

15th

**ANNUAL REPORT
2019-20**

BETA DRUGS LIMITED
(CIN: L24230HP2005PLC028969)

Dedicated To Oncology...



BDL ONCOLOGY
(Beta Drugs Limited)



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15TH ANNUAL REPORT 2019-20
COMPANY INFORMATION
CIN NO. L24230HP2005PLC028969

Board of Directors

| | |
|---------------------------------|---|
| Chairperson & Managing Director | : Mr. Vijay Kumar Batra (DIN: 01083215) |
| Whole Time Director | : Mr. Rahul Batra (DIN: 02229234) |
| Whole Time Director | : Mr. Varun Batra (DIN: 02148383) |
| Whole Time Director | : Mr Balwant Singh (DIN: 01089968) |
| Whole-time Director | : Mrs. Seema Chopra (DIN: 08510586) |
| Independent Director | : Mr Rohit Parti (DIN: 07889944) |
| Independent Director | : Mr Manmohan Khanna(DIN:07888319) |

Chief Financial Officer

: Mr Jayant Kumar
Email:info@betadrugslimited.com

Company Secretary & Compliance Officer

: Mrs Rajni Brar
Email:cs@betadrugslimited.com
Mb 7889257964

Registered Office

: Village Nandpur, Lodhimajra Road
Baddi, Distt Solan, Himachal Pradesh-174101
Website: www.betadrugslimited.com
Email: info@betadrugslimited.com

Corporate Office

: SCO-184, Sector-5, Panchkula-134114
Ph no. 0172-2585481,483

Statutory Auditors

: M/s Kalra Rai & Associates, Chartered Accountants ,Chandigarh

Secretarial Auditors

:Dinesh Bhandari, Company Secretary, Chandigarh

Internal Auditor

: M/s Srivastava V.K. & Associates, Chartered Accountants, Chandigarh

Cost Auditor

: M/s Charu Jindal & Company, Cost Accountants, Dehradun

Shares Listed

: National Stock Exchange of India Limited (SME)
Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E),
Mumbai-400051, Maharashtra, India

Registrar & Transfer Agent

: Link Intime India Pvt Ltd.
C-101, 247 Park, L.B.S. Marg, Vikhroli(W), Mumbai-400083



| | |
|--------------------------|--|
| ISIN No. | : INE351Y01019 |
| Bankers | : Bank of Baroda, Panchkula AXIS Bank, Chandigarh |
| AGM Date | : 30.09.2020 |
| Book Closure Date | : From 23.09.2020 to 30.09.2020 |



BOARD COMMITTEES

AUDIT COMMITTEE

| | |
|----------------------|------------|
| Mr Rohit Parti | : Chairman |
| Mr Vijay Kumar Batra | : Member |
| Mr Manmohan Khanna | : Member |

NOMINATION & REMUNERATION COMMITTEE

| | |
|----------------------|------------|
| Mr Rohit Parti | : Chairman |
| Mr Vijay Kumar Batra | : Member |
| Mr Manmohan Khanna | : Member |

STAKEHOLDER RELATIONSHIP COMMITTEE

| | |
|----------------------|------------|
| Mr Rohit Parti | : Chairman |
| Mr Vijay Kumar Batra | : Member |
| Mr Manmohan Khanna | : Member |

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

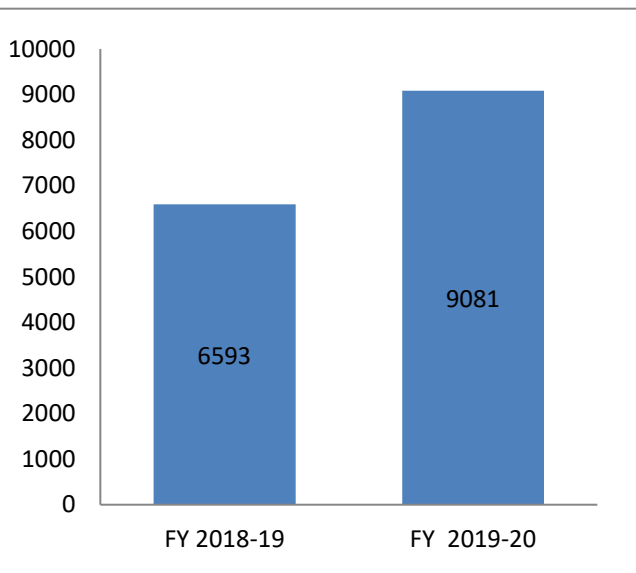
| | |
|----------------------|------------|
| Mr Vijay Kumar Batra | : Chairman |
| Mr Rohit Parti | : Member |
| Mr Rahul Batra | : Member |



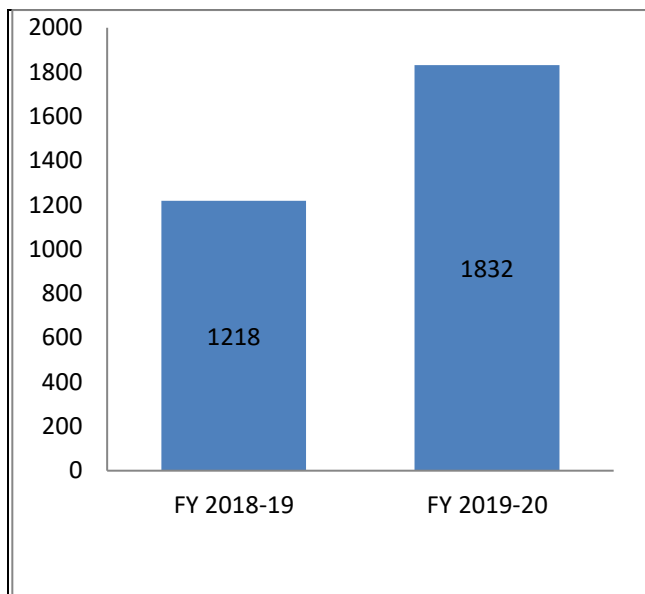
FINANCIAL HIGHLIGHTS

(CONSOLIDATED)

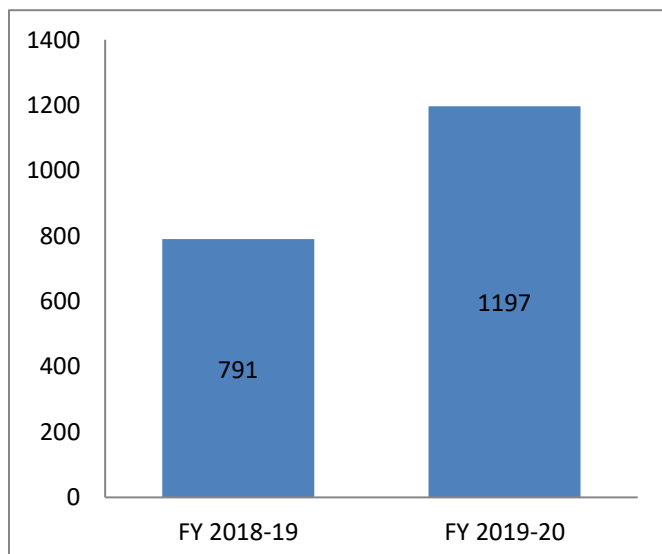
Net Sales (In Lacs)



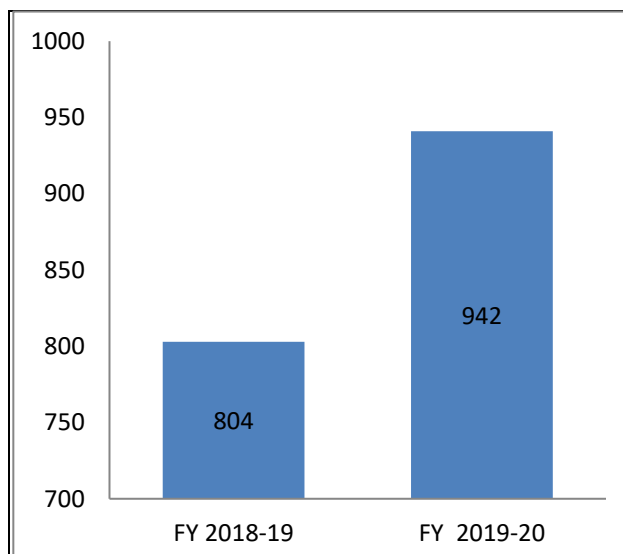
EBITDA (In Lacs)



Net Profit before tax (In Lacs)



Net Profit after tax (In Lacs)



**CHAIRMAN MESSAGE**

Dear and Esteemed Fellow Shareholders,

I am delighted to interact with you and present the annual report with financial statements of your Company for the fiscal 2019-20.

FY 2019-20 posed a challenging environment for the Indian economy, marked by liquidity constraints, muted investments, weak consumption and volatile raw material prices. Various macro indicators as well as overall GDP growth witnessed consistent deceleration. GDP which was 7.2% in FY2018 fell to 6.1% in FY2019. Now, it seems to have decelerated to 4.2% in FY2020 — driven by a mere 3.1% growth in January-March 2020.

These challenges were further aggravated by outbreak of COVID-19 pandemic towards the end of the fiscal year. As a responsible corporate entity, Beta family selflessly undertook a series of measures to ensure safety and well-being of our employees, partners and to support, distributors, customers, and close by communities.

In this milieu of challenging economic environment, your company (BDL) has performed well. The company's topline and bottom line grew at a healthy pace while EBITDA margins witnessed an expansion of 167 basis points improving to 20.15% from 18.47% compared with the same period a year ago. This was primarily driven by increased sale of own brand oncology products and exports to Asian, African countries & Latin America Countries.

During the year, BDL has continued its quest to cement its place as one of the premier manufacturer of Oncology medicines. The market for oncology medication is growing at a fast clip and its market size is estimated to be US\$200 billion which shows that BDL has a long runway of opportunities ahead.

❖ **ROAD AHEAD**

Our future priorities are as follows:

TKI's to drive growth

BDL is poised for strong growth as it has ventured into fast growing targeted therapy market with Tyrosine Kinase Inhibitors (TKIs), which accounts for 25% of total Oncology market in India and New Drug Delivery System (NDDS). The company plans to launch approximately sixteen new TKI's out of which eight TKI's are going to be off patent in next three years and have a current market size of more than Rs 400cr growing in double digits annually.

Presently, BDL has developed in-house a portfolio of 6 TKIs; Beedan (Dasatinib), Adtrinib (Sorafenib), Hertinib (Lapatinib), Gemcitabine (Ready to use), Docetaxel (Ready to use) & Erlotad (Erlotinib). We are glad to announce launch of first Indian



generic brand of DASATINIB; BEEDAN, which has put our company on a leadership ladder for the molecule. To provide the best quality and yet make drugs affordable, company intends to manufacture both API and formulation in-house for all the new molecules.

Pre-Filled Syringe Setup

BDL is also strengthening its market share of existing molecules by setting up a manufacturing facility of Pre-Filled Syringe which will be commissioned by end of Sept'2020. It will help to improve the product life cycle of existing products by providing advantage of patient compliance, ease of use, eliminating dosing error & less wastage of expensive drugs.

Increase High Margin Exports

BDL is focused on building a robust and high margin exports business for which it has built a strong exports sales team led by pharma professional with experience of over 25+ years in Oncology exports. Company's Uzbek venture is also shaping up well. Its 12 injectable have got registered and has received its (FIRST EXPORT ORDER).

On behalf of the Board and management, I would like to thank our shareholders, customers, distributors and other stakeholders for their continued support and trust. And a special thanks to all our employees for their sheer hard work and commitment, which has helped the company to deliver strong performance.

It is an honor to serve you all.

With Warm Regards

Sd/-

Vijay Kumar Batra

Chairman cum Managing Director



NOTICE TO SHAREHOLDERS

Notice is hereby given that the 15th Annual General Meeting of the Company will be held on Wednesday, the 30th day of September, 2020 at 12.30 p.m. through video conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:**1. Adoption of Financial Statements**

- (I) Audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2020 and the Reports of the Board of Directors and Auditors thereon;
and
(II) Audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2020, together with the Report of the Auditors thereon

2. To appoint a Director in place of Mr. Rahul Batra (DIN: 02229234), who retires by rotation and being eligible, offers himself for re appointment.**SPECIAL BUSINESS:****3. Remuneration to Cost Auditor for the Financial Year ended 31st March, 2021.**

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

"RESOLVED THAT pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any modifications or re-enactment thereof for the time being in force), the company hereby approved the remuneration of **Rs.1,00,000/- (Rupees One Lac Only)** with reimbursement of conveyance expenses at actual and GST as applicable, as approved by the Board of Directors, payable to **M/s Charu Jindal & Co, Cost Accountants**, bearing Firm Registration Number **103508**, appointed by Board of Directors to carry out audit of Company's cost records for year ending **31st March 2021**".

"RESOLVED FURTHER THAT Mr Vijay Kumar Batra, (DIN:01083215) Chairman cum Managing Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable for the purpose of giving effect to this resolution."

Dated: 31.08.2020
Place: Panchkula

By Order of the Board of Directors

sd/-
Vijay Kumar Batra
Chairman & Managing Director
(DIN:01083215)



NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). The deemed venue of the AGM shall be the registered office of the company. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and vote in the meeting.
5. Corporate members intending to authorise their authorized representatives to attend the Meeting are requested to send a scanned copy (PDF/JPG Format) certified copy of its Board or Governing Body Resolution/Authorization etc. authorizing its representative to attend AGM through VC / OAVM on its behalf and to vote in the meeting. The said Resolution/ Authorization shall be sent to the company by email through its registered email address at cs@betadrugslimited.com.
6. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars, the Notice of AGM alongwith Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at www.betadrugslimited.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at https://www1.nseindia.com/emerge/index_sme.htm
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.



8. Pursuant to the provisions of SEBI (LODR) Regulations, 2015 and section 91 of the Companies Act, 2013, Register of Members and Shares Transfer Books of the Company will remain closed from **Wednesday, 23rd September, 2020 to Wednesday, 30th September, 2020. (both days inclusive).**
9. Members intending to require any information at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting at **cs@betadrugslimited.com**.
10. Shareholders holding shares in dematerialized form should communicate the change of address, if any, to their Depository Participant and other who hold shares in physical form should communicate the change of address, to the Registrar and Share Transfer Agent of the Company at the following address:

Link Intime India Pvt Limited.
C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai-400083.
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is not required to provide remote e-voting facility to its members.
12. During the meeting held through "VC" or "OAVM" facility, where a poll on any item is required, the member shall cast their vote on the resolutions only by sending email through their email addresses which are registered with the company at **cs@betadrugslimited.com**.
13. Where less than 50 members are present in the meeting, the chairman may decide to conduct a vote by show of hands, unless a demand for poll is made by any member in accordance with section 109 of the companies Act, 2013.
14. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
15. Brief Profile of Directors seeking re-appointment at the Annual General Meeting is provided at **Annexure-1** to this Notice as prescribed under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India.
16. An Explanatory Statement pursuant to Section 102 of the Act in respect of **Item nos. 3** of the Notice set out above, is annexed hereto.
17. Relevant documents referred to in the accompanying Notice will be available for inspection electronically by the members on the website of the Company at <http://www.betadrugslimited.com/investor-zone.html> website link during the time of AGM.
18. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act, will be available for inspection electronically by the members on the website of the Company at www.betadrugslimited.com during the AGM.



PROCESS AND MANNER FOR ATTENDING THE 15TH ANNUAL GENERAL MEETING THROUGH INSTAMEET:

1. Instructions for attending the AGM through VC/OAVM

i. The Members will be provided with a facility (**InstaMEET**) to attend the AGM through VC/OAVM through the Link Intime India Private Limited ("LIPL") and they may access the same at <https://instameet.linkintime.co.in>.

ii. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

► Select the "**Company**" and '**Event Date**' and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

► Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (Annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

► Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

a. Members who would like to express their views/ask questions with respect to the financial statements or any other matter to be placed at the Annual General Meeting may pre-register themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at cs@betadrugslimited.com between Thursday, September 17, 2020 (9:00 a.m. IST) and Saturday, September 19, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express



their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers/questions depending on the availability of time for the Annual General Meeting. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

- b. Shareholders will get confirmation on first cum first basis depending upon the provision made by the company/LIPL.
- c. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
- d. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
- e. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Annexure

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>



The image is a screenshot of a web browser displaying the Cisco Webex download page. The browser's address bar shows 'webex.com/downloads.html'. The page has a navigation bar with links for 'Solutions', 'Webex Devices', 'Plans & Pricing', and 'Learn'. There are also links for 'Host', 'Join', 'Sign in', and a 'Start for Free' button. The main content area is divided into two columns. The left column is for 'Webex Meetings' and the right for 'Webex Teams'. Both columns list features and have a 'Download for Windows' button. A black arrow points to the 'Download for Windows' button for Webex Meetings. Below the main content, there are three steps for installation: Step 1 (Double-click the webexapp.msi file), Step 2 (The Webex Meetings setup wizard will launch), and Step 3 (Once installed the app will launch automatically). A black arrow points to the 'Run' button in a Windows security warning dialog box at the bottom of the page. The dialog box asks 'What do you want to do with webexapp.msi (88.1 MB)? From: akamaicdn.webex.com' and has buttons for 'Run', 'Save', 'Cancel', and a close button.



Solutions

Webex Devices

Plans & Pricing

Learn

Host

Join

Sign in

Start for Free

Step 1

Double-click the webexapp.msi file downloaded

Step 3

Once installed app will launch automatically.

Cisco Webex Meetings - InstallShield Wizard

Welcome to the InstallShield Wizard for Cisco Webex Meetings

The InstallShield(R) Wizard will install Cisco Webex Meetings on your computer. To continue, click Next.

WARNING: This program is protected by copyright law and international treaties.

< Back Next > Cancel

To open the app double-click the Webex Meetings icon on your

Solutions

Webex Devices

Plans & Pricing

Learn

Host

Join

Sign in

Start for Free

Step 1

Double-click the webexapp.msi file downloaded

Step 3

Once installed app will launch automatically.

Cisco Webex Meetings - InstallShield Wizard

License Agreement

Please read the following license agreement carefully.

CISCO WEBEX LLC LICENSE AGREEMENT (AS APPLICABLE TO THE PARTICULAR DOWNLOAD)

IMPORTANT NOTICE--PLEASE READ PRIOR TO USING THIS SOFTWARE: This license agreement ("License Agreement") is a legal agreement between you (either an individual or an entity) and Cisco Webex LLC ("Webex") for the use of Webex software you may be required to download and install to use certain Webex services (such as software, together with the underlying documentation if made available to you, the "Software"). By clicking on the button containing the "I accept" language, by installing the Software or by otherwise using the Software, you agree to be bound by the terms of this License Agreement. IF YOU DO NOT AGREE TO THE TERMS OF THIS LICENSE AGREEMENT, CLICK ON THE BUTTON

☒ I accept the terms in the license agreement

☐ I do not accept the terms in the license agreement

InstallShield

< Back Next > Cancel

Solutions

Webex Devices

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Host

Join

Sign in

Start for Free

Step 1

Double-click the webexapp.msi file downloaded

Step 3

Once installed app will launch automatically.

Cisco Webex Meetings - InstallShield Wizard

Ready to Install the Program

The wizard is ready to begin installation.

Click Install to begin the installation.

If you want to review or change any of your installation settings, click Back. Click Cancel to exit the wizard.

InstallShield

< Back Install Cancel



or

- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

| Step 1 | Enter your First Name, Last Name and Email ID and click on Join Now. |
|--------|--|
| 1 (A) | If you have already installed the Webex application on your device, join the meeting by clicking on Join Now |
| 1 (B) | If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application . Click on Run a temporary application , an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now |

Event Information:

Event status:

Date and time:

Duration:

Description:

By joining this event, you are accepting the Cisco Webex [Terms of Service](#) and [Privacy Statement](#).

Join Event Now

You cannot join the event now because it has not started.

First name:

Last name:

Email address:

Event password:

Join Now

[Join by browser](#) **NEW!**

If you are the host, [start your event](#).



EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES MENTIONED IN THE NOTICE OF 15TH ANNUAL GENERAL MEETING DATED 30.09.2020.

ITEM NO.3

The Board of Directors in its meeting held on **31st August, 2020** had approved the appointment of **M/s Charu Jindal & Co, Cost Accountants** bearing Firm Registration Number **103508**, as Cost Auditors of the Company to conduct audit of cost records for the year ending **31st March, 2021** at a remuneration of **Rs.1,00,000/- (Rupees One Lac only)** with reimbursement of conveyance expenses at actual and GST as applicable.

In accordance with provisions of Section 148 of the Companies Act 2013 and Companies (Audit and Auditors) Rules, 2014, remuneration payable to cost auditors has to be approved by the shareholders of the company.

Accordingly consent of the members is sought for passing an **ordinary resolution** as set out at **item No.3** of the notice for approval of remuneration payable to Cost Auditors for the financial year ending **31st March, 2021**.

None of the Directors/ Key Managerial Personnel of the company/ their relatives are in, anyway concerned or interested, financially or otherwise, in the resolution set out at **item No.3** of the notice.

The Directors recommend the resolution for approval of the members as **ordinary resolution**.

Dated: 31.08.2020

Place: Panchkula

By Order of the Board of Directors

sd/-

Vijay Kumar Batra
Chairman & Managing Director
(DIN:01083215)



**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING UNDER
REGULATION 36 OF SEBI(LODR) REGULATIONS**

| | |
|---|---|
| Name of Director | Mr Rahul Batra |
| Director Identification Number | 02229234 |
| Date of Birth | 08/10/1983 |
| Educational Qualification | Master of Science degree in Business and Management from University Strathclyde Scotland |
| Experience | 15 Years |
| Details of remuneration to be paid, if any | Rs 6,00,000 p.m. |
| Date of first appointment to the Board | 01/08/2014 |
| No. of Share held by Directors in the Company | 34,450 |
| Relationship with other Directors / KMPs | Son of Mr Vijay Kumar Batra & Brother of Mr Varun Batra |
| No. of meetings attended during the year | 13 |
| Profile | Rahul Batra, (DIN: 02229234) aged 36 years is the Whole time Director of our Company. He holds Master of Science degree in Business and Management from University Strathclyde Scotland. His Scope of work includes Marketing and Sales segment of the Company. |
| Expertise in specific Functional areas | Marketing and Sales segment |
| Directorship in other Companies | <ul style="list-style-type: none"> • Kedge Pharmacia Pvt Ltd • Adley Formulations Pvt Ltd • Adley Lab Limited • B.T. Associates Pvt td |
| Chairman/ Member of Committees of the Board of other Companies in which he is a Director | NIL |
| Relationship, if any, with the other members of the Board | Son of Mr Vijay Kumar Batra & Brother of Mr Varun Batra |
| Terms and Conditions of appointment and remuneration sought and remuneration last and justification | Re-appointment in Annual General Meeting held on 30 th September, 2019 for 5 years w.e.f. 2 nd February, 2020 upto period ended 1 st February, 2025 @ remuneration of Rs 3.00 lacs p.m. w.e.f. 1 st November, 2019 remuneration was increased from Rs 3.00 lacs p.m to Rs 6.00 lacs p.m. |



DIRECTORS' REPORT

To

**The Members of
BETA DRUGS LIMITED**

Your Directors take pleasure in presenting the 15th Annual Report of the Company together with the Audited Accounts for the financial year ended on 31st March, 2020. The Management Discussion and Analysis has also been incorporated in this report.

❖ FINANCIAL SUMMARY/HIGHLIGHTS:

The brief financial results are as under:

| PARTICULARS | STANDALONE | | CONSOLIDATED | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | YEAR ENDED 31.03.2020 | YEAR ENDED 31.03.2019 | YEAR ENDED 31.03.2020 | YEAR ENDED 31.03.2019 |
| Revenue from Operations | 65,31,97,635.25 | 58,04,86,838.99 | 90,80,56,577.13 | 65,92,90,672.52 |
| Other Income | 41,65,267.78 | 31,57,848.77 | 41,04,848.78 | 37,42,886.77 |
| Total Revenue | 65,73,62,903.03 | 58,36,44,687.76 | 91,21,61,425.91 | 66,30,33,559.29 |
| Less: Other expenses excluding depreciation | 54,20,87,993.73 | 48,47,51,050.43 | 75,48,56,453.05 | 55,55,53,833.97 |
| Less: Depreciation & Preliminary expenses written off | 2,57,71,672.80 | 2,42,32,093.54 | 3,75,88,135.19 | 2,84,15,646.53 |
| Profit / (loss) before Taxation | 8,95,03,236.50 | 7,46,61,543.79 | 11,97,16,837.67 | 7,90,64,078.79 |
| Less : Provision for Taxation | | | | |
| Current Tax | 1,71,98,505.25 | 1,53,70,422.70 | 2,50,76,415.83 | 15,34,047.90 |
| Deferred Tax | 13,05,353.98 | -1,78,49,803.76 | 4,89,247.37 | -28,68,769.87 |
| Profit/ (loss) after Taxation | 7,09,99,377.27 | 7,71,40,924.85 | 9,41,51,174.47 | 8,03,98,800.75 |

❖ DIVIDEND:

In order to conserve the financial resources for the future requirement of the company, the Board of Directors has not recommended any dividend for the year.

❖ TRANSFER TO RESERVE:

Profit of Rs. 7,09,99,377.27 was transferred to surplus a/c.

❖ **REVIEW OF FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS:**

During the year, your Company has emerged as one of the fastest growing company in the Oncology product segment which has contributed to significant increase in the profitability of the company.

• **STANDALONE:**

During the year, Revenue of the Company increased by 12.63% i.e. from Rs. 5836.44 lakhs to Rs.6573.62 lakhs. Profit before tax increased by 19.88% i.e. from Rs. 746.61 lakhs to Rs.895.03 lakhs. Profit after tax is Rs. 709.99 lakhs.

• **CONSOLIDATED:**

The Consolidated Financial Statements of the Company have been prepared as per Indian Accounting Standard 110 of the Institute of Chartered Accountants of India. During the year, Company's consolidated Revenue increased by 37.57% i.e. from Rs. 6630.33 lakhs to Rs.9121.61 lakhs. Profit before tax increased by 51.42% i.e. from Rs. 790.64 lakhs to Rs.1197.17 lakhs. Profit after tax increased by 17.11% i.e. from Rs. 803.98 lakhs to Rs.941.51 lakhs.

❖ **CHANGE IN THE NATURE OF BUSINESS:**

During the year the Company has not changed its business.

❖ **MATERIAL CHANGES:**

There are no Material change occurred between the end of the financial year of the company to which the financial statements related and the date of the report, which is affecting the financial position of the company.

❖ **LISTING:**

The Equity Shares of the Company are listed on SME Platform of National Stock Exchange of India Limited (NSE Emerge). The Company is regular in payment of Annual Listing Fees. The Company has paid Listing fees up to the year 2020-21.

❖ **SUBSIDIARY COMPANIES/JOINT VENTURE COMPANY/ASSOCIATE COMPANY:**

Company has following Subsidiary Companies:-

- ***Beta Ubk International Private Limited***, subsidiary in Uzbekistan (**w.e.f. 07.09.2018**) having works & registered office at: 27, Alimkent Street, Yashnobod District, Tashkent City, Uzbekistan **with 60% Shareholding**.
Business: Manufacturing of Oncology Products.
- ***Adley Formulations Private Limited***, a wholly owned subsidiary of Beta Drugs Limited (**w.e.f. 09.10.2018**) having Registered office at SCO-184, Sector-5, Panchkula-134114 & Works at Kotla, Barotiwala, Distt Solan, Himachal Pradesh **with 100% Shareholding**
Business: Manufacturing & Trading of Oncology Products
- ***Adley Lab Limited***, a wholly owned subsidiary of Beta Drugs Limited (**w.e.f. 01.10.2019**) having Registered office & Works at D-27, Focal Point, Derabassi-140507 (SAS Nagar, Mohali) **with 100% Shareholding**
Business: Manufacturing of Oncology API



A statement containing the salient feature of the financial statement of Subsidiary company under the first proviso to sub-section (3) of section 129 in form AOC - 1 is appended as **Annexure – 7**

The Company is not having any other Joint Venture or Associate Company.

❖ **PERFORMANCE OF SUBSIDIARY COMPANIES:**

- **Beta Ubk International Private Limited** is engaged primarily in **manufacturing of Oncology Products**. Since medicines are under registration yet and the company has no commercial activity till March, 2020 therefore no sales happened so far during the period, April 1, 2019 to March 31, 2020. **In addition to last year company has received approvals for injectable (12 products) which will be marketed this financial year. For orals it has proceeded to clinical trial phase and expected registration by December end. The commercial will start from January, 2021 onwards based on COVID 19 situation.**
- **Adley Formulations Private Limited** is engaged primarily in **Manufacturing & Trading of Oncology Products**. During the period under review, **Adley Formulations Private Limited** achieved a turnover of **Rs 2,457.88 lakhs** with a profitability of **Rs 214.85 lakhs**.
- **Adley Lab Limited** is engaged in **manufacturing of Oncology API**. During the period under review, **Adley Lab Limited** achieved a turnover of **Rs 1,121.59 lakhs** with a profitability of **Rs 7.63 lakhs**.

❖ **REASONS FOR REVISION OF FINANCIAL STATEMENT OR REPORT:**

During the year, the financial statement or report was not revised. Hence further details are not applicable.

❖ **INCREASE IN AUTHORISED SHARE CAPITAL:**

During the year under review there is no change in the authorized Share capital of the company.

❖ **ALLOTMENT OF SHARES:**

During the financial year 2019-20, on **1st May, 2019** company has allotted **6,45,244** Equity Shares of **Rs 10/-** each at a price of **Rs 91/- each** (including **Rs 81/-** as premium) under preferential issue & on **1st July, 2019** company has allotted **3,19,046** Equity Shares of **Rs 10/-** each at a price of **Rs 90/-** each (including **Rs 80/-** as premium) under preferential issue.

❖ **DEMATERIALISATION OF EQUITY SHARES:**

The entire Shareholding of the Company is in demat mode.

❖ **DEPOSITORY SYSTEM:**

As the Members are aware, your Company's shares are trade-able compulsorily in electronic form and your Company has established connectivity with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, the members are requested to avail the facility of dematerialization of the Company's shares on NSDL & CDSL. The ISIN allotted to the Company's Equity shares is **INE351Y01019**.

❖ **UTILISATION OF IPO & PREFERENTIAL ISSUE PROCEED:**

Utilization of proceed by the Company till March, 2020 raised from IPO & Preferential Issue is detailed below:-

FUND UTILISATION OF IPO RECEIPT

| PARTICULAR | AS ON 31.03.2020 |
|---|-------------------------|
| AMOUNT RECEIVED - SHARE CAPITAL AND PREMIUM EXPENSES | 19,51,60,000.00 |
| IPO EXPENSES | 3,69,44,316.34 |
| CIVIL CONSTRUCTION (BUILDING) | 1,99,80,331.00 |
| CORPORATE EXPENSES | 90,94,835.11 |
| PURCHASE OF MACHINERY | 12,49,99,497.55 |
| LAND | 41,41,020.00 |
| TOTAL | 19,51,60,000.00 |

PREFERENTIAL ISSUE UTILISATION:-

| PARTICULARS | AMOUNT |
|--|-----------------------|
| ACQUISITION OF SHARE CAPITAL | 1,63,25,860.00 |
| REPAYMENT OF UNSECURED LOAN OF DIRECTORS | 88,30,000.00 |
| PAID FOR CONSULTANCY FEES, VALUATION & CORP. RESTRUCTURING | 59,03,250.00 |
| WORKING CAPITAL OF ADLEY LAB LIMITED | 2,12,83,094.00 |
| WORKING CAPITAL OF BETA DRUGS LIMITED | 63,75,000.00 |
| TOTAL | 5,87,17,204.00 |

There was no deviation/variation in the utilization of the proceeds of the public issue and preferential issue from the objects stated in the prospectus dated 19th September, 2017 issued for Initial Public offering of Securities & private placement offer cum application letter serial no. 01/2019 dated 24th April, 2019

❖ **DIRECTORS & KEY MANAGERIAL PERSONNEL:**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 Mr. Rahul Batra (DIN: 02229234), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself to be re-appointed as Directors of the Company.

The Board recommends the re-appointment of Mr. Rahul Batra (DIN: 02229234) as Director of the Company liable to retire by rotation.

During the year under review Mrs Seema Chopra (DIN: 08510586) was appointed as Additional as well as Whole-time Director of the company on 1st August, 2019 further subject to the approval of shareholders in the 14th Annual General Meeting held on 30th September, 2019 whereas Mrs Neeraj Batra (DIN: 02229217) has resigned from the directorship of the company w.e.f. 1st August, 2019.



❖ **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

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

❖ **FORMAL EVALUATION BY BOARD OF ITS OWN PERFORMANCE:**

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

❖ **NUMBER OF MEETINGS OF BOARD:**

During the FY 2019-20, the Board of Directors met thirteen times viz. 1st April, 2019, 1st May, 2019, 13th May, 2019, 29th May, 2019, 1st July, 2019, 1st August, 2019, 31st August, 2019, 27th September, 2019, 23rd October, 2019, 8th November, 2019, 22nd November, 2019, 15th January, 2020 & 24th January, 2020.

| Name of the Director | Number of Board Meetings Attended |
|----------------------|-----------------------------------|
| Vijay Kumar Batra | 13 |
| Rahul Batra | 13 |



| | |
|-----------------|----|
| Varun Batra | 13 |
| Balwant Singh | 13 |
| Neeraj Batra | 5 |
| Rohit Parti | 13 |
| Manmohan Khanna | 13 |
| Seema Chopra | 7 |

Last Annual General Meeting of the company was held on 30th September, 2019.

During the Financial year 2019-20 two Extraordinary General Meeting was held on 22nd April, 2019 & 28th June, 2019.

❖ **DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received necessary Declaration from each Independent Director/s under section 149(7) of the Companies Act, 2013 that they meets the criteria of Independence laid down in section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

❖ **ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS / SWEAT EQUITY SHARES / EMPLOYEE STOCK OPTION SCHEME:**

During the year, the Company has not issued any equity shares with differential voting rights or sweat equity shares or shares under employee stock option scheme. Hence disclosure regarding the same is not given.

❖ **AUDITORS' REPORT:**

M/s Kalra Rai & Associates, Chartered Accountants, Chandigarh, Firm Registration Number **008859N** have issued their Report (Standalone & Consolidated) for the financial year ended on March 31, 2020 forms part of this Annual Report and the same does not contain any qualification, reservation or adverse remark hence no explanation or comments of the Board is required in this matter.

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

❖ **COMMENTS ON AUDITOR'S REPORT:**

The notes referred to in the Auditor Report are self-explanatory and they do not call for any further explanation as required under section 134 of the Companies Act, 2013.

❖ **COST AUDITOR:**

The Board of Directors of your Company has appointed M/s Charu Jindal & Company, Cost Accountants, Dehradun as Cost Auditors to conduct audit of the Cost Records for Financial Year to be ended on March 31, 2021.

❖ **COST RECORDS:**

The Central Government has prescribed the maintenance of cost records under section 148(1) of the act, for the goods supplied by the Company. The Company had maintained proper cost records. Cost Audit Report for the financial year 2019-20 is being filed.

❖ **INTERNAL AUDITOR:**

The Board of Directors of your company has appointed M/s Srivastava V.K. & Associates, Chartered Accountants, Chandigarh as Internal Auditors to conduct Internal audit for Financial Year to be ended on March 31, 2021.

❖ **SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Dinesh Bhandari, Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**Annexure-2**".

❖ **COMPANY REPLY TO THE SECRETARIAL AUDITOR QUALIFICATION:**

| | Qualification | Company Reply |
|----|--|---|
| 1. | Clause 33(3)(d) of LODR- submission of non consolidated annual audited financial results as at 31.3.2020 to Stock Exchange with respect to one non operative foreign subsidiary viz. Beta UBK International Pvt. Ltd., Compliance required u/s 129, 136 and other relevant provisions of Companies Act, 2013 with respect to (non operative) foreign subsidiary viz. Beta UBK International Pvt. Ltd not made inter-alia Consolidation of Annual Audited Financial Statements as at 31.3.2020, Standalone financial statements as at 31.3.2020 / Statement containing salient features thereof required not attached with annual report. | Company has incorporated subsidiary company in Uzbekistan, Russia in the month of September, 2018. Since medicines are under registration yet and the company has no commercial activity till March, 2020 which will have financial impact on the consolidated results of Beta Drugs Limited, therefore being inoperative the company has not consolidated the Financial Statement of that subsidiary company. The results depict the true and correct picture of the consolidated financial results of the company. In addition to last year company has received approvals for injectable (12 products) which will be marketed this financial year. For orals it has proceeded to clinical trial phase and expected registration by December end. The commercial will start from January, 2021 onwards based on COVID 19 situation. |
| 2. | Section 178 (1) of Companies Act, 2013 requires Composition of Nomination and remuneration committee of 3 or more non executive director, whereas Company has only 2 non executive directors in the Committee. | There is a shortfall of one independent Director on the Board of Directors of the company and till date company has not found any suitable & competent candidate who can act as guide to the company. The company is in the process of finding suitable candidate person and fill the vacancy at the earliest possible. |
| 3. | It is further drawn to your attention that on account of vacancy caused by resignation of one independent director w.e.f. 22.02.2019 there is a shortfall of one independent Director as on 31.3.2019 required u/s 149 of the Companies Act, 2013, but resultant vacancy of independent Director was | Till date company has not found any suitable & competent candidate who act as guide to the company. The company is in process of finding suitable candidate person and fill the vacancy at the earliest possible. |



| | | |
|----|--|--|
| | to be filled either in the immediate next board meeting held by the Company or within period of 3 months from the date of vacancy i.e. upto 31.5.2019, whichever is later. But no such vacancy of independent Director was filled by the Board till date. Further company did not made compliance of provisions of Section 149(4) of Companies Act, 2013 during year under review. | |
| 4. | Company has granted loan of Rs. 1.1025 Crores to Adley Lab Ltd. (during 15.7.2019 - 19.7.2019) before it became subsidiary of Company without approval of shareholders by way of special resolution required u/s 185(2) of Companies Act, 2013. | Company has acquired 100% Equity Shares i.e. 17,58,050 equity shares of M/s Adley Lab Limited with the approval of Shareholders of the company in their meeting held on 28 th June, 2019 and executed a Share Purchase Agreement on 28 th June, 2019. The total value of the consideration payable for the said transaction was discharged partly by issue and allotment of 3,19,046 equity shares of Beta Drugs Limited on preferential basis on 1 st July, 2019 and partly through normal banking channels on 2 nd July, 2019. After discharging the 100% consideration for M/s Adley Lab Limited acquisition company has granted loan to Adley Lab Limited which was very much required for working capital need of Adley Lab Limited. Further the transfer of shares of Adley Lab Limited from their shareholders in the name of Beta Drugs Limited was just a procedural formality which took longer time than required because of the issue with the demat account of two directors. |
| 5. | In last AGM notice, item of appointment of statutory auditor was taken up, but in explanatory statement proposed fee amount and basis of recommendation for appointment were not disclosed as required u/r 36(5) of LODR. | The Audit Committee in their meeting held on 31 st August, 2019 has recommended to the Board of Directors the re-appointment of M/s Kalra Rai & Associates, Chartered Accountants & Audit fees payable to them and the Board of Directors in their meeting held on 31 st August, 2019 has approved the re-appointment & fees payable subject to the approval of Shareholders of the company. Further the company has intimated the same to National Stock Exchange vide letter dated 31 st August, 2019 regarding the re-appointment & Audit fees of statutory Auditor along with necessary disclosure required under SEBI (LODR) Regulation, 2015. Re-appointment of the statutory auditor was made on the existing remuneration paid in previous financial year. |



| | | |
|----|---|---|
| 6. | Annual performance report (APR) form filed for calendar year 2019 to authorized dealer bank on the basis of Unaudited financial statements of Beta UBK International Pvt. Ltd. in place of audited financial statements, overseas subsidiary, with some delay thru email. Annual Performance Report (APR) form pending for filing for financial year 2019-20. | Company has filed the Annual performance report (APR) with Axis Bank on the basis of the provisional balance sheet of Beta UBK International Pvt. Ltd. and sent the same to bank vide email dated 4 th May, 2020. Last date of filing APR form for financial year 2019-20 is 31 st December, 2020 by which it will be complied |
|----|---|---|

❖ **INTERNAL AUDIT CONTROLS AND THEIR ADEQUACY:**

The Company has a proper and adequate system of internal controls, commensurate with the size scale and complexity of its operations. This ensures that all transactions are authorized, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls.

To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the audit committee of the Board and to the Chairman and Managing Director. The Internal Audit department monitors and evaluate the efficiency and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit functions, process owner undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

❖ **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has internal Auditors and the Audit Committee constituted are in place to take care of the same. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

❖ **AUDIT COMMITTEE:**

As required under the provisions of section 177 of the Companies Act, 2013 and Rules made there under the Board of Director constituted the Audit Committee. The Audit Committee comprises of the following members:

| | | |
|----|-----------------------|-------------|
| 1. | Mr. Rohit Parti | Chairperson |
| 2. | Mr. Vijay Kumar Batra | Member |
| 3. | Mr. Manmohan Khanna | Member |

During the year, Audit Committee has met Six times details of the same are as follows:

| Sr. No | Date of Meeting | Strength of Committee | No. of Members Present |
|--------|-----------------------------|-----------------------|------------------------|
| 1. | 1 st April, 2019 | 3 | 3 |



| | | | |
|----|--------------------------------|---|---|
| 2. | 1 st May, 2019 | 3 | 3 |
| 3. | 13 th May, 2019 | 3 | 3 |
| 4. | 29 th May, 2019 | 3 | 3 |
| 5. | 31 st August, 2019 | 3 | 3 |
| 6. | 23 rd October, 2019 | 3 | 3 |

The term of references of audit committee are to recommend for appointment of statutory auditor, approve related party transactions, examination of financial statements and auditor's report, scrutinize inter corporate loans and investments, evaluation of internal financial control and risk management, review and monitor auditors independence and performance and effectiveness of audit process.

Term of Reference of the Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems



13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. To investigate any other matters referred to by the Board of Directors;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

❖ **NOMINATION & REMUNERATION COMMITTEE:**

As required under the provisions of section 178 of the Companies Act, 2013 and Rules made there under the Board of Director constituted the Nomination and Remuneration Committee. The Nomination and Remuneration Committee consists of the following members:

| | | |
|----|-----------------------|-------------|
| 1. | Mr. Rohit Parti | Chairperson |
| 2. | Mr. Vijay Kumar Batra | Member |
| 3. | Mr. Manmohan Khanna | Member |

During the year, three meeting of the nomination and remuneration committee was held. Details of the Meeting are as follows:

| Sr. No | Date of Meeting | Strength of Committee | No. of Members Present |
|--------|---------------------------------|-----------------------|------------------------|
| 1. | 29 th May, 2019 | 3 | 3 |
| 2. | 1 st August, 2019 | 3 | 3 |
| 3. | 22 nd November, 2019 | 3 | 3 |

**(i) Term of Reference of the Committee**

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
 - (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
- Regularly review the Human Resource function of the Company.
- Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
- Make reports to the Board as appropriate.
- Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
- Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

(ii) Remuneration Policy:

Website link:-

<http://www.betadrugslimited.com/pdfs/PolicyonRemunerationNominationandBoarDiversity.PDF>

(a) Remuneration to Executive Directors:

The remuneration paid to executive directors of the Company is recommended by the Nomination and Remuneration Committee of the Company and then Board of the Company approve in their duly held meeting. The remuneration of executive directors are decided by considering various criteria like qualification, experience, responsibilities, value addition to the Company and financial position of the Company. Board is taking permission of the members if required at any time for paying remuneration to executive directors.

(b) Remuneration to Non-Executive Directors:

Company is not paying any remuneration to non-executive and independent directors of the Company except sitting fees of Rs 1000/- per meeting.

❖ STAKEHOLDERS RELATIONSHIP COMMITTEE:

As required under the provisions of section 178 of the Companies Act, 2013 and Rules made there under the Board of Director constituted the Stakeholders Relationship Committee. The Stakeholders Relationship Committee consists of the following members:



| | | |
|----|-----------------------|-------------|
| 1. | Mr. Rohit Parti | Chairperson |
| 2. | Mr. Vijay Kumar Batra | Member |
| 3. | Mr. Manmohan Khanna | Member |

The Company has not received any complaints during the year. There was no valid request for transfer of shares pending as on 31st March, 2020. Mrs. Rajni Brar, Company Secretary is the Compliance Officer for the above purpose.

During the year, one meeting of the Stakeholders Relationship Committee was held. Details of the Meeting are as follows:

| Sr. No | Date of Meeting | Strength of Committee | No. of Members Present |
|--------|-------------------------------|-----------------------|------------------------|
| 1. | 31 st August, 2019 | 3 | 3 |

Term of Reference of the Committee

- i. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- ii. Redressal of security holder's/investor's complaints Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- iii. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
- iv. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- v. Reference to statutory and regulatory authorities regarding investor grievances; and
- vi. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- vii. To take note of Dematerialisation and Rematerialisation requests received from the shareholders of the company.
- viii. Any other power specifically assigned by the Board of Directors of the Company

❖ POLICY ON PRESERVATION OF THE DOCUMENTS:

The Company has formulated a Policy pursuant to Regulation 9 of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") on Preservation of the Documents to ensure safe keeping of the records and safeguard the Documents from getting manhandled, while at the same time avoiding superfluous inventory of Documents.

❖ POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS:

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations). The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

❖ RISK MANAGEMENT POLICY/PLAN:

It may please be noted that as our Company is not falling in the applicability criteria prescribed as mentioned in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Hence, the company has not developed and implemented any risk management policy/plan but the Company has adequate internal control systems and procedures to combat the risk.

❖ VIGIL MECHANISM:

It may please be noted that as our Company is not falling in the applicability criteria prescribed as mentioned in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.



Hence, there is no vigil mechanism in the company.

❖ **CODE OF BUSINESS CONDUCT AND ETHICS:**

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 read with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the code of Internal Procedures and code for prevention of insider trading ("Code of Conduct"), as approved by the Board from time to time, are in force by the Company. The objective of this Code of Conduct is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, designated employees and other employees.

The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees and other employees from trading in the securities of Beta Drugs Limited at the time when there is unpublished price sensitive information. The COC is available on the website of the Company www.betadrugslimited.com.

❖ **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The company has a policy and it provides for protection against sexual harassment of woman at work place and for prevention and redressal of such complaints. The Company has zero tolerance on Sexual Harassment at workplace. During the year under review, no complaints were received against the sexual harassment at workplace.

❖ **REMUNERATION POLICY:**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

The Company's shareholders may refer the Company's website for the detailed Nomination & Remuneration Policy of the Company on the appointment and remuneration of Directors including criteria for determining qualifications, positive attributes, independence of a Director; and other matters provided under sub-section (3) of section 178.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically.

The remuneration policy is in consonance with the existing industry practice.

❖ **ANALYSIS OF REMUNERATION:**

The details of remuneration paid to Directors and Key Managerial Personnel is given in extract of Annual Return attached with this report.

Disclosure/details pursuant to provisions of Section 197(12) of the Companies Act 2013 read with Companies (appointment and Remuneration of managerial personnel) Rules, 2014 are given as follows:

- 1) The percentage increase in Remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2019-20 and ratio of remuneration of each key managerial personnel (KMP) against the performance are as under:-



| Sr No. | Name of Director/KMP and Designation | Remuneration of Director/KMP for the Financial Year 2019-20 (In Rs.) | % age Increase in Remuneration for the Financial Year 2019-20 | Ratio of Remuneration of each director to the Median Remuneration of Employees |
|--------|---|--|---|--|
| 1. | Mr. Vijay Kumar Batra, Chairman cum Managing Director | NIL | NIL | NIL |
| 2. | Mrs. Neeraj Batra, Whole Time Director | NIL | NIL | NIL |
| 3. | Mr. Varun Batra, Whole Time Director | 51,00,000 | 41.66% | 43.15 |
| 4. | Mr. Rahul Batra, Whole Time Director | 51,00,000 | 41.66% | 43.15 |
| 5. | Mr Balwant Singh, Whole Time Director | 17,26,500 | 5.79% | 14.61 |
| 6. | Mrs. Seema Chopra, Whole time Director | 3,61,398 | NIL | 3.06 |
| 7. | Mr Manmohan Khanna, Independent Director | NIL | NIL | NIL |
| 8. | Mr. Rohit Parti, Independent Director | NIL | NIL | NIL |
| 9. | Mrs Rajni Brar, Company Secretary | 6,60,000 | 25% | 5.58 |
| 10. | Mr Jayant Kumar, CFO | 11,99,568 | 8.65% | 10.15 |

2) The Median Remuneration of Employees of the Company during the financial year 2019-20 was Rs. 1,18,193/-

3) There was a decrease of 2.97% in median remuneration of employees during the financial year.

4) The number of permanent employees on the rolls of the Company is 226 for the year ended March 31, 2020.

5) There was an increase of 24.89% in salaries of employees other than the managerial personnel during the financial year 2019-20.

6) It is affirmed that remuneration paid during the year ended March 31st, 2020 is as per the Remuneration Policy of the Company.

❖ PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

There was no employee drawing remuneration in excess of limits prescribed under section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Disclosure pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are as per Annexure - 3.

❖ REGULATORY ORDERS:

During the year, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

❖ **CSR COMMITTEE:**

The Board of Directors has constituted a CSR Committee comprising following members:

| | | |
|----|----------------------|----------|
| 1. | Mr Vijay Kumar Batra | Chairman |
| 2. | Mr Rahul Batra | Member |
| 3. | Mr Rohit Parti | Member |

During the year, two meeting of the Corporate Social Responsibility Committee was held. Details of the Meeting are as follows:

| Sr. No | Date of Meeting | Strength of Committee | No. of Members Present |
|--------|----------------------------------|-----------------------|------------------------|
| 1. | 27 th September, 2019 | 3 | 3 |
| 2. | 07 th October, 2019 | 3 | 3 |

The Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy), indicating the activities to be undertaken by the Company, recommending the amount to be spent on CSR activities and monitoring the implementation of the framework of the CSR Policy.

The Company has provided for the corporate social responsibility as per Section 135 of the Companies Act 2013 i.e. **Rs. 14,48,575.30** during the year being 2% of the average net profits for the immediately preceding three Financial Years. The total amount to be spent during the year was **Rs. 24,12,967.30** including the amount unspent carried forward from previous year. The actual amount spent during the financial year was **Rs. 9,00,850.00** on eligible projects/ activities approved by the Board on the recommendation of the CSR Committee and amount of **Rs. 15,12,117.30** remain unspent for the year under review. Brief particulars of the CSR projects undertaken are given in **Annexure 4**, forming part of the Board's Report.

❖ **DETAILS ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014.

(A) **CONSERVATION OF ENERGY:**

| | | |
|-------|--|---|
| (i) | the steps taken or impact on conservation of energy | The Company accords high priority to conservation of energy. However, there are no specific steps taken in this regard. |
| (ii) | the steps taken by the company for utilizing alternate sources of energy | The Company is not utilizing alternate sources of energy. |
| (iii) | the capital investment on energy conservation equipments | NIL |

(B) **TECHNOLOGY ABSORPTION:**

| | | |
|-------|--|---|
| (i) | the efforts made towards technology absorption | NIL |
| (ii) | the benefits derived like product improvement, cost reduction, product development or import substitution | NIL |
| (iii) | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; | The Company has not imported any technology during the year. Hence, there are no details to be furnished under this clause. |



| | | |
|------|---|---|
| | (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | |
| (iv) | the expenditure incurred on Research and Development | There are no expenditure incurred on Research and Development by the Company. |

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are given below :

| Particulars | Amt. as on 31.3.2020 | Amt. as on 31.3.2019 |
|------------------------------|----------------------|----------------------|
| Earnings in Foreign Exchange | 3,24,59,138.85 | 4,85,00,674 |
| Foreign Exchange Outgo | 60,03,130.21 | 46,31,700 |

❖ **INTERNAL FINANCIAL CONTROL:**

The Company has a well placed, proper and adequate internal financial control system which ensures that all the assets are safeguarded and protected and that the transactions are authorized recorded and reported correctly.

The internal audit covers a wide variety of operational matters and ensures compliance with specific standard with regards to availability and suitability of policies and procedures. During the year no reportable material weakness in the design or operation were observed.

The Directors has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been operating effectively.

❖ **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings.

❖ **DEPOSITS:**

The Company has not invited/ accepted any deposits from the public during the year ended March 31, 2020. There were no unclaimed or unpaid deposits as on **March 31, 2020**. No unsecured loan has been received from the Directors of the company.

❖ **CORPORATE GOVERNANCE:**

It may please be noted that as our Company is not falling in the applicability criteria prescribed as mentioned in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Hence, the Report on Corporate Governance is not forming part of the Directors' Report.

❖ **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

❖ **EXTRACT OF ANNUAL RETURN:**

Extract of Annual Return in Form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 is attached as **Annexure-5**, forming part of the Board's Report. The same is also available on the Company's website at www.betadrugslimited.com.

❖ **PARTICULARS OF LOANS, INVESTMENTS OR GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

Company has provided the following loans, investments or guarantees under section 186 of the Companies Act, 2013 as on 31st March, 2020:-

| PARTICULARS | AMOUNT |
|--|------------------------|
| LOANS GIVEN BY COMPANY | |
| LOAN TO ADLEY LAB LIMITED (Wholly-owned Subsidiary) | 1,27,42,378.00 |
| LOAN TO ADLEY FORMULATIONS PRIVATE LIMITED (AFPL) (Wholly-owned Subsidiary) | 1,33,85,379.00 |
| TOTAL | 2,61,27,757.00 |
| INVESTMENTS MADE BY COMPANY | |
| INVESTMENT IN BETA UBK INTERNATIONAL PVT. LTD. | 35,20,592.62 |
| INVESTMENT IN ADLEY FORMULATION PVT. LTD. | 1,26,00,000.00 |
| INVESTMENT IN ADLEY LAB LTD. | 4,50,40,000.00 |
| TOTAL | 6,11,60,592.62 |
| GUARANTEES GIVEN BY COMPANY | |
| GUARANTEE GIVEN FOR WORKING CAPITAL LIMIT OF AFPL (Wholly-owned Subsidiary) | 5,55,00,000.00 |
| GUARANTEE GIVEN TO ICICI BANK FOR LOAN TAKEN BY AFPL (Wholly-owned Subsidiary) | 4,85,29,011.00 |
| TOTAL | 10,40,29,011.00 |

❖ **RELATED PARTY TRANSACTIONS:**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso Form No. AOC -2, given below:

Related Party Transactions:

Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the form AOC-2:



All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

Information Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014:*

1. Details of contracts or arrangements or transactions not at Arm's length basis.

| SL. No. | Particulars | Details |
|---------|---|---------|
| | Name (s) of the related party & nature of relationship | NIL |
| | Nature of contracts/arrangements/transaction | - |
| | Duration of the contracts / arrangements /transaction | - |
| | Salient terms of the contracts or arrangements or transaction including the value, if any | - |
| | Justification for entering into such contracts or arrangements or transactions' | - |
| | Date of approval by the Board | - |
| | Amount paid as advances, if any | - |
| | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | - |

2. Details of material contracts or arrangements or transactions at Arm's length basis.

| SL. No.1 | Particulars | Details |
|----------|---|--|
| | Name (s) of the related party & nature of relationship | Adley Lab Limited (wholly owned subsidiary) |
| | Nature of contracts/Arrangements /transaction | i) Purchase of Goods: Rs 7,57,19,750 ii) Grant of Unsecured loan: Rs 1,18,69,000 iii) Interest on unsecured loan: Rs 8,73,378.00 |
| | Duration of the contracts/Arrangements /transaction | - |
| | Salient terms of the contracts or arrangements or transaction including the value, if any | Total amount involved during the year is Rs 8,84,62,128/- |
| | Date of approval by the Board | 1 st April, 2019 |
| | Amount paid as advances, if any | - |
| SL. No.2 | Particulars | Details |
| | Name (s) of the related party & nature of relationship | Adley Formulations Private Limited (wholly owned subsidiary) |
| | Nature of contracts/ arrangements /transaction | i) Sale of Goods: Rs 18,96,893.39 ii) Purchase of Goods: Rs 15,21,843.75 iii) Grant of Unsecured Loan: Rs 1,32,20,000.00 iv) Interest on Unsecured Loan :Rs 1,65,379.00 |



| | | |
|----------------|--|---|
| | Duration of the contracts/Arrangements/ /transaction | |
| | Salient terms of the contracts or arrangements or transaction including the value, if any | Total amount involved during the year is Rs 1,68,04,116.14/- |
| | Date of approval by the Board | 1 st April, 2019 |
| | Amount paid as advances, if any | - |
| SL.No.3 | Particulars | Details |
| | Name (s) of the related party & nature of relationship | BT Associates Pvt Ltd. |
| | Nature of contracts /arrangements /transaction | Payment of Building Rent |
| | Duration of the contracts /arrangements/ /transaction | |
| | Salient terms of the contracts or arrangements or transaction including the value, if any | Total amount involved during the year is Rs 28,88,640/- |
| | Date of approval by the Board | 1 st April, 2019 |
| | Amount paid as advances, if any | - |

❖ **MANAGEMENT DISCUSSION AND ANALYSIS:**

As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, the Management Discussion and Analysis Report is given in **Annexure - 6**.

❖ **APPRECIATION:**

Your Directors wish to place on record their sincere appreciation for significant contribution made by the employees at all the levels through their dedication, hard work and commitment, thereby enabling the Company to boost its performance during the year under report.

Your Directors also take this opportunity to place on record the valuable co-operation and continuous support extended by its valued business associates, Practicing Company Secretary, Auditors, Supplier, Customers, Banks / Financial Institutions, Government authorities and the shareholders for their continuously reposed confidence in the Company and look forward to having the same support in all its future endeavors.

Dated: 31.08.2020

Place: Panchkula

By Order of the Board of Directors

sd/-

Vijay Kumar Batra
Chairman & Managing Director
(DIN: 01083215)



ANNEXURE-2

Secretarial Audit Report for the Financial Year Ended March 31, 2020

To

The Members of

BETA DRUGS LIMITED (CIN : L24230HP2005PLC028969)

Regd. Office :Village Nandpur, Baddi, Himachal Pradesh-174101.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BETA DRUGS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 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 Byelaws framed thereunder to the extent of Regulation 55A;
- (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 and The Securities Exchange Board of India (SEBI) (Substantial Acquisition of Shares and Takeovers (Amendment) Regulations, 2013 ;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;



- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amended thereon;
- d) SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- e) 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 to the extent of securities issued;
- f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment thereon;
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sectors/ industry are :

- (a) Drugs & Cosmetics Act, 1940
- (b) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
- (c) Narcotic Drugs and Psychotropic Substances Act, 1985
- (d) Conservations of Foreign Exchange And Prevention of Smuggling Activities Act, 1974
- (e) The Medicinal & toilet Preparations Substances (Excise Duties) Act, 1955
- (f) The Environment (Protection) Act, 1986
- (g) Hazardous Waste Management Rules, 2016
- (h) The Indian Copyright Act, 1957
- (i) The Patents Act, 1970
- (j) The Trade Marks Act, 1999

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with NSE Limited (SME segment) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations mentioned above in this report **except the following** :

- a. Clause 33(3)(d) of LODR- submission of non consolidated annual audited financial results as at 31.3.2020 to Stock Exchange with respect to one non operative foreign subsidiary viz. Beta UBK International Pvt. Ltd., Compliance required u/s 129, 136 and other relevant provisions of Companies Act, 2013 with respect to (non operative) foreign subsidiary viz. Beta UBK International Pvt. Ltd not made inter-alia Consolidation of



Annual Audited Financial Statements as at 31.3.2020, Standalone financial statements as at 31.3.2020 / Statement containing salient features thereof required not attached with annual report.

- b. Section 178 (1) of Companies Act, 2013 requires Composition of Nomination and remuneration committee of 3 or more non executive director, whereas Company has only 2 non executive directors in the Committee.
- c. It is further drawn to your attention that on account of vacancy caused by resignation of one independent director w.e.f. 22.02.2019 there is a shortfall of one independent Director as on 31.3.2019 required u/s 149 of the Companies Act, 2013, but resultant vacancy of independent Director was to be filled either in the immediate next board meeting held by the Company or within period of 3 months from the date of vacancy i.e. upto 31.5.2019, whichever is later. But no such vacancy of independent Director was filled by the Board till date. Further company did not made compliance of provisions of Section 149(4) of Companies Act, 2013 during year under review.
- d. Company has granted loan of Rs. 1.1025 Crores to adley lab ltd. (during 15.7.2019 - 19.7.2019) before it became subsidiary of Company without approval of shareholders by way of special resolution required u/s 185(2) of Companies Act, 2013.
- e. In last AGM notice, item of appointment of statutory auditor was taken up, but in explanatory statement proposed fee amount and basis of recommendation for appointment were not disclosed as required u/r 36(5) of LODR.
- f. Annual performance report (APR) form filed for calendar year 2019 to authorized dealer bank on the basis of Unaudited financial statements of Beta UBK International Pvt. Ltd. in place of audited financial statements, overseas subsidiary, with some delay thru email. Annual Performance Report (APR) form pending for filing for financial year 2019-20.

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

We 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. ***It is further drawn to your attention that on account of vacancy caused by resignation of one independent director w.e.f. 22.2.2019 there is a shortfall of one independent Director during FY 2019-20 required u/s 149 of the Companies Act, 2013.***

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.



We 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.

We further report that during the audit period no specific events / actions took place that having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

Sd/-

CS. Dinesh Bhandari / Proprietor

Practising Company Secretary

Membership No. FCS No.: 5887

Certificate of Practice No.: 10300

UDIN No. F005887B000642380

Place : Chandigarh

Date : 31.08.2020

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



The Members

BETA DRUGS LIMITED (CIN : L24230HP2005PLC028969)

Regd. Office : Village Nandpur, Baddi, Himachal Pradesh-174101.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and major events during the audit period.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis for the purpose of the Secretarial Audit Report.
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.

Sd/-

CS. Dinesh Bhandari

Practising Company Secretary

Membership No. FCS No.: 5887

Certificate of Practice No.: 10300

UDIN No. F005887B000642380

Place : Chandigarh

Date : 31.08.2020

**Annexure:3**

Statement showing the name of the top ten employees in terms of remuneration drawn:

| Name | Designation/Nature of Duties | Nature of employment whether contractual or otherwise | Relation with Director or Manager of Company | Remuneration in Rs per month | Qualification | Experience | Date of Joining | Age (years)/DOB | Last Employment before | % Equity Shares held |
|---------------------------|-------------------------------------|---|--|------------------------------|--|------------|-----------------|-----------------|---------------------------------|----------------------|
| Varun Batra | Whole Time Director | otherwise | Son of Mr Vijay Kumar Batra & Mrs. Neeraj Batra and Brother of Mr. Rahul Batra | 6,00,000 | Degree in Business Management from Toronto Canada | 14 | 01/08/2014 | 15/06/1985 | NA | 0.35% |
| Rahul Batra | Whole Time Director | otherwise | Son of Mr Vijay Kumar Batra & Mrs Neeraj Batra and Brother of Mr Varun Batra | 6,00,000 | Master of Science degree in Business and Management from University Strathclyde Scotland | 14 | 01/08/2014 | 08/10/1983 | NA | 0.36% |
| Vamsi Mohan | Head Exports & Business Development | otherwise | Nil | 3,14,867 | B.Pharm | 26 | 30/12/1971 | 06/03/2020 | Celon Laboratories Pvt. Ltd. | Nil |
| Ashutosh Shukla | VP Sales & Marketing | otherwise | Nil | 2,33,333 | MBA | 18 | 27/03/2019 | 07.09.1977 | Torrent Pharmaceuticals Limited | Nil |
| Sudhir Rajput | Sales Head | otherwise | Nil | 1,64,867 | Post Graduation | 21 | 01/07/2017 | 08.12.1975 | Ferring International MNC | Nil |
| Prashant Agarwal | Marketing Head | otherwise | Nil | 1,56,533 | MBA | 12.9 | 15/06/1979 | 09/09/2019 | Torrent Pharmaceuticals Limited | Nil |
| Balwant Singh | Whole Time Director | otherwise | Nil | 1,46,500 | MA, PGDPM/HR/IR | 20 | 01/04/2015 | 04/04/1970 | Adley Formulations | 0.01% |
| Surendra Kumar Yadav | GM Technical QA & QC | otherwise | Nil | 1,37,188 | M.Sc | 19 | 01/01/2018 | 13/03/1973 | Gracure Pharmaceutical P. L | Nil |
| Deepak Arora | Sales Manager | otherwise | Nil | 1,31,708 | B.Sc | 17.3 | 17/06/1965 | 29/03/2018 | United Biotech | Nil |
| Shriam Krishnan Melarkode | Sales Manager | otherwise | Nil | 1,23,200 | B.Sc | 25.7 | 10/04/1971 | 21/11/2019 | Sayre Therapeutics (Mumbai) | Nil |

**ANNEXURE TO BOARD'S REPORT****A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:**

The Company's CSR Policy is in adherence to the updated Section 135 of the Companies Act, 2013 read with rules framed thereunder and provides for carrying out CSR activities and Initiate projects that benefit communities, encourage an increased commitment from employees towards CSR activities and volunteering and contribution towards some specific project being undertaken by any of the organizations or directly by the Company.

The web-link for the CSR Policy of the Company is as under:

<http://www.betadrugslimited.com/pdfs/CSRPOLICY.pdf>

Composition of CSR Committee: Our CSR Committee consists of Mr. Vijay Kumar Batra, Chairman, Mr. Rahul Batra & Mr. Rohit Parti, Members.

Average Net Profits of the Company for the last three Financial Years for FY 2018-19: Rs 4,82,19,593.77

Average Net Profits of the Company for the last three Financial Years for FY 2019-20: Rs 7,24,28,764.87

Prescribed CSR Expenditure (2% of the above amount) FY 2018-19: Rs 9,64,392.00

Prescribed CSR Expenditure (2% of the above amount) FY 2019-20: Rs 14,48,575.30

Details of CSR spend during the Financial Year

| Sr No. | Particulars | Figures in Rs | |
|--------|---|--|------------------------|
| | | Financial Year 2018-19 | Financial Year 2019-20 |
| a) | Total amount to be spent for the Financial Year (including unspent amount of previous year) | 14,24,060.00 | 24,12,967.30 |
| b) | Amount Spent | 4,59,668.00 | 9,00,850.00 |
| c) | Amount unspent (including unspent amount of previous year) | 9,64,392.00 | 15,12,117.30 |
| d) | Reason for unspent amount | The company had plan to use the maximum amount in March'20 but due to COVID pandemic the company decided to utilize it in next year. | |



The manner in which the amount was spent during the Financial Year 2019-20 is detailed below:

| CSR Project/ activity/ beneficiary | Sector | Location of the project / program | Amount outlay (Budget) | Amount spent on the projects or programs | Cumulative expenditure up to the reporting period | Amount spent directly / implementing agency |
|--|---|---|------------------------------|---|---|---|
| KERALA MEDICAL SERVICES CORPORATION LIMITED (KERALA FLOOD RELIEF FUND) | DEPARTMENT OF HEALTH & FAMILY WELFARE, GOVT OF KERALA | KERALA | 1,00,850.00 | 1,00,850.00 | 1,00,850.00 | MEDICINES DONATED TO THE FUND |
| MEENAKSHI MISSION HOSPITAL & RESEARCH CENTRE | DEPARTMENT OF RADIATION ONCOLOGY | TAMIL NADU | 3,00,000.00 | 3,00,000.00 | 4,00,850.00 | AMOUNT DONATED |
| SETH NAND LAL BAJAJ EDUCATIONAL AND CHARITABLE SOCIETY | EDUCATION | CHANDIGARH | 5,00,000.00 | 5,00,000.00 | 9,00,850.00 | AMOUNT DONATED |

Responsibility Statement:

The responsibility statement of CSR Committee of the Board of Directors of the Company is reproduced below:

"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with the CSR Objectives and Policy of the Company."

Place: Panchkula
Date: 31.08.2020

Sd/-
Vijay Kumar Batra
Chairman of CSR Committee
(DIN: 01083215)

sd/-
Rahul Batra
Whole-time Director
(DIN: 02229234)



EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|------|--|---|
| i. | CIN | L24230HP2005PLC028969 |
| ii. | Registration Date | 21/09/2005 |
| iii. | Name of the Company | BETA DRUGS LIMITED |
| iv. | Category/Sub-Category of the Company | LIMITED COMPANY/ LISTED WITH NATIONAL STOCK EXCHANGE OF INDIA LIMITED |
| v. | Address of the Registered office and contact details | Village Nandpur, Baddi Himachal Pradesh-174101 INDIA |
| vi. | Whether listed company | YES |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Pvt Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai-400083. |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sr. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1 | Manufacture of Pharmaceuticals | 2100 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name And Address Of The Company | CIN/GLN | Holding/ Subsidiary /Associate | % of shares held | Applicable Section |
|---------|---|---|--------------------------------|------------------|--------------------|
| 1. | Beta Ubk International Private Limited, having works & registered office at: 27, blind alley of Alimkent, Yashnabad District, Tashkent City, Uzbekistan | Registered in Unified State Register of business entities under record No. 633854 on 07.09.2018 | Subsidiary | 60% | 2(87) |



| | | | | | |
|----|---|-----------------------|------------|------|-------|
| 2. | Adley Formulations Private Limited, having Registered office at SCO-184, Sector-5, Panchkula-134114 & Works at Kotla, Barotiwala, Distt Solan, Himachal Pradesh | U24303HR2018PTC076347 | Subsidiary | 100% | 2(87) |
| 3. | Adley Lab Limited, having Registered office & Works at D-27, Focal Point, Derabassi-140507 (SAS Nagar, Mohali) | U24231PB1992PLC051220 | Subsidiary | 100% | 2(87) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)i. Category-wise Shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year 1 st April, 2019 | | | | No. of Shares held at the end of the year 31 st March, 2020 | | | | % Change during The year |
|--------------------------|---|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Dem at | Physical | Total | % of Total Shares | |
| A. Promoter | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual/ HUF | 6007210 | - | 6007210 | 69.45 | 6352923 | - | 6352923 | 66.08 | -3.37 |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other (firm) | - | - | - | - | - | - | - | - | - |
| Sub-total(A)(1):- | 6007210 | - | 6007210 | 69.45 | 6352923 | - | 6352923 | 66.08 | -3.37 |
| 2) Foreign | | | | | | | | | |
| g) NRIs- Individuals | - | - | - | - | - | - | - | - | - |
| h) Other- Individuals | - | - | - | - | - | - | - | - | - |
| i) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| j) Banks / FI | - | - | - | - | - | - | - | - | - |



| | | | | | | | | | |
|---|----------------|---|----------------|--------------|----------------|---|----------------|--------------|--------------|
| k) Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-total(A)(2):- | - | - | - | - | - | - | - | - | - |
| Total shareholding of promoters | 6007210 | - | 6007210 | 69.45 | 6352923 | - | 6352923 | 66.08 | -3.37 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | - | - | - | - | - | - | - | - | - |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total(B)(1) | - | - | - | - | - | - | - | - | - |
| 2. Non Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| (i) Indian | 647019 | - | 647019 | 7.48 | 1033046 | - | 1033046 | 10.75 | 3.27 |
| (ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto Rs. 2 lakh | 1220371 | - | 1220371 | 14.11 | 1187988 | - | 1187988 | 12.36 | -1.75 |
| (ii) Individual shareholders holding nominal | 501800 | - | 501800 | 5.80 | 832333 | - | 832333 | 8.66 | +2.86 |



| | | | | | | | | | |
|--|---------|---|---------|-------|---------|---|---------|-------|-------|
| share capital in excess of Rs 2 lakh | | | | | | | | | |
| c) Others(Specif y) | | | | | | | | | |
| Trust | 64800 | - | 64800 | 0.75 | 69600 | - | 69600 | 0.72 | -0.03 |
| Hindu Undivided Family | 95400 | - | 95400 | 1.10 | 78600 | - | 78600 | 0.82 | -0.28 |
| Non Resident Indians (Non Repat) | 10400 | - | 10400 | 0.12 | 7200 | - | 7200 | 0.07 | -0.05 |
| Non Resident Indians (Repat) | 22400 | - | 22400 | 0.26 | 40800 | - | 40800 | 0.42 | -0.16 |
| Clearing Member | 72100 | - | 72100 | 0.83 | 3300 | - | 3300 | 0.03 | -0.80 |
| NBFCs registered with RBI | 8000 | - | 8000 | 0.09 | 8000 | - | 8000 | 0.08 | -0.01 |
| Sub-total(B)(2) | 2642290 | - | 2642290 | 30.55 | 3260867 | - | 3260867 | 33.92 | 3.37 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 2642290 | - | 2642290 | 30.55 | 3260867 | - | 3260867 | 33.92 | 3.37 |
| C.Shares held by Custodian for GDRs&ADRs | - | - | - | - | | | | | |
| Grand Total (A+B+C) | 8649500 | - | 8649500 | 100 | 9613790 | - | 9613790 | 100 | - |

ii. Shareholding of Promoters

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year 1 st April, 2019 | | | Shareholding at the end of the year 31 st March, 2020 | | | |
|--------|--------------------|--|----------------------------------|--|---|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | % change in share holding during the year |
| 1. | Vijay Kumar Batra | 5973580 | 69.06% | - | 6257228 | 65.09% | - | -3.97% |
| 2. | Varun Batra | 14750 | 0.17% | - | 33230 | 0.34% | - | +0.17% |
| 3. | Rahul Batra | 14750 | 0.17% | - | 34450 | 0.35% | - | +0.18% |
| 4. | Neeraj Batra | 2950 | 0.03% | - | 26835 | 0.28% | - | +0.25% |
| 5. | Aditi Batra | 590 | 0.01% | - | 590 | 0.01% | - | - |



| | | | | | | | | |
|----|-------------|---------|-------|---|---------|--------|---|--------|
| 6. | Heena Batra | 590 | 0.01% | - | 590 | 0.01% | - | - |
| | TOTAL | 6007210 | 69.45 | - | 6352923 | 66.08% | - | -3.37% |

iii. **Change in Promoters' Shareholding : YES**

| Sr. no | Shareholder's Name | Shareholding at the beginning of the year 1 st April, 2019 | | Cumulative Shareholding during the year i.e. 31 st March, 2020 | |
|--------|--------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Vijay Kumar Batra | 5973580 | 69.06% | 6257228 | 65.09% |
| 2. | Varun Batra | 14750 | 0.17% | 33230 | 0.34% |
| 3. | Rahul Batra | 14750 | 0.17% | 34450 | 0.35% |
| 4. | Neeraj Batra | 2950 | 0.03% | 26835 | 0.28% |
| 5. | Aditi Batra | 590 | 0.01% | 590 | 0.01% |
| 6. | Heena Batra | 590 | 0.01% | 590 | 0.01% |

(iii) **Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr No | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year 1 st April, 2019 | | Cumulative Shareholding during the Year i.e. 31 st March, 2020 | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Suryavanshi Commotrade Private Limited | - | - | 6,45,244 | 6.71 |
| 2. | Ashish Kacholia | 1,00,000 | 1.15 | 3,27,200 | 3.40 |
| 3. | Adesh Ventures Llp | 1,60,000 | 1.85 | 1,58,400 | 1.64 |
| 4. | Surendra Kumar Jain | - | - | 1,00,000 | 1.04 |
| 5. | Pantomath Sabrimala Aif Pantomath Sabrimala Sme Growth Fund Series I | 64,800 | 0.75 | 69,600 | 0.72 |
| 6. | Chetan Mansukhbhai Kothari | 60,800 | 0.70 | 60,800 | 0.63 |
| 7. | Sudhir Kumar Singal | 50,400 | 0.5827 | 51,200 | 0.53 |
| 8. | Priti Chetan Kothari Chetan M. Kothari | 51,200 | 0.59 | 51,200 | 0.53 |
| 9. | Bsas Infotech Ltd | 43,200 | 0.49 | 43,200 | 0.45 |
| 10. | Aman Bajaj | - | - | 40,525 | 0.42 |

**(iv) Shareholding of Directors and Key Managerial Personnel:**

| Sr. No. | Shareholding of Directors and Key Managerial Personnel | Shareholding at the beginning of the year 1 st April, 2019 | | Cumulative Shareholding during the Year i.e. 31 st March, 2020 | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Mr. Vijay Kumar Batra, Chairman cum Managing Director | 5973580 | 69.06% | 6257228 | 65.08% |
| 2 | Mr. Varun Batra, Whole Time Director | 14750 | 0.17% | 33230 | 0.34% |
| 3 | Mr. Rahul Batra, Whole Time Director | 14750 | 0.17% | 34450 | 0.35% |
| 4 | Mr. Balwant Singh, Whole Time Director | 590 | 0.01% | 590 | 0.01% |
| 5 | Mrs. Neeraj Batra, Whole time Director | 2950 | 0.03% | 26835 | 0.28% |
| 6 | Mrs. Seema Chopra, Whole Time Director | - | - | - | - |
| 7 | Mr. Manmohan Khanna, Independent Director | - | - | - | - |
| 8 | Mr. Rohit Parti, Independent Director | - | - | - | - |
| 9 | Mrs. Rajni Brar, Company Secretary | - | - | - | - |
| 10 | Mr. Jayant Kumar, Chief Financial Officer | - | - | - | - |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | 7,65,87,544.88 | 22,29,048.00 | - | 7,88,16,592.88 |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not | | | | |
| Total (i+ii+iii) | 7,65,87,544.88 | 22,29,048.00 | - | 7,88,16,592.88 |
| Change in Indebtedness during the financial year | | | | |
| - Addition | 12,19,4515.10 | - | | 12,19,4515.10 |
| - Reduction | | (19,29,254) | | (19,29,254.00) |
| Net Change | 12,19,4515.10 | (19,29,254) | - | 1,02,65,261.10 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 8,87,82,059.98 | 2,99,794.00 | - | 8,90,81,853.98 |



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|---------|--|---|-----------------|
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Mr. Vijay Batra, Chairman cum Managing Director | - |
| | (ii) Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Varun Batra, whole time director Rs 3,00,000 p.m. from 1 st April, 2019 to 31 st October, 2019 Rs 6,00,000 p.m. from 1 st November, 2019 to 31 st March, 2020 | Rs 51,00,000 |
| | (iii) Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Rahul Batra, whole time Director Rs 3,00,000 p.m. from 1 st April, 2019 to 31 st October, 2019 Rs 6,00,000 p.m. from 1 st November, 2019 to 31 st March, 2020 | Rs 51,00,000 |
| | (iv) Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Seema Chopra, Whole Time Director Rs 45,269 per month w.e.f. 1.08.2019 | Rs 3,61,398 |
| | (v) Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax | Balwant Singh, Whole Time Director | Rs 17,26,500 |



| | | | | | | |
|----|--|---|--|--|--|-------------------|
| | Act,1961 (c)Profits in lieu of salary under section 17(3) Income- tax Act,1961 | | | | | |
| 2. | Stock Option | | | | | NIL |
| 3. | Sweat Equity | | | | | NIL |
| 4. | Commission - as % of profit - others, specify | | | | | NIL |
| 5. | Others, please specify | | | | | NIL |
| 6. | Total(A) | | | | | Rs 1,22,87,898.00 |
| | Ceiling as per the Act | Within prescribed limit of Schedule V of the Companies Act, 2013. | | | | |

B. Remuneration to other directors:

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|---------|---|-------------------------|-------------|--|--|--------------|
| | <u>Independent Directors</u> ·Fee for attending board committee meetings ·Commission ·Others,please specify | Manmohan Khanna | Rohit Parti | | | |
| | | Nil | Nil | | | Nil |
| | Total(1) | Nil | Nil | | | Nil |
| | <u>Other Non-Executive Directors</u> ·Fee for attending board committee meetings ·Commission ·Others, please specify | | | | | Nil |
| | Total(2) | | | | | Nil |
| | Total(B)=(1+2) | | | | | Nil |
| | Total Managerial Remuneration | | | | | Nil |
| | Overall Ceiling as per the Act | | | | | - |

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD :

| Sr. no. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|--|--------------------------|-------------------|-----------|-----------|
| | | CEO | Company Secretary | CFO | Total |
| 1. | Gross salary (a)Salary as per prov. | - | 6,60,000 | 11,99,568 | 18,59,568 |



| | | | | | |
|----|--|--|----------|-----------|-----------|
| | provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | |
| 2. | Stock Option | | | | NIL |
| 3. | Sweat Equity | | | | NIL |
| 4. | Commission - as % of profit - others, specify... | | | | NIL |
| 5. | Others, please specify | | | | NIL |
| 6. | Total | | 6,60,000 | 11,99,568 | 18,59,568 |

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: YES

| Type | Section of the companies Act | Brief description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD /NCLT/Court] | Appeal made. If any (give details) |
|-------------------------------------|------------------------------|-------------------|--|----------------------------|------------------------------------|
| A. Company | | | | | |
| Penalty | NIL | | | | |
| Punishment | NIL | | | | |
| Compounding | NIL | | | | - |
| B. Directors | | | | | |
| Penalty | NIL | | | | |
| Punishment | NIL | | | | |
| Compounding | NIL | | | | |
| C. Other Officers In Default | | | | | |
| Penalty | NIL | | | | |
| Punishment | NIL | | | | |
| Compounding | NIL | | | | |

For BETA DRUGS LIMITED

Place: Panchkula
Date: 31.08.2020

Sd/-
Vijay Kumar Batra
DIN: 01083215
Managing Director

Sd/-
Rajni Brar
ACS-24684
Company Secretary



MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Management Discussion and Analysis Report (MDAR) is structured as follows:

- Industry structure and developments
- Opportunities & Threats
- Segment-wise or product-wise performance
- Outlook
- Risk and Concerns
- Internal Control System
- Financial and operational performance
- Material Development in Human Resources

Some Statements in this discussion may be forward looking. Future performance may however differ from those stated in the management discussion and analysis on account of various factors such as changes in Government regulations, tax regimes, impact of competition, etc.

❖ INDUSTRY STRUCTURE AND DEVELOPMENTS:

Global growth is estimated at -4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) projection. The COVID-19 pandemic has had a very damaging impact on activity in the first half of 2020 than expected, and the recovery is forecasted to be more gradual than previously expected. In 2021 global growth is forecasted at 5.4%. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s. The Indian economy expanded 3.1 percent year-on-year in the first quarter of 2020, beating market forecasts of a 2.1 percent rise. Still, it is the slowest GDP growth since quarterly data became available in 2004, as the country imposed a nationwide lockdown from March 24th aiming to contain the spread of the coronavirus.

However, Indian pharma has been relatively resilient to the COVID disruption, and is poised to gain from favourable currency tailwinds and stable outlook for India.

❖ OPPORTUNITIES & THREATS:

While the domestic and International economic conditions continue to remain challenging and are expected to remain for some more time, we expect that with wide range of products, quality standards and team efforts, your Company will be in a position to weather this situation. Your Company has continued to be the preferred supplier of many leading companies and has been successful in expanding its approval base, adding leading players from the industry. Therefore, we expect that your Company will continue to be in a position to gradually expand its market reach and improve its market share. The Company regularly insures all its assets to enable itself in case of any mis-happening. The Company has formed a risk management team which constantly monitors the Indian and international markets and guides the management of any sort of prevailing risk to the company. The commodities prices being internationally traded are affected by the global market demand and supply forces and the dollar rate. The risk management team plays a major role here. Moreover, the industry is labour oriented and business operations of the Company may be materially affected by strikes, lock outs or work stoppage.

❖ SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

Your company has only one segment that is trading and manufacturing of pharmaceutical products.

❖ OVERVIEW & OUTLOOK:



Indian pharmaceuticals industry is well respected worldwide and is one of the most successful industries in India contributing greatly to country's healthcare outcomes and GDP. Top notch capabilities and advantageous market conditions over the last many years have ensured that India continues to be one of the most profitable pharma markets across the world. It remains an attractive destination for generic R&D and manufacturing of pharmaceuticals owing to its strong capabilities across the value chain.

Oncology drugs market is expected to grow at a fast clip across the world primarily driven by an ageing population and lifestyle changes making population susceptible to cancer. In India the Oncology drugs market is expected market to grow in double digits for the next many years to come. Therefore, Beta Drugs being a leader in the oncology segment has long runaway ahead both in terms of opportunities and growth.

❖ **RISK AND CONCERNS:**

Pharmaceutical industry is most regulated industry in whole word. Being pharmaceutical company we have to follow various government regulations. Change in regulatory norms in India or elsewhere in exporting countries shall effect the operation of Company.

❖ **INTERNAL CONTROL SYSTEM:**

The Company has in place an adequate system of internal control commensurate with its size and nature of its business. These have been designed to provide reasonable assurance that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly and the business operations are conducted as per the prescribed policies and procedures of the Company. The Audit committee and the management have reviewed the adequacy of the internal control systems and suitable steps are taken to improve the same.

❖ **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

During the year, consolidated revenue of the Company increased by 37.57% i.e. from Rs. 6630.33 lakhs to Rs.9121.61 lakhs. Profit before tax increase by 51.42% i.e. from Rs. 790.64 lakhs to Rs.1197.16 lakhs. Profit after tax is Rs. 941.51 lakhs

❖ **HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS:**

Your Company firmly believes that its human resources are the key enablers for the growth of the Company and important asset. Hence, the success of the Company is closely aligned to the goals of the human resources of the Company. Taking into this account, your Company continued to Invest in developing its human capital and establishing its brand on the market to attract and retain the best talent. Employee relations during the period under review continued to be healthy, cordial and harmonious at all levels and your Company is committed to maintain good relations with the employees.

❖ **CAUTIONARY STATEMENT:**

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

Dated: 31.08.2020

Place: Panchkula

By Order of the Board of Directors

sd/-

Vijay Kumar Batra

Chairman & Managing Director

(DIN: 01083215)



STANDALONE FINANCIAL

STATEMENTS

OF

"BETA DRUGS LIMITED"

FOR THE FINANCIAL YEAR

2019-20



KALRA RAI & ASSOCIATES
CHARTERED ACCOUNTANTS

Head Office: Kothi No. 667, 1st floor, Sector-43-A
Chandigarh-160022

Independent Auditors' Report
Members of Beta Drugs Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind-AS financial statements of Beta Drugs Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 Ind-AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind-AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone Ind-AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind-AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind-AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind-AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind-AS 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, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**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 subsection(11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone Ind-AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act, however Ministry of Corporate Affairs (MCA) vide its Notification dated 22nd October, 2019 had amended the Companies (Appointment and Qualification of Directors) Rules for requirement of registration of Independent Directors in the databank by passing an online proficiency self-assessment test within one year from inclusion of his name in the data bank. The Independent directors of the company had registered their name in Independent Director data bank and will clear the exam within a time period of one year from the date of registration.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refers 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 financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. Since the company has gone public for the financial year 2017-18, there has been no amounts available which is required to be transferred, to the Investor Education and Protection Fund by the Company;

Place:- Chandigarh

Date: 28.05.2020

UDIN:20087438AAAACC6622

For KALRA RAI & ASSOCIATES

Chartered Accountants

Sd/-

(Lajpat Rai Kalra)

Partner

M. No- 087438

FRN: 008859N



CARO**Annexure 1 referred to in paragraph 1 of our report of even date****Re: Beta Drugs Limited ('the Company')**

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. All fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. According to information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company.

ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. According to the information and explanations given to us, the Company has granted loans to companies covered in the register maintained under Section 189 of the Companies Act, 2013 and all the provisions have been complied with.

iv. In our opinion and according to the information and explanations given to us, the Company has advanced loans to the wholly owned subsidiary companies in which the director is interested, the provisions of Section 185 of the Companies Act, 2013 have been complied with and interest @ 9% p.a. has been charged on the same. In our opinion and according to the information and explanations given to us, the Company has made investments and given guarantees/provided security which is in compliance with the provisions of Section 186 of the Companies Act, 2013.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of Active Pharmaceutical Ingredients and Formulations and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the Cost Audit Report.

vii. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a bank or government. There are no dues which are payable to financial institutions or debenture holders.

ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has made the preferential allotment of shares during the year under review and all the provisions of Section 42 of the Companies Act 2013 have been complied with and the funds have been utilized for the purpose for which the issue was raised.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

xvi. According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

Place:- Chandigarh
Date: 28.05.2020
UDIN:20087438AAAACC6622

For KALRA RAI & ASSOCIATES
Chartered Accountants
Sd/-
(Lajpat Rai Kalra)
Partner
M. No- 087438
FRN: 008859N

"ANNEXURE-B" TO THE AUDITORS' REPORT



Referred to in Paragraph 7 of Our Report 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 **Beta Drugs Limited** ("the Company") as of 31 March 2020 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 management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). 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 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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.

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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, 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.

Place:- Chandigarh

Date: 28.05.2020

UDIN:20087438AAAACC6622

For KALRA RAI & ASSOCIATES

Chartered Accountants

Sd/-

(Lajpat Rai Kalra)

Partner

M. No- 087438

FRN: 008859N

15TH ANNUAL REPORT



BETA DRUGS LIMITED ("BDL")

BETA DRUGS LIMITED
VILLAGE NANDPUR, BADDI, SOLAN 174101
CIN: L24230HP2005PLC028969
BALANCE SHEET AS AT 31ST MARCH ' 2020

| Particulars | | Note No. | As at 31 March' 2020 | As at 31 March' 2019 |
|-------------|---|----------|-----------------------|-----------------------|
| | | | Amount in Rs. | Amount in Rs. |
| A | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share capital | 1 | 96,137,900.00 | 86,495,000.00 |
| | (b) Reserves and surplus | 2 | 468,252,885.91 | 319,465,064.64 |
| | (c) Money received against share warrants | | - | - |
| | | | 564,390,785.91 | 405,960,064.64 |
| 2 | Share application money pending allotment | | - | - |
| 3 | Non-current liabilities | | | |
| | (a) Long-term borrowings | 3 | 34,505,914.37 | 49,367,800.16 |
| | (b) Deferred tax liabilities (net) | 4 | 325,648.86 | - |
| | (c) Other long-term liabilities | 5 (a) | 3,000,000.00 | 2,500,000.00 |
| | (d) Long-term provisions | 5 (b) | 5,565,922.00 | 3,346,133.00 |
| | | | 43,397,485.23 | 55,213,933.16 |
| 4 | Current liabilities | | | |
| | (a) Short-term borrowings | 6 | 39,691,951.82 | 11,566,270.95 |
| | (b) Trade payables | 7 | 92,668,753.34 | 101,616,650.51 |
| | (c) Other current liabilities | 8 | 76,341,186.66 | 66,349,604.44 |
| | (d) Short-term provisions | | 5,649,138.24 | 5,833,606.00 |
| | | | 214,351,030.06 | 185,366,131.90 |
| | TOTAL | | 822,139,301.20 | 646,540,129.70 |
| B | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Fixed assets | | | |
| | (i) Tangible assets | 9 | 309,958,523.08 | 117,688,316.93 |
| | (ii) Intangible assets | 9 | 6,758,990.66 | 3,525,745.11 |
| | (iii) Capital work-in-progress | 9 | 750,000.00 | 146,889,993.77 |
| | (iv) Intangible assets under development | | - | - |
| | (v) Fixed assets held for sale | | - | - |
| | | | 317,467,513.74 | 268,104,055.81 |
| | (b) Non-current investments | 10 | 61,160,592.62 | 16,120,592.62 |
| | (c) Deferred tax assets (net) | 4 | - | 979,705.11 |
| | (d) Long-term loans and advances | 11 (a) | 31,515,520.00 | 4,841,163.00 |
| | (e) Other non-current assets | 11 (b) | 40,328,421.68 | 42,587,046.70 |
| | | | 133,004,534.30 | 64,528,507.43 |
| 2 | Current assets | | | |
| | (a) Current investments | | - | - |
| | (b) Inventories | 12 | 60,992,735.37 | 64,097,049.94 |
| | (c) Trade receivables | 13 | 209,087,539.11 | 173,294,672.62 |
| | (d) Cash and cash equivalents | 14 | 41,613,231.63 | 29,180,194.79 |
| | (e) Short-term loans and advances | 15 | 21,995,822.61 | 13,606,337.48 |
| | (f) Other current assets | 16 | 37,977,924.44 | 33,729,311.63 |
| | | | 371,667,253.16 | 313,907,566.46 |
| | TOTAL | | 822,139,301.20 | 646,540,129.70 |
| | See accompanying notes forming part of the financial statements | | | |

In terms of our report attached.

For KALRA RAI AND ASSOCIATES

Chartered Accountants

(FRN: 008859N)

sd/-

LAJPAT RAI KALRA

Partner

MEMBERSHIP NO. 087438

UDIN: 20087438AAAACC6622

Place : Chandigarh

Date : 28.05.2020

For and on the behalf of the Board of Directors

sd/-

JAYANT KUMAR

C.F.O

sd/-

RAJNI BRAR

C.S.

sd/-

RAHUL BATRA

DIRECTOR

DIN: 02229234

sd/-

VIJAY KUMAR BATRA

MANAGING DIRECTOR

DIN: 01083215



| BETA DRUGS LIMITED VILLAGE NANDPUR, BADDI, SOLAN 174101 CIN: L24230HP2005PLC028969 STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH' 2020 | | | |
|--|----------|--|----------------------|
| Particulars | Note No. | As at 31 March' 2020 | As at 31 March' 2019 |
| | | Amount in Rs. | Amount in Rs. |
| A CONTINUING OPERATIONS | | | |
| 1 Revenue from operations (gross) | 17 | 653,197,635.25 | 580,486,838.99 |
| Less: Excise duty | | - | - |
| Revenue from operations (net) | | 653,197,635.25 | 580,486,838.99 |
| 2 Other income | 18 | 4,165,267.78 | 3,157,848.77 |
| 3 Total revenue (1+2) | | 657,362,903.03 | 583,644,687.76 |
| 4 Expenses | | | |
| (a) Cost of materials consumed | 19 | 346,111,268.45 | 331,192,739.65 |
| (b) Purchases of stock-in-trade | | - | - |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 20 | 2,030,419.82 | -26,731,181.11 |
| (d) Other manufacturing expenses | 21 | 78,080,634.32 | 73,695,199.13 |
| (d) Employee benefits expense | 22 | 49,332,670.18 | 34,173,569.73 |
| (e) Finance costs | 23 | 6,401,938.76 | 7,336,363.47 |
| (f) Depreciation and amortisation expense | 9 | 25,771,672.80 | 24,232,093.54 |
| (g) Other expenses | 24 | 60,131,062.20 | 65,084,359.56 |
| Total expenses | | 567,859,666.53 | 508,983,143.97 |
| 5 Profit / (Loss) before exceptional and extraordinary items and | | 89,503,236.50 | 74,661,543.79 |
| 6 Exceptional items | | - | - |
| 7 Profit / (Loss) before extraordinary items and tax (5 ± 6) | | 89,503,236.50 | 74,661,543.79 |
| 8 Extraordinary items/Prior period items | | - | - |
| 9 Profit / (Loss) before tax (7 ± 8) | | 89,503,236.50 | 74,661,543.79 |
| 10 Tax expense: | | | |
| (a) Current tax expense for current year | | 17,198,505.25 | 15,370,422.70 |
| (b) (Less): MAT credit (where applicable) | | - | -15,370,422.70 |
| (c) Tax expense relating to prior years | | - | - |
| (d) Net current tax expense | | 17,198,505.25 | - |
| (e) Deferred tax | | 1,305,353.98 | -2,479,381.06 |
| 11 Profit / (Loss) from continuing operations (9 ± 10) | | 18,503,859.23 | -2,479,381.06 |
| B DISCONTINUING OPERATIONS | | | |
| 12 Profit / (Loss) from discontinuing operations (B.i ± B.ii ± B.iii) | | - | - |
| C TOTAL OPERATIONS | | 70,999,377.27 | 77,140,924.85 |
| 13 Profit / (Loss) for the year (11 ± 12) | | 70,999,377.27 | 77,140,924.85 |
| 14 Earnings per share (of Rs. 10/- each): | | | |
| (a) Basic | | | |
| (i) Continuing operations | | 7.49 | 8.92 |
| (ii) Total operations | | 7.49 | 8.92 |
| (b) Diluted | | | |
| (i) Continuing operations | | 7.49 | 8.92 |
| (ii) Total operations | | 7.49 | 8.92 |
| See accompanying notes forming part of the financial | | | |
| In terms of our report attached. For KALRA RAI AND ASSOCIATES Chartered Accountants (FRN: 008859N) sd/- LAJPAT RAI KALRA Partner MEMBERSHIP NO. 087438 UDIN: 20087438AAAACC6622 Place : Chandigarh Date : 28.05.2020 | | For and on the behalf of the Board of Directors sd/- JAYANT KUMAR C.F.O. sd/- RAJNI BRAR C.S. sd/- RAHUL BATRA DIRECTOR DIN: 02229234 sd/- VIJAY KUMAR BATRA MANAGING DIRECTOR DIN: 01083215 | |



BETA DRUGS LIMITED
VILLAGE NANDPUR, BADDI, SOLAN 174101
CIN: L24230HP2005PLC028969
CASHFLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH' 2020

| Particulars | | As at 31 March' 2020 | As at 31 March' 2019 |
|-------------|--|-------------------------|-------------------------|
| | | Amount in Rs. | Amount in Rs. |
| A | CASHFLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit before tax and extraordinary items(as per Statement of Profit & Loss) | 89,503,236.50 | 74,661,543.79 |
| | Adjustments for non Cash/Non trade items: | | |
| | Depreciation & Amortization Expenses | 25,771,672.80 | 24,232,093.54 |
| | Finance Cost | 6,401,938.76 | 7,336,363.47 |
| | Interest received | (3,563,530.00) | (2,351,892.00) |
| | Other inflows/(outflows) of cash | (12,904,559.00) | (12,791,772.70) |
| | Operating profits before Working Capital Changes | 105,208,759.06 | 91,086,336.10 |
| | Adjusted For: | | |
| | (Increase)/Decrease in trade receivables | (35,792,866.49) | (28,872,197.31) |
| | Increase/(Decrease) in trade payables | (8,947,897.17) | 40,558,056.80 |
| | (Increase)/Decrease in inventories | 3,104,314.57 | (36,062,247.94) |
| | Increase/(Decrease) in other current liabilities | 9,991,582.22 | 31,059,672.52 |
| | (Increase)/Decrease in short term loans and advances | (8,389,485.13) | 523,625.00 |
| | (Increase)/Decrease in other current assets | (4,248,612.81) | (20,983,686.96) |
| | Working Capital Changes | (44,282,964.81) | (13,776,777.89) |
| | Net cashflow from Operating Activities (A) | 60,925,794.25 | 77,309,558.21 |
| B | CASHFLOW FROM INVESTING ACTIVITIES | | |
| | Purchase of tangible/intangible assets | (75,135,130.73) | (146,990,560.97) |
| | Interest received | 3,563,530.00 | 2,351,892.00 |
| | Cash used for Non Current Investment | (45,040,000.00) | (16,120,592.62) |
| | Cash advances and loans made to other parties | (26,674,357.00) | - |
| | Net cash used in Investing Activities (B) | (143,285,957.73) | (160,759,261.59) |
| C | CASHFLOW FROM FINANCING ACTIVITIES | | |
| | Finance Cost | (6,401,938.76) | (7,336,363.47) |
| | Increase in/(Repayment) of Short term Borrowings | 28,125,680.87 | (24,298,741.07) |
| | Increase in/(Repayment) of Long term Borrowings | (14,361,885.79) | 25,198,206.25 |
| | Increase/ (Decrease) in Share capital | 9,642,900.00 | - |
| | Increase/ (Decrease) in Share premium | 77,788,444.00 | - |
| | Other Inflows/ (Outflows) of cash | - | - |
| | Net cash used in Financing Activities (C) | 94,793,200.32 | (6,436,898.29) |
| D | Net Increase/(Decrease) in cash & cash equivalents (A+B+C) | 12,433,036.84 | (89,886,601.67) |
| E | Cash & Cash equivalents at beginning of period | 29,180,194.79 | 119,066,796.46 |
| F | Cash & Cash equivalents at end of period | 41,613,231.63 | 29,180,194.79 |
| G | Net Increase/(Decrease) in cash & cash equivalents (F-E) | 12,433,036.84 | (89,886,601.67) |

In terms of our report attached.

For KALRA RAI AND ASSOCIATES

Chartered Accountants

(FRN: 008859N)

sd/-

LAJPAT RAI KALRA

Partner

MEMBERSHIP NO. 087438

UDIN: 20087438AAAACC6622

Place : Chandigarh

Date : 28.05.2020

For and on the behalf of the Board of Directors

sd/-

JAYANT KUMAR

C.F.O

sd/-

RAJNI BRAR

C.S.

sd/-

RAHUL BATRA

DIRECTOR

DIN: 02229234

sd/-

VIJAY KUMAR BATRA

MANAGING DIRECTOR

DIN: 01083215

**BETA DRUGS LIMITED****Notes forming part of the financial statements****Note 1 Share capital**

| Particulars | As at 31 March' 2020 | | As at 31 March, 2019 | |
|---|-------------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|
| | Number of shares | Amount in Rs. | Number of shares | Amount in Rs. |
| (a) Authorised - Equity shares of Rs. 10 each | 10,000,000.00 - | 100,000,000.00 - | 10,000,000.00 - | 100,000,000.00 - |
| (b) Issued - Equity shares of Rs. 10 each | 9,613,790.00 9,613,790.00 | 96,137,900.00 96,137,900.00 | 8,649,500.00 8,649,500.00 | 86,495,000.00 86,495,000.00 |
| (c) Subscribed and fully paid up - Equity shares of Rs.10 each | 9,613,790.00 9,613,790.00 | 96,137,900.00 96,137,900.00 | 8,649,500.00 8,649,500.00 | 86,495,000.00 86,495,000.00 |
| (d) Subscribed but not fully paid up | - - | - - | - - | - - |
| Total | 9,613,790.00 | 96,137,900.00 | 8,649,500.00 | 86,495,000.00 |

Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As at 31 March' 2020 | | As at 31 March, 2019 | |
|---------------------------------------|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Mr. Vijay Kumar Batra | 6,257,228 | 65.09% | 5,973,580 | 69.06% |

Note 2 Reserves and surplus

| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
|---|---------------------------------|--------------------------------|
| | Amount in Rs. | Amount in Rs. |
| (a) Capital reserve | | |
| Opening balance | - | - |
| Closing balance | - | - |
| (b) Securities premium account | | |
| Opening balance | 161,612,604.98 | - |
| Closing balance | 239,401,048.98 | 161,612,604.98 |
| (c) Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening balance | 157,852,459.66 | 80,711,534.81 |
| Add: Profit / (Loss) for the year | 157,852,459.66 70,999,377.27 | 80,711,534.81 77,140,924.85 |
| Closing balance | 228,851,836.93 | 157,852,459.66 |
| Total | 468,252,885.91 | 319,465,064.64 |

**Note 3 Long-term borrowings**

| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
|-------------------------------------|----------------------|----------------------|
| | Amount in Rs. | Amount in Rs. |
| Term loans | | |
| From banks | | |
| Secured | | |
| Vijaya Bank (Machinery New) | 423,200.85 | 1,696,562.00 |
| SIDBI (Machinery New canada) | 5,560,000.00 | 7,036,000.00 |
| SIDBI (Term Loan new) | 26,680,000.00 | 35,560,000.00 |
| HDFC Bank Car Loan | 368,196.45 | 916,629.16 |
| Vijaya Bank (Car Loan) | 1,120,700.08 | 1,523,555.00 |
| Axis Bank (Car Loan) | 353,816.99 | 2,211,328.00 |
| | 34,505,914.37 | 48,944,074.16 |
| From other parties | | |
| Unsecured (From Related Parties) | - | - |
| Secured | - | - |
| Edelweiss Limited | - | 423,726.00 |
| Total - A | - | 423,726.00 |
| Unsecured (From Unrelated Parties) | - | - |
| Total - B | - | - |
| | - | 423,726.00 |
| The Above Amount Includes | | |
| Secured Borrowings | 34,505,914.37 | 48,944,074.16 |
| Unsecured Borrowings | - | 423,726.00 |
| Total | 34,505,914.37 | 49,367,800.16 |



BETA DRUGS LIMITED

Notes forming part of the financial statements

Notes: Long-term borrowings

| Particulars | As at 31 March' 2020 | | | As at 31 March' 2019 | | |
|--|----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|
| | Amount in Rs. | | | Amount in Rs. | | |
| | Non- Current | Current Maturities | Total | Non- Current | Current Maturities | Total |
| Term loans | | | | | | |
| From banks | | | | | | |
| Secured | | | | | | |
| Vijaya Bank (Building)* | - | - | - | - | 1,162,845.88 | 1,162,845.88 |
| Vijaya Bank (Machinery New)** | 423,200.85 | 1,380,273.15 | 1,803,474.00 | 1,696,562.00 | 1,162,785.00 | 2,859,347.00 |
| Vijaya Bank (Machinery Old)*** | - | - | - | - | 3,258,698.00 | 3,258,698.00 |
| SIDBI (Machinery New canada) | 5,560,000.00 | 1,476,000.00 | 7,036,000.00 | 7,036,000.00 | 1,476,000.00 | 8,512,000.00 |
| SIDBI (Term Loan new) | 26,680,000.00 | 8,880,000.00 | 35,560,000.00 | 35,560,000.00 | 4,440,000.00 | 40,000,000.00 |
| HDFC Bank (Car Loan) | 368,196.45 | 548,432.71 | 916,629.16 | 916,629.16 | 1,660,172.89 | 2,576,802.05 |
| Vijaya Bank (Car Loan) | 1,120,700.08 | 458,950.92 | 1,579,651.00 | 1,523,555.00 | 402,521.00 | 1,926,076.00 |
| Axis Bank (Car Loan) | 353,816.99 | 1,840,537.01 | 2,194,354.00 | 2,211,328.00 | 2,514,177.00 | 4,725,505.00 |
| | 34,505,914.37 | 14,584,193.79 | 49,090,108.16 | 48,944,074.16 | 16,077,199.77 | 65,021,273.93 |
| From other parties | | | | | | |
| Unsecured (From Related Parties) | - | - | - | - | - | - |
| Secured | - | - | - | - | - | - |
| Edelweiss Limited**** | - | 299,794.00 | 299,794.00 | 423,726.00 | 1,412,607.00 | 1,836,333.00 |
| ICICI Bank | - | - | - | - | 392,715.00 | 392,715.00 |
| Total - A | - | 299,794.00 | 299,794.00 | 423,726.00 | 1,805,322.00 | 2,229,048.00 |
| Unsecured (From Unrelated Parties) | - | - | - | - | - | - |
| Total - B | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | - | 299,794.00 | 299,794.00 | 423,726.00 | 1,805,322.00 | 2,229,048.00 |
| The Above Amount Includes | | | | | | |
| Secured Borrowings | 34,505,914.37 | 14,584,193.79 | 49,090,108.16 | 48,944,074.16 | 16,077,199.77 | 65,021,273.93 |
| Unsecured Borrowings | - | 299,794.00 | 299,794.00 | 423,726.00 | 1,805,322.00 | 2,229,048.00 |
| Amount disclosed under "Other Current Liabilities" | | -14,883,987.79 | -14,883,987.79 | | -17,882,521.77 | -17,882,521.77 |
| Total | 34,505,914.37 | - | 34,505,914.37 | 49,367,800.16 | - | 49,367,800.16 |

* The rate of interest changed from 13.25% to 9.55% from June 2018 onwards hence the principal repayments in current year were more than the current maturities taken last year.

** The rate of interest changed from 13% to 9.45% from June 2018 onwards hence the principal repayments in current year were more than the current maturities taken last year.

*** The rate of interest changed from 14.05% to 9.55% from June 2018 onwards hence the principal repayments in current year were more than the current maturities taken last year.

**** TDS on interest paid - Rs. 1,00,503 is recoverable from Edelweiss.



| BETA DRUGS LIMITED | | |
|--|-----------------------------|-----------------------------|
| Note 4 Deferred Tax | | |
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| Deferred tax liabilities | | |
| Deferred tax on depreciation | 1,628,474.37 | - |
| Deferred tax assets | | |
| Deferred tax on depreciation | - | 1,423,908.01 |
| Deferred tax on unabsorbed depreciation | - | - |
| Deferred tax on provision of gratuity | 742,693.29 | 324,866.55 |
| Deferred tax on provision of bonus | -419,572.89 | 532,038.19 |
| Deferred tax on provision of CSR | - | 198,568.31 |
| Less: Deferred tax liability opening | 979,705.11 | -1,499,675.95 |
| Net Deferred tax liabilities/assets | 325,648.86 | 979,705.11 |

| Continue Note 4 Current tax Provision | | |
|--|-----------------------------|-----------------------------|
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| Current Year Tax | 17,198,505.25 | 15,370,422.70 |
| Less :- MAT Credit Utilised | -2,258,625.02 | - |
| Less :- Advance Tax Including TDS | -9,290,742.00 | -9,536,816.70 |
| Short term Provision | 5,649,138.24 | 5,833,606.00 |
| Net Current Tax provision | 5,649,138.24 | 5,833,606.00 |

| Note 5 (a) Other long-term liabilities | | |
|--|-----------------------------|-----------------------------|
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| (a) Trade Payables: * | - | - |
| (i) Acceptances | - | - |
| (ii) Other than Acceptances | - | - |
| (b) Others: | | |
| (i) Payables on purchase of fixed assets | - | - |
| (ii) Contractually reimbursable expenses | - | - |
| (iii) Interest accrued but not due on borrowings | - | - |
| (iv) Interest accrued on trade payables | - | - |
| (v) Interest accrued on others | - | - |
| (vi) Trade / security deposits received | - | - |
| (vii) Advances from customers | - | - |
| (viii) Income received in advance (Unearned revenue) | - | - |
| (ix) Security received from customers | 3,000,000.00 | 2,500,000.00 |
| Total | 3,000,000.00 | 2,500,000.00 |

| Note 5 (b) Long Term-provisions | | |
|--|-----------------------------|-----------------------------|
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| (a) Provision for Gratuity | 5,565,922.00 | 3,346,133.00 |
| (b) Other Long-Term Provisions | - | - |
| Total | 5,565,922.00 | 3,346,133.00 |



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BETA DRUGS LIMITED ("BDL")

| BETA DRUGS LIMITED | | |
|--|----------------------|-----------------------|
| Note 6 Short-term borrowings | | |
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| Other loans and advances | | |
| Secured | | |
| - From Vijaya Bank CC Limit Secured | 39,691,951.82 | 11,566,270.95 |
| Total | 39,691,951.82 | 11,566,270.95 |
| Note 7 Trade payables | | |
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| Trade payables: | | |
| Micro Enterprises And Small Enterprises | 42,041,229.42 | 58,421,720.40 |
| Others | 50,627,523.92 | 43,194,930.11 |
| Total | 92,668,753.34 | 101,616,650.51 |
| Note 8 Other current liabilities | | |
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| (a) Other payables | 11,670,266.30 | 9,285,106.00 |
| (i) Current Maturities of Long Term Debt (Note No. 3) | 14,883,987.79 | 17,882,521.77 |
| (ii) Payables on purchase of fixed assets | 15,065,364.44 | 24,092,372.34 |
| (b) Cheque issued yet not presented for Payment | 803,285.00 | 9,407,385.00 |
| Advances From Customers | 33,918,283.13 | 5,682,219.33 |
| Total | 76,341,186.66 | 66,349,604.44 |
| Note 8 (a) Other Payables | | |
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| PF Payable | 705,783.00 | 493,651.00 |
| ESI payable | 68,598.00 | 87,926.00 |
| TDS payable | 918,434.00 | 246,024.00 |
| Interest Accrued But Not Due | 686,625.00 | 137,725.00 |
| Salary & wages Payable | 6,702,915.00 | 4,500,413.00 |
| Other Expenses payable | - | 271,011.00 |
| Bonus Payable | 1,075,794.00 | 2,583,964.00 |
| CSR Provision | 1,512,117.30 | 964,392.00 |
| Total | 11,670,266.30 | 9,285,106.00 |



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Note No. 9 Fixed Assets Chart as at 31st March' 2020

| Assets | | Gross Block | | | | | | Accumulated Depreciation/ Amortisation | | | | Net Block | |
|-----------------------------------|------------------------|-------------|------------------------------|---------------------------|---|--------------------------|-----------------------------|--|--------------------------|--|-----------------------------|-----------------------------|-------------------------------|
| | Useful Life (In Years) | Shift | Balance as at 1st April 2019 | Additions during the year | Addition on account of business acquisition | Deletion during the year | Balance as at 31st Mar 2020 | Balance as at 1st April 2019 | Provided during the year | Deletion / adjustments during the year | Balance as at 31st Mar 2020 | Balance as at 31st Mar 2020 | Balance as at 31st March 2019 |
| A Tangible assets | | | | | | | | | | | | | |
| Own Assets | | | | | | | | | | | | | |
| LAND | | Single | 5,791,730.00 | 10,117,200.00 | - | - | 15,908,930.00 | - | - | - | 15,908,930.00 | 5,791,730.00 | |
| BUILDING | 30 | Single | 58,374,927.52 | 52,461,683.90 | - | - | 110,836,611.42 | 15,521,253.00 | 6,883,060.20 | - | 22,404,313.20 | 88,432,298.22 | 42,853,674.52 |
| PLANT AND MACHINERY | 15 | Single | 81,916,250.21 | 134,736,723.86 | - | - | 216,652,974.07 | 35,673,194.08 | 9,616,955.33 | - | 45,290,149.41 | 171,362,824.66 | 46,243,056.13 |
| FURNITURE AND FIXTURES | 10 | Single | 2,882,294.00 | 1,401,763.90 | - | - | 4,284,057.90 | 1,194,429.44 | 628,561.01 | - | 1,822,990.45 | 2,461,067.45 | 1,687,864.56 |
| COMPUTER | 3 | Single | 1,606,154.99 | 802,038.22 | - | - | 2,408,193.21 | 763,482.85 | 759,226.04 | - | 1,522,708.89 | 885,484.32 | 842,672.14 |
| VEHICLE | 8 | Single | 29,228,328.19 | 407,103.00 | - | - | 29,635,431.19 | 14,963,488.87 | 4,566,791.00 | - | 19,530,279.87 | 10,105,151.32 | 14,264,839.32 |
| OFFICE EQUIPMENTS | 5 | Single | 3,678,477.19 | 3,187,472.69 | - | - | 6,865,949.88 | 2,514,079.07 | 1,176,260.05 | - | 3,690,339.12 | 3,175,610.76 | 1,164,398.12 |
| LAB EQUIPMENTS | 10 | Single | 7,122,806.76 | - | - | - | 7,122,806.76 | 2,282,724.62 | 1,253,097.27 | - | 3,535,821.89 | 3,586,984.87 | 4,840,082.14 |
| R&D LAB BUILDING | 30 | Single | - | 1,289,930.38 | - | - | 1,289,930.38 | - | 30,635.85 | - | 30,635.85 | 1,259,294.53 | - |
| R&D LAB EQUIPMENTS | 10 | Single | - | 13,376,378.00 | - | - | 13,376,378.00 | - | 840,154.97 | - | 840,154.97 | 12,536,223.03 | - |
| R&D LAB FURNITURE | 10 | Single | - | 261,585.00 | - | - | 261,585.00 | - | 16,931.09 | - | 16,931.09 | 244,653.91 | - |
| Total (A) | | | 190,600,968.86 | 218,041,878.95 | - | - | 408,642,847.81 | 72,912,651.93 | 25,771,672.80 | - | 98,684,324.73 | 309,958,523.08 | 117,688,316.93 |
| P.Y Total | | | 180,551,494.77 | 10,049,474.09 | - | - | 190,600,968.86 | 48,680,558.39 | 24,232,093.54 | - | 72,912,651.93 | 117,688,316.93 | 131,870,936.38 |
| B Capital work in progress | | | | | | | | | | | | | |
| BUILDING | | | 40,795,656.22 | 5,709,994.00 | - | 46,505,650.22 | - | - | - | - | - | - | 40,795,656.22 |
| PLANT AND MACHINERY | | | 105,344,337.55 | 29,392,386.31 | - | 134,736,723.86 | - | - | - | - | - | - | 105,344,337.55 |
| SOFTWARE DEVELOPMENT | | | 750,000.00 | - | - | - | 750,000.00 | - | - | - | - | 750,000.00 | 750,000.00 |
| R&D Lab Building | | | - | 1,289,930.38 | - | 1,289,930.38 | - | - | - | - | - | - | - |
| R&D Lab Equipment | | | - | 12,476,378.00 | - | 12,476,378.00 | - | - | - | - | - | - | - |
| R&D Lab Furniture | | | - | 261,585.00 | - | 261,585.00 | - | - | - | - | - | - | - |
| Total (B) | | | 146,889,993.77 | 49,130,273.69 | - | 195,270,267.46 | 750,000.00 | - | - | - | - | 750,000.00 | 146,889,993.77 |
| P.Y Total | | | 13,074,652.00 | 133,815,341.77 | - | - | 146,889,993.77 | - | - | - | - | 146,889,993.77 | 13,074,652.00 |
| C Intangible Assets | | | | | | | | | | | | | |
| Registration Fee | | | 3,525,745.11 | 3,233,245.55 | - | - | 6,758,990.66 | - | - | - | 6,758,990.66 | 3,525,745.11 | |
| Total (C) | | | 3,525,745.11 | 3,233,245.55 | - | - | 6,758,990.66 | - | - | - | - | 6,758,990.66 | 3,525,745.11 |
| P.Y Total | | | 400,000.00 | 3,125,745.11 | - | - | 3,525,745.11 | - | - | - | - | 3,525,745.11 | 400,000.00 |
| Current Year Total (A+B+C) | | | 341,016,707.74 | 270,405,398.19 | - | 195,270,267.46 | 416,151,838.47 | 72,912,651.93 | 25,771,672.80 | - | 98,684,324.73 | 317,467,513.74 | 268,104,055.81 |
| Previous Year Total | | | 194,026,146.77 | 146,990,560.97 | - | - | 341,016,707.74 | 48,680,558.39 | 24,232,093.54 | - | 72,912,651.93 | 268,104,055.81 | 145,345,588.38 |



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BETA DRUGS LIMITED ("BDL")

| BETA DRUGS LIMITED | | |
|--|-----------------------------|-----------------------------|
| Note 10 Non Current investments | | |
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| Investment In Beta UBK International Pvt. Ltd. (Uzbekistan) | 3,520,592.62 | 3,520,592.62 |
| Investment In Adley Formulation Pvt. Ltd. (Wholly Owned Subsidiary) | 12,600,000.00 | 12,600,000.00 |
| Investment In Adley Lab Ltd. (Wholly Owned Subsidiary) | 45,040,000.00 | - |
| Total | 61,160,592.62 | 16,120,592.62 |
| Note 11 (a) Long-term loans and advances | | |
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| Security Deposit | | |
| Secured, considered good | 5,387,763.00 | 4,841,163.00 |
| | 5,387,763.00 | 4,841,163.00 |
| loan and advances to realted parties | | |
| Unsecured, considered good | 26,127,757.00 | - |
| Total | 31,515,520.00 | 4,841,163.00 |
| Note 11 (b) Other Non Current Assets | | |
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| MAT Credit Entitlement | 40,328,421.68 | 42,587,046.70 |
| Total | 40,328,421.68 | 42,587,046.70 |
| Note 12 Inventories | | |
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| (Valued at cost or NRV unless otherwise stated) | | |
| (a) Finished goods (other than those acquired for trading) | 9,017,042.81 | 5,360,501.10 |
| (b) Raw Material | 9,968,205.17 | 12,898,602.62 |
| (c) WIP | 28,352,074.48 | 34,039,036.01 |
| (d) Others | 13,655,412.91 | 11,798,910.21 |
| Total | 60,992,735.37 | 64,097,049.94 |
| Note 13 Trade receivables | | |
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | | |
| Exceeