healthcare Pvt Ltd	49.50%	49.50%
Bal Research Foundation	20.00%	20.00%
Balance Clinic LLP	20.00%	20.00%
Golden Drugs Pvt Ltd	0.00%	0.00%

B Information regarding Non-Controlling Interest

Name of the Entity	As at 31 March 2019	As at 31 March 2018
Accumulated balances of material Non-Controlling Interest		
Lifezen Healthcare Pvt Ltd	(618.10)	(457.31)
Bal Research Foundation	0.27	1.84
Balance Clinic LLP	(24.35)	(23.21)
	(642.18)	**(478.68)**

Financial liabilities

17 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Terms loans		
- from banks	1,600.68	1,922.25
- From Other parties	1,226.38	1,400.00
Other Loans		
- Vehicle Loans	26.62	38.89
- Other Loans	21.92	106.46
	2,875.60	3,467.61
The above amount includes		
Secured Borrowings	2,817.27	3,324.87
Unsecured Borrowings	58.33	142.73
	2,875.60	**3,467.61**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

A) Details of securities, repayment and interest of term loans (including current maturities of long-term debt):

A Exim Bank

31 March 2019: ₹ Nil (31 March 2018 : Rs 2.40 Cr)

Security

i. The Loan is secured by first charge on the entire moveable property, Plant and equipment of the Company by way of hypothecation and pari passu first charge by way of equitable mortagage on all immovable property, Plant and equipment of the Company.

Repayment and interest

ii. The loan was repayable in 20 equal quarterly installments of ₹ 0.30 crore each, starting from April 2015.

iii. Interest was payable on EXIM bank LTLMR plus 250 basis points which is currently at 12.70% per annum.

v. The loan was closed on 27.12.2018 by takeover of HDFC Bank

B Corporation Bank

31 March 2019: ₹ Nil (31 March 2018: Rs 9.52 Cr)

Security

i. The loan is secured by entire moveable property, plant and equipment of the Parent Company, both present and future, belonging to unit I, unit 2 and unit 4 of the Parent Company.

Repayment and interest

ii. The loan was repayable in 80 monthly installments starting from April 2017.

iii. Interest was payable on LTLMR plus 5.60% which is currently at 13.75% per annum

v. The loan was closed on 19.12.2018 by takeover of HDFC Bank

C Yes Bank

31 March 2019: Rs 2.28 cr (31 March 2018 : Rs 3.56 Cr)

Security

i. The loan is secured by mortagage of the property of unit 5, sangli and personal guarantee of managing director.

Repayment and interest

ii. The loan was repayable in 48 monthly installments starting from June 2017.

iii. Interest was payable on at 10.25% per annum

D Tata Capital Financial Services Limited

31 March 2019: ₹ 14.00 Cr (31 March 2018 : ₹14.00 Cr)

Security

i. The loan is secured by mortagage of the property of Golden Drugs Private Limited Unit at Udaipur and personal guarantee of managing director.

Repayment and interest

ii. The loan was repayable in 72 monthly installments starting from April 2019.

iii. Interest was payable on at 11.06% per annum

E South Indian Bank

31 March 2019: ₹ 4.66 Cr (31 March 2018 : ₹ 4.86 Crores)

Security

i. The loan is secured by mortagage of the Freehold Land at Vasanth Nagar, Bengaluru

Repayment and interest

ii. The loan was repayable in 154 monthly installments starting from March 2018.

iii. Interest was payable on at 10.65% per annum

F South Indian Bank

31 March 2019: ₹ 3.28 Cr (31 March 2018: ₹ 3.39 Crores)

Security

i. The loan is secured by mortagage of the Freehold Land at Vasanth Nagar, Bengaluru

Repayment and interest

ii. The loan was repayable in 180 monthly installments starting from April 2018.

iii. Interest was payable on at 10.65% per annum

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

G Kotak Mahindra Bank Limited

31 March 2019: ₹ Nil (31 March 2018: ₹ 0.17 Cr)

Security

i. The loan is unsecured

Repayment and interest

ii. The loan was repayable in 36 monthly installments starting from July 2015.

iii. Interest was payable on at 11.75% per annum

H Kotak Mahindra Bank Limited

31 March 2019: ₹ 0.36 Cr (31 March 2018: ₹ 0.59 Cr)

Security

i. The loan is unsecured

Repayment and interest

ii. The loan was repayable in 36 monthly installments starting from Aug 2017.

iii. Interest was payable on at 16.50 % per annum

I Standard Chartered Bank

31 March 2019: ₹ 1.63 Cr (31 March 2018: ₹ Nil)

Security

i. A fresh loan of ₹ 5.00 crores has been sanctioned for funding the facility upgradation of unit 2 located at Plot no. 61B, Bommasandra Industrial Area, Bengaluru secured against plant & machinery.

Repayment and interest

ii. he disbursed loan to be repayable in 60 monthly EMI.

iii. Interest was payable on at 10.40 % per annum

J HDFC Bank Loan

31 March 2019: ₹ 9.05 Cr (31 March 2018: ₹ Nil)

Security

i. The loan of ₹ 11.00 crores has been sanctioned to takeover the Exim loan outstanding and Corporation Bank as on 15.12.2018 against primary security of plant & machinery of Unit I located at 21 &22, Bommasandra Industrial Area, Bengaluru. Secondary collateral is Unit I land & building. Out of ₹ 11.00 crores sanctioned, ₹ 9.90 crores was disbursed for the above purpose.

Repayment and interest

ii. The loan was repayable in 5 equal quarterly installments of ₹ 30 lakh and ₹ 14 lakh equal monthly installments till November 2023.

iii. Interest was payable on at 10.75 % per annum.

B) Details of securities, repayment and interest of other loans (including current maturities of long-term debt):

A Magma Fincorp Limited

31 March 2019: ₹ 0.14 Cr (31 March 2018: ₹ 53 Lakhs)

Security

i. The loan is unsecured

Repayment and interest

ii. The loan was repayable in 24 monthly installments starting from Aug 2017.

iii. Interest was payable on at 16.00% per annum

B Tata Capital Financial Services Limited

31 March 2019: ₹ 0.14 Cr (31 March 2018: ₹ 0.53 Cr)

Security

i. The loan is unsecured

Repayment and interest

ii. The loan was repayable in 24 monthly installments starting from July 2017.

iii. Interest was payable on at 15.94% per annum

C Capital First Limited

31 March 2019: ₹ 0.38 Cr (31 March 2018: ₹ 0.62 Cr)

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

Security

i. The loan is unsecured

Repayment and interest

ii. The loan was repayable in 24 monthly installments starting from Aug 2017.

iii. ii. Interest was payable on at 15.00% per annum.

D Equitas Small Finance Bank Limited

31 March 2019: ₹ 0.29 Cr (31 March 2018: ₹ 0.44Cr)

Security

i. The loan is unsecured

Repayment and interest

ii. The loan was repayable in 36 monthly installments starting from November 2017.

iii. ii. Interest was payable on at 16.50% per annum

E Neo Growth Private Limited

31 March 2019: ₹ 0.11 Cr (31 March 2018 : ₹ 0.44 Cr)

Security

i. The loan is unsecured

Repayment and interest

ii. The loan was repayable in 36 monthly installments starting from May 2018.

iii. Interest was payable on at 18.00% per annum

C) The Vehicle Loans have been taken on the hypothecation of vehicles

D) There are no defaults in repayment of principal or interest to lenders as at the balance sheet date.

₹ in Lakhs

18 Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Deposits received from customers	220.09	127.59
	220.09	**127.59**

19 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity	215.52	161.34
Leave benefits	55.75	43.85
	271.27	**205.19**

20 Income tax

A. Amounts recognised in statement of profit and loss

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current income tax:		
Current income tax charge	102.80	255.23
Previous Year's Tax Adjustment	(8.15)	-
	94.65	**255.23**
Deferred tax:		
Attributable to -		
Origination and reversal of temporary differences	330.19	4.58
	330.19	**4.58**
Minimum Alternate Tax credit entitlement		
Excess of tax liability under Minimum Alternate Tax over Normal Provisions as per Income Tax Act, 1961	-	-
Income tax (credit) / expense reported in the statement of profit or loss	**(235.54)**	**250.65**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

B. Income tax recognised in other comprehensive income

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net (gain)/loss on remeasurement of defined benefit liability/ (assets)	8.24	14.37
Income tax charged to OCI	**8.24**	**14.37**

C. Deferred Tax

Deferred tax relates to the following:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Deferred Tax Liability		
Property, Plant and Equipment	569.25	707.93
Weighted Deduction in Research and Development	-	144.67
Borrowings	12.86	-
Deferred tax Asset		
Employee benefits expenses	93.30	95.84
Disallownce under sec 40(a)(ia)	18.36	-
Income tax relating to items that will not be reclassified to profit or loss	8.24	-
Others	44.23	-
Deferred tax Liability Reflected in Balance Sheet	**417.98**	**756.76**

21 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Secured:		
Loans repayable on demand from Bank		
- Cash Credit	5,123.62	2,997.06
- Packing Credit	1,330.14	766.92
- Buyers Credit	-	513.84
- Bills Discounting	352.07	650.90
Loans repayable on demand from Others		
Convertible Zero Coupon Debenture	1,902.00	1,902.00
	8,707.83	**6,830.74**

All secured loans payable on demand and secured short term loans from banks are secured by first charge by way of hypothecation of all the stocks, book debts and other current assets (both present and future) and carries interest rate @ 9.75% to 13.15%.

The Debentures are fully convertible and carries zero coupon rate.

22 Trade Payables

Particulars	As at 31 March 2019	As at 31 March 2018
Due to Micro, Small and Medium Enterprises (Refer Note No. 38)	-	-
Due to Other than Micro, small and Medium Enterprises		
- Due to Related Parties (Refer Note No 50)	185.46	139.54
- Due to Others	4,548.33	4,856.24
	4,733.79	**4,995.77**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

23 Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long-term debt	766.69	655.02
Interest accrued but not due on borrowings	16.66	8.57
Creditors for Capital Goods	71.81	111.98
Other current liabilities		
- Due to Related Parties (Refer Note No 50)	26.45	4.85
- Due to Others	391.85	575.85
Bonus Payable	19.42	49.04
Book overdraft on issue of cheques	-	3.75
Other liabilities	46.94	106.33
	1,339.82	**1,515.39**

24 Other Current Liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Other Advances		
- Creditors for capital goods	-	-
Advance Received from Customers	787.58	723.28
Statutory dues	175.23	425.19
Book Overdraft due to issue of cheques	381.54	670.19
Other current liabilities	102.18	42.55
	1,445.91	**1,861.23**

25 Provision

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity	34.05	26.83
Leave Encashment	16.48	10.95
	50.53	**37.78**

26 Current Tax Liabilities (Net)

Particulars	As at 31 March 2019	As at 31 March 2018
Current Income Tax Liabilities (Net)	45.89	199.60
	45.89	**199.60**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

27 Revenue from operations

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of Product	22,046.38	20,790.15
Sale of services	15.86	5.38
Other operating revenue	438.81	352.45
	22,501.05	**21,147.98**
Sale of Product		
API		
- Domestic	2,521.35	4,284.69
- Exports	6,074.87	6,032.53
Formulations		
- Domestic	5,678.69	5,012.84
- Exports	7,504.73	5,296.85
Others		
- Domestic	266.75	163.24
Other operating revenue		
Dom Sales - Scrap	15.85	12.47
Export Incentives	421.33	339.51
Sale of Waste Solvents	1.62	0.47

28 Other income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income		
- on fixed deposits with bank	32.43	18.39
- Others	22.90	3.48
Net gain on foreign currency translation and transactions	12.53	131.94
Profit on sale of PPE	0.44	-
Rental Income	4.16	10.12
Insurance Claim received	22.96	-
Balances/Advances No More Payable	4.37	4.44
Other Non -Operating revenue	1.12	4.60
	100.92	**172.96**

29 Cost of materials consumed

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Raw materials		
Opening stock	2,315.27	2,235.85
Add: Purchases - Raw Materials	9,954.46	9,300.47
Less: Closing stock	2,229.90	2,315.27
	10,039.83	**9,221.05**
Packing Materials		
Opening Stock	557.68	559.35
Add: Purchases - Packing Materials	1,308.27	1,049.69
Less: Closing stock	542.91	557.68
	1,323.04	**1,051.37**
Excise Duty	-	219.21
	11,362.87	**10,491.63**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

30 Purchases of traded goods

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Purchase of traded goods	795.45	756.39
	795.45	756.39

31 (Increase)/decrease in Inventories of finished goods and work in progress

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the end of the year		
Work-in-progress	1,836.09	1,577.89
Finished goods	2,353.54	2,181.21
	4,189.63	**3,759.10**
Inventories at the beginning of the year		
Work-in-progress	1,577.89	862.99
Finished goods	2,181.21	1,776.29
	3,759.10	**2,639.27**
	(430.53)	**(1,119.83)**

32 Employee benefits expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salary and wages	4,435.98	4,689.63
Contribution to provident and other funds	277.88	244.30
Staff welfare expenses	264.08	229.31
Gratuity Expenses	49.99	52.78
	5,027.93	**5,216.02**

33 Finance Cost

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Processing fees	42.95	8.33
Interest	1,088.98	828.14
Other Financial Cost	124.35	77.28
	1,256.28	**913.75**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

34 Other expenses

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Consumption of stores and spares	29.58	46.72
Power and fuel		
Fuel- OB	17.29	35.31
ADD: Fuel Purchases	269.80	243.46
Less: Closing Stock of Fuel	12.68	17.29
Cost of fuel consumption	274.41	261.48
Electricity charges	13.86	17.24
Power charges	333.25	307.55
Water Charges	16.95	20.53
Laboratory and Testing	164.12	164.15
Sub contracting expenses	139.45	287.62
Repairs & Maintenance		
Plant and machinery	199.20	86.67
Building	21.72	21.44
Others	124.84	145.27
Commission on sales	574.69	464.93
Freight and forwarding charges	540.95	414.32
Travelling Expenses	235.74	234.83
Advertisement and selling expenses	458.12	652.30
Legal and professional charges	198.29	229.41
Rent	163.18	216.17
Rates & Taxes	81.17	88.77
Communication Cost	56.83	63.61
Director Sitting fees	0.16	0.19
Registration fees	13.97	28.63
Liquidated damages	64.01	10.06
Security Charges	58.91	67.06
Donation	0.84	0.60
Payment to Auditors (Refer Note No. 36)	10.10	9.30
Seminar, Conference & Exhibition Expenses	19.37	14.65
Corporate social responsibility	-	1.00
Insurance	19.30	21.58
Printing & Stationary	44.34	35.20
Subscription & Membership	8.20	26.17
Vehicle operation & Maintenance	24.66	31.69
Expected Credit Losses	16.40	15.51
Bank Charges	17.68	13.46
Interest on Delayed payment of taxes	17.75	14.29
Other expenses	52.70	85.19
	3,994.72	**4,097.58**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

35 Contingent liabilities and commitments

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Contingent liabilities		
- Income tax	-	9.64
- Excise & Customs	181.85	172.59
- Service Tax	74.56	31.70
- Others (Letter of credit)	1,772.45	561.22
Capital commitments		
- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	7.95	117.58

Note: The Group is also involved in other lawsuits, claims, investigations and proceedings, which arise in the ordinary course of business, however, there are no such matters pending that the Holding Company and its subsidiaries expects to be material in relation to its business.

36 Auditors' remuneration excluding tax

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor		
- for Statutory audit	8.10	7.30
- for Taxation matters	0.50	0.50
- for Limited Review	0.20	0.20
In other capacity	-	-
Other services (certification fees)	0.80	0.80
Reimbursement of expenses	0.50	0.50
	-	-
	10.10	**9.30**

37 Profit per share

The following table sets forth the computation of basic and diluted earnings per share :

(Figures in Rupees except number of shares)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net Profit for the year attributable to equity shareholders	215.30	37.65
Weighted average number of equity shares of ₹ 10 each used for calculation of basic earnings per share (adjusted for partly paid shares)	141.72	141.72
Earnings per share, basic and diluted*	1.52	0.27

*The group has no potentially dilutive equity shares

38 Disclosure with respect to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act'). Accordingly, The Group is in the process of collecting information by communicating with parties to determine whether they fall under the MSMED Act 2006.

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

39 Unclaimed Dividends on Equity Shares

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
2012- 2013	1.98	1.64
2013-2014	2.39	2.25
2014-2015	3.88	2.26
2015-2016	2.69	2.48
2016-2017	2.49	2.34
2017-2018	4.36	-
	17.79	**10.97**

40 Confirmations

Balances of Trade Receivables, Trade Payables, Loans and Advances, Receivables and Payables are subject to confirmation / reconciliation, if any

41 Expenditure on Research and Development

Particulars	As at 31 March 2019	As at 31 March 2018
Capital Expenditure		
Laboratory Equipment	0.51	-
Office Equipment (Computers)	-	0.30
Utilities	-	0.91
Total Capital Expenditure (a)	0.51	1.21
Revenue Expenditure		
Raw material consumed	29.02	0.86
Power and Fuel	46.18	-
Water Charges	4.96	-
Laboratory and testing	8.52	3.90
Employee benefit expense	151.11	158.10
Others	49.52	1.60
Total Revenue Expenditure (b)	**289.32**	**164.46**
	289.83	**165.67**

42 Subsequent Events

Declaration of Dividend - The Board of Directors of the Holding Company has proposed a 10% dividend on face value of the shares, subject to the approval by Shareholders at AGM.

43 Value of Imports calculated on CIF basis

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Raw Materials	3,622.94	4,123.13
Capital goods (Including spares and components)	-	29.13
	3,622.94	**4,152.26**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

₹ in Lakhs

44 Details of consumption of imported and indigenous raw materials, components and spare parts:

Particulars	31 March 2019		31 March 2018	
	Value in ₹	% of total consumption	Value in ₹	% of total consumption
Raw Material				
Imported	3,319.85	33.07%	3,815.98	41.38%
Indegenious	6,719.97	66.93%	5,405.07	58.62%
	10,039.83	100.00%	**9,221.05**	100.00%
Stores and Spares				
Imported	-	-	-	-
Indegenious	-	-	29.13	100.00%
	-	-	**29.13**	**100.00%**
	10,039.83		**9,250.18**	

45 A) Expenditure in Foreign Currency

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Traveling expenditure	53.54	44.43
Registration fee	12.54	4.04
Commission on export sales	76.58	8.78
Sales promotion expenses	137.38	107.89
	280.04	**165.14**

B) Earnings in Foreign Currency

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
FOB value of Exports	12,655.62	9,872.99
	12,655.62	**9,872.99**

46 Note on Suspended Activities in Unit located in Pune

"The Management of the Holding Company has decided to suspend the operations of its IV fluids and parenterals manufacturing facility at Pune as this unit has been consistantly incurring operational losses due to various reasons such as higher costs of raw materials, escalation in production cost, employee cost, lack of adequate orders and thin margins on products manufacured. The above have led to a situation wherein any further efforts to restore the profitablity of the unit will be futile.

This decision was taken as part of the restructuring excercise undertaken by the Holding Company to streamline its operations and to exit from its noncore businesses, so that further deterioration of its noncore business revenues can be plugged. The management is considering future course of action for the said unit."

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

47 Leasing Arrangements

The Group's significant leasing arrangements are in respect of operating leases for premises (office, stores, godowns, residential, guest houses, etc.) Theses are cancelable operating leases and these lease agreements are normally renewed on expiry. The aggregate lease rental payable are charged as rent under note No. 34.

48 Investment in Joint Venture : AB Vet Pharma Pty. Ltd.

AB vet Pharma PTY Ltd, incorporated in Melbourne, Australia as a joint venture Company between Bal Pharma Limited and Akaal Pharma PTY Ltd. This Joint venture is intended for developing, promoting and marketing of veterinary medicines in the regulated markets. As on 31 March 2019, no investment outflow has been made.

49 Employee benefits

In accordance with applicable Indian laws, the Group provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the number of years of employment with the Group.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity benefit.

Particulars	Gratuity		Leave Encashment	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Changes in present value of defined benefit obligations during the year				
Present Value of Defined Benefits at the beginning of the year	188.17	245.84	54.81	57.15
Service cost	35.65	28.09	0.94	0.00
Past Service Cost	0.00	12.39	0.00	0.00
Interest on defined benefit obligation	14.33	14.12	4.04	3.84
Benefits settled	-18.05	-140.33	-8.45	-16.63
Actuarial (gain) / loss	29.46	28.05	20.89	10.44
	249.57	**188.17**	**72.23**	**54.79**
Reconciliation of present value of the obligation and the fair value of the plan assets:				
Present Value of Defined Benefits at the end of the year	249.57	188.17	(67.44)	(53.14)
Fair value of plan assets at the end of the year	-	-	-	-
	(249.57)	**(188.17)**	**(67.44)**	**(53.14)**
Net Liability - Current (Refer Note No. 25)	34.05	26.83	16.48	10.95
Net Liability - Non Current (Refer Note No. 19)	215.52	161.34	55.75	43.84
Expenses recognised in Statement of Profit or Loss during the year				
Current Service cost	35.65	28.09	0.94	-
Past Service Cost	-	12.39	-	-
Interest cost on defined benefit (net)	14.33	14.12	4.04	3.84
Expected return on plan assets	-	-	-	-
	49.98	**54.60**	**4.98**	**3.84**
Recognised in other comprehensive income for the year				
Remeasurements - Due to Demographic Assumptions	-	-	-	-
Remeasurements - Due to Financial Assumptions	38.34	(27.68)	21.26	10.44
Remeasurements - Due to Experience Adjustments	(8.88)	55.73	(0.37)	-
(Return) on Plan Assets (Excluding Interest Income)	-	-	-	-
(Return) on Reimbursement Rights	-	-	-	-
Changes in Asset Ceiling / Onerous Liability	-	-	-	-
	29.46	**28.05**	**20.89**	**10.44**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

Particulars	Gratuity		Leave Encashment	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Maturity Profile of Defined Benefit Plan				
Within the next 12 months	34.05	26.83	16.48	5.95
Between 2 and 5 years	76.57	65.57	39.32	26.09
Between 6 and 9 years	101.67	78.41	15.18	17.92
For 10 years and above	37.41	17.36	1.71	3.18

52 Related party disclosures

A. Enterprise owned by the Managing Director of the company	Desa Marketing Internation
B. Enterprise over which the Managing Director of the Company exercises joint control with other partners	Siroya Construction Siroya Wellness
C. Enterprise over which the Managing Director of the Company exercises joint control with other directors	Siroya Properties & Holdings Private Limited Siroya Developers Private Limited Sanjay Gems Private Limited Legend Siroya Infrastructure Private Limited
D. Significant Interest Entities	Micro Labs Limited
E. Key management personnel	Shailesh D Siroya - Managerial Director S Prasanna - Independent Director

(i) Particulars of Related Party Transactions

₹ in Lakhs

Particulars	Category	For the year ended 31 March 2019	For the year ended 31 March 2018
Sales to			
- Micro Labs Limited	D	115.15	478.83
Total		**115.15**	**478.83**
Commission Paid to			
- Desa Marketing International	A	58.80	57.09
		58.80	**57.09**
Expenses incurred on behalf of			
- Siroya Constructions	B	2.20	3.79
- Siroya Wellness	B	-	0.98
- Siroya Properties & Holdings Private Limited	C	3.12	7.56
		5.32	**12.33**
Expenses reimbured by			
- Siroya Constructions	B	3.12	3.57
- Siroya Properties & Holdings Private Limited	C	4.91	7.21
		8.03	**10.78**
Rent Paid to			
- Shailesh D Siroya (Managing Director)		12.00	12.00
		12.00	**12.00**
Key Management Compensation			
Shailesh D Siroya		80.00	78.00
Dr. S. Prasanna		31.80	30.00
Total		**111.80**	**108.00**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

(ii) Amount outstanding as at the balance sheet date

Particulars	Category	As at 31 March 2019	As at 31 March 2018
Trade Receivables			
- Micro Labs Limited	D	24.98	117.96
		24.98	**117.96**
Trade Payables			
- Desa Marketing International	A	185.46	139.54
		185.46	**139.54**
Other Loans and Advances			
- Siroya Properties & Holdings Private Limited	D	376.09	376.76
		376.09	**376.76**
Advances recoverable in Cash or Kind			
- Siroya Constructions	B	1.25	2.02
- Siroya Wellness	B	0.98	0.98
- Siroya Properties & Holdings Private Limited	C	-	1.12
		2.23	**4.12**
Other Current Liabilities			
Shailesh D Siroya	E	26.45	4.85
		26.45	**4.85**

51 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Makers (Board of Directors) to make decisions about resources to be allocated to the segments and assess their performance. The Groups's sole business segment is manufacturing of pharmaceuticals. Consequently, the management believes that there are no reportable segments as required under Ind AS 108 - 'Segment Reporting'.

In accordance with Ind AS-108 "Operating Segments", information about geographical areas has been given below:

A) Information on Geographical Areas (Entity Wise Disclosures)

Geographic Segments	For the year ended 31 March 2019	For the year ended 31 March 2018
India	8,466.79	10,160.07
Other than India	13,579.59	10,630.08
	22,046.38	**20,790.15**

The following table shows the carrying amount of segment assets and additions to Property, Plant and Equipment by geographical area in which the assets are located.

Particulars	31 March 2019		31 March 2018	
	India	Others*	India	Others*
Carrying amount of segment assets	23,304.01	2,585.69	22,043.14	2,691.44
Additions to Property, Plant and Equipment	241.17	-	451.18	-

* Others Represent Trade Receivable

52 Export Benefits

The Company has accounted an amount of ₹ 421.33 Lakhs (31 March 2018 : ₹ 339.51 Lakhs) being the net amount of credit under various export incentive schemes as announced under Foreign trade Policy. The management has represented that the same will be either received in cash or utilized for off-setting customs duty on future imports. The accumulated amount outstanding on this account as on 31 March 2019 is ₹ 351.75 Lakhs (31 March 2018: ₹ 525.87 Lakhs) and the same is reflected under Balance with Government Authorities.

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

₹ in Lakhs

53 Fair Value Disclosure

The carrying value and fair value of financial instruments by categories for year ended 31 March, 2019 :

	Note No	Carrying value	Amortized Cost	FVTPL	FVTOCI	Fair value		
						Level 1	Level 2	Level 3
Financial Asset at Amortised Cost (Non-Current)								
Investments	5	1.50	1.50	-	-	-	-	-
Loans	6	186.29	186.29	-	-	-	-	-
Other financial assets	7	253.86	253.86	-	-	-	-	-
Financial Asset at Amortised Cost (Current)								
Investments	-	-	-	-	-	-	-	-
Trade receivable	10	6,469.41	6,469.41	-	-	-	-	-
Loans	11	215.99	215.99	-	-	-	-	-
Cash and cash equivalents	12	243.61	243.61	-	-	-	-	-
Other bank balances	13	188.75	188.75	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
Total Financial Assets		**7,559.42**	**7,559.42**	**-**	**-**	**-**	**-**	**-**

	Note No	Carrying value	Amortized Cost	FVTPL	FVTOCI	Fair value		
						Level 1	Level 2	Level 3
Financial Liabilities at Amortised Cost (Non-Current)								
Borrowings	17	2,875.60	2,875.60	-	-	-	-	-
Other financial liabilities	18	220.09	220.09	-	-	-	-	-
Financial Liabilities at Amortised Cost (Current)								
Borrowings	21	8,707.83	8,707.83	-	-	-	-	-
Trade payables	22	4,733.79	4,733.79	-	-	-	-	-
Other financial liabilities	23	1,339.82	1,339.82	-	-	-	-	-
Total Financial Liabilities		**17,877.14**	**17,877.14**	-	-	**-**	**-**	**-**
		(10,317.72)	**(10,317.72)**	-	-	**-**	**-**	**-**

The carrying value and fair value of financial instruments by categories for year ended 31 March, 2018 :

	Note No	Carrying value	Amortized Cost	FVTPL	FVTOCI	Fair value		
						Level 1	Level 2	Level 3
Financial Asset at Amortised Cost (Non-Current)								
Investments	5	1.50	1.50	-	-	-	-	-
Loans	6	239.60	239.60	-	-	-	-	-
Other financial assets	7	54.85	54.85	-	-	-	-	-
Financial Asset at Amortised Cost (Current)								
Investments	-	-	-	-	-	-	-	-
Trade receivable	10	6,404.63	6,404.63	-	-	-	-	-
Loans	11	205.04	205.04	-	-	-	-	-
Cash and cash equivalents	12	270.85	270.85	-	-	-	-	-
Other bank balances	13	144.54	144.54	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
Total Financial Assets		**7,321.01**	**7,321.01**	**-**	**-**	**-**	**-**	**-**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

₹ in Lakhs

	Note No	Carrying value	Amor-tized Cost	FVTPL	FVTOCI	Fair value		
						Level 1	Level 2	Level 3
Financial Liabilities at Amortised Cost (Non-Current)								
Borrowings	17	3,467.61	3,467.61	-	-	-	-	-
Other financial liabilities	18	127.59	127.59	-	-	-	-	-
Financial Liabilities at Amortised Cost (Current)								
Borrowings	21	6,830.74	6,830.74	-	-	-	-	-
Trade payables	22	4,995.77	4,995.77	-	-	-	-	-
Other financial liabilities	23	1,515.39	1,515.39	-	-	-	-	-
Total Financial Liabilities		**16,937.10**	**16,937.10**	-	-	**-**	**-**	**-**
		(9,616.10)	**(9,616.10)**	-	-	**-**	**-**	**-**

54 Financial risk management

The group has exposure to following risks arising from financial instruments-

- Market Risk
- Credit Risk
- Liquidity Risk

The Holding Company and its Subsdiaries's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Holding Company's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relations to the risks faced by the Group.

A Market Risk

1) Currency Risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and services and purchases from overseas suppliers in various foreign currencies. Market Risk is the risk that changes in market prices such as foreign exchange rates will effect Group's income or value of its holding financial assets/ instruments. The exchange rate between the Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the Rupee appreciates/ depreciates against US dollar (USD), Euro (EUR), Dirhams (AED) and Others.

(a) Foreign Exchange Exposures outstanding at the year end

Nature of Instrument	As at 31 March 2019	As at 31 March 2018
Unhedged Foreign Exchange Exposures		
Trade Receivables	2,316.80	2,759.99
Trade Payables	(792.35)	(1,323.64)
Current Borrowings	(1,672.81)	(1,801.72)
Cash and Cash Equivalents	-	4.15
	(148.37)	**(361.21)**

(b) Foreign Currency Risk from Financial Instrument as at 31 March 2019

Nature of Instrument	USD	EUR	AED	Others	Total
Trade Receivables	1,915.48	377.31	24.01	-	2,316.80
Trade Payables	(792.35)	-	-	-	(792.35)
Current Borrowings	(1,391.77)	(281.04)	-	-	(1,672.81)
Cash and Cash Equivalents	-	-	-	-	-
Net Assets/ (Liabilities)	**(268.65)**	**96.27**	**24.01**	**-**	**(148.37)**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

(c) Foreign Currency Risk from Financial Instrument as at 31 March 2018

Amt. in Lakhs

Nature of Instrument	USD	EUR	AED	Others	Total
Trade Receivables	2,155.49	267.24	51.13	286.13	2,759.99
Trade Payables	(1,323.69)	-	-	-	(1,323.64)
Current Borrowings	(1,801.72)	-	-	-	(1,801.72)
Cash and Cash Equivalents	4.15	-	-	-	4.15
Net Assets/ (Liabilities)	**(965.76)**	**267.24**	**51.13**	**286.13**	**(361.21)**

(d) Sensitivity Analysis

A reasonably possible change in foreign exchange rates by 5% would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular interest rates remain constant.

Particulars	USD	Euro	AED
Impact on Statement of Profit and Loss			
Increase by 5%			
As at 31 March 2019	(13.43)	18.87	1.20
As at 31 March 2018	(48.29)	13.36	2.56
Decrease by 5%			
As at 31 March 2019	13.43	(18.87)	(1.20)
As at 31 March 2018	48.29	(13.36)	(2.56)
Impact on Equity (Net of Tax)			
Increase by 5%			
As at 31 March 2019	(8.99)	12.63	0.80
As at 31 March 2018	(32.32)	8.94	1.71
Decrease by 5%			
As at 31 March 2019	8.99	(12.63)	(0.80)
As at 31 March 2018	32.32	(8.94)	(1.71)

2) Cash Flows and Interest rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

(a) Exposure to Interest Rate Risk

The interest rate profile of the Group's interest-bearing financial instruments as reported

₹ in Lakhs

Nature of Instrument	As at 31 March 2019	As at 31 March 2018
Fixed Rate Instruments		
Financial Assets	458.04	238.58
Financial Liabilities	(9,274.20)	(7,349.77)
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	(3,490.18)	(3,773.69)
	(12,306.34)	**(10,884.88)**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

(b) Fair value sensitivity analysis for fixed-rate instruments

The Group's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk as defined Ind AS 107, since neither the carrying amount nor future cash flows will fluctuate because of change in market interest rates.

(c) Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 2% (200 basis points) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Impact on Statement of Profit and Loss		
Loan and Borrowing		
Increase by 2%	(61.97)	(52.92)
Decrease by 2%	61.97	52.92
Impact on Equity (Net of Tax)		
Loan and Borrowing		
Increase by 2%	(41.48)	(35.42)
Decrease by 2%	41.48	35.42

B Liquidity Risk

Liquidity risk refers to the risk that a Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities:

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Contractual Cash Flows				
	On demand	< 12 Months	1 to 5 years	> 5 years	Total
31 March, 2019					
Borrowings (Incl Current Maturities)	-	773.28	2,305.86	592.71	3,671.85
Trade and other payables	-	4,733.79	-	-	4,733.79
Short Term Borrowings	7,025.62	1,682.21	-	-	8,707.83
Other Financial Liabilities	-	573.13	220.09		793.22
31 March, 2018					
Borrowings (Incl Current Maturities)	-	662.92	2,852.07	650.63	4,165.62
Trade and other payables	-	4,995.77	-	-	4,995.77
Short Term Borrowings	2,997.06	3,833.67	-	-	6,830.73
Other Financial Liabilities	-	860.36	127.59	-	987.95

C Credit Risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the date of the balance sheet, as summarised in the table below. The Group periodically assesses the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual customer limits are set accordingly.

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and Cash Equivalents	243.61	270.85
Other Bank Balances	188.75	144.54
Trade Receivables	6,469.41	6,404.63
Short Term Financial Assets	215.99	205.04
Long Term Financial Assets	440.15	294.46
	7,557.91	**7,319.52**

Credit risk on cash and cash equivalents is limited as generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Advances to Related Parties are for business purposes and the Group assesses the credit risk on the these advances on a regular basis and does not foresee any event of default.

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each entity through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Group's large customer base. Adequate expected credit losses are recognized as per the assessments and as such has provided for a expected credit loss of ₹ 16. 40 Lakhs (31 March 2018 : 15.51 lakhs)

Ageing of Trade Receivable

Particulars	0-180 Days	Above 180 Days	Total
As on 31 March, 2019	4,996.48	1,472.93	6,469.41
As on 31 March, 2018	4,793.07	1,611.56	6,404.63

55 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust its capital structure, the Group may adjust the amount of dividends paid, return the capital to shareholders, issue new shares or adjust its short term borrowings. The current capital structure of the Group is equity based backed with short term borrowings.

Particulars	As at 31 March 2019	As at 31 March 2018
Long Term Borrowings (incl Current Maturities)	3,642.29	4,122.62
Short Term Borrowings	8,707.83	6,830.74
Total Borrowings (A)	12,350.12	10,953.36
As a percentage of total equity	89.71%	88.54%
Total equity (B)	1,417.24	1,417.24
As a percentage of total equity	10.29%	11.46%
Total Capital (A+B)	**13,767.36**	**12,370.60**

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2019

56 Additional information as required under Schedule III of the Companies Act, 2013 of the enterprises consolidated as Subsidiaries

Share of Net assets i.,e total assets minus total liabilities	Percentage	Amount in ₹ Lakhs
Bal Pharma Limited	117.63%	7,685.94
Lifezen Healthcare Private Limited	-21.05%	(1,374.79)
Balance Clinics LLP	-2.10%	(137.14)
Bal Research Foundation	0.03%	2.07
Golden Drugs Private Limited	5.49%	358.83
	100.00%	**6,534.08**

Share in profit/(Loss)	Percentage	Amount in ₹ Lakhs
Bal Pharma Limited	194.53%	633.40
Lifezen Healthcare Private Limited	-91.20%	(296.94)
Balance Clinics LLP	-2.07%	(6.75)
Bal Research Foundation	-1.26%	(4.10)
Golden Drugs Private Limited	0.00%	-
	100.00%	**325.61**

Share of other comprehensive income	Percentage	Amount in ₹ Lakhs
Bal Pharma Limited	100.40%	(42.62)
Lifezen Healthcare Private Limited	-0.40%	0.17
Balance Clinics LLP	0.00%	-
Bal Research Foundation	0.00%	-
Golden Drugs Private Limited	0.00%	-
	100.00%	**(42.45)**

Note: The above amounts / percentage of net assets and net profit or (loss) in respect of the Parent Company, its subsidiaries, associates and joint ventures are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations / consolidation adjustments.

FINANCIAL SUMMARY - LAST 10 YEARS AT A GLANCE

(₹ in Lakhs)

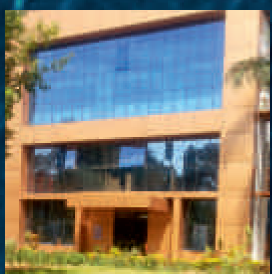
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
A. Sales and Earnings										
Turnover	22,582.53	21,152.08	23201.45	20182.4	19066.95	18200.88	15024.67	14224.6	11664.84	10815.16
Profit Before Tax	441.07	845.46	806.97	518.44	520.12	662.6	508.91	436.56	110.27	-90.62
Tax	-234.95	251.63	310.38	237.83	117.84	155.37	80.56	60.87	63.04	52.26
Profit After Tax	676.02	593.83	496.59	280.6	402.28	507.23	428.35	375.69	47.23	-142.88
Retained Earnings	633.40	564.74	328.51	138.88	273.56	377.23	6335.57	375.69	47.23	-142.88
(Non Cumulative)										
B. Assets and Liabilities										
Tangible Fixed Assets (Net)	5,126.98	5,381.59	5688.79	5525.65	4781	5055.9	4761.6	4766.55	4810.69	4975.08
Intangible Assets (Net)	567.10	446.87	466.41	462.29	486.65	486.56	508.7	564.44	594.68	523.21
Investments	744.19	744.19	117.5	117.51	109.5	1.5	1.5	1.5	1.5	1.5
Net Current Assets	4,431.67	4,814.67	2747.67	1382.67	1242	834.5	35.29	4928.12	4634.01	4141.98
Share Capital	1,417.24	1,417.24	1417.24	1287.24	1287.24	1287.24	1111.14	1057.36	1057.36	1048.32
Reserves & Deferred Tax	6,268.70	5,806.16	6127.47	5078.29	4800	4543.9	4107.5	3689.98	3278.83	3151.57
Liability										
C. Ratios										
Earnings Per Share Rs.	4.77	4.19	3.51	2.18	3.14	4.77	4.77	4.05	3.57	0.39
Dividend Per Equity share %	10	10	10	10	10	10	7.5	-	-	-
Book Value Per Equity	54	51	47.75	44.05	43.19	45.04	45.04	42.2	37.88	34.82

OUR MISSION

A full fledged global player catering to the needs of medical fraternity and pharmaceutical industry

Bal Unit - 1 *Bangalore*

- Plant commissioned in the year 1992
- WHO - GMP certified & ISO 9001:2000 approved
- Manufacture of finished dosage forms



Bal Unit - 2 *Bangalore*

- Plant commissioned in the year 1996
- Multi purpose API facility approved as per WHO-GMP guidelines
- Manufacture R&D lab approved Department of Science & Technology

Bal Unit - 3
with FFS Technology *Pune*

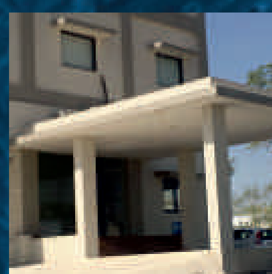
- Formulations plant modernized as per WHO-GMP Guidelines
- Manufacture of SVP & LVP by Form fill&seal technology

Bal Unit - 4 *Rudrapur*

- State of the art plant designed for regulated markets in excise free zone
- API manufacturing facility for Tablets, Capsules and Ointments

Bal Unit - 5 *Sangli*

- Multi Purpose API manufacturing facility approved as per WHO-GMP guidelines
- Specializes in manufacture of Intermediates, which supplements Unit 2 production requirements



Bal Unit - 6 *Udaipur*

- Golden Drugs Private Ltd, a whole owned subsidiary of Bal Pharma Ltd acquired during F.Y 17.18.
- WHO-GMP certified API manufacturing facility expected to commence production shortly

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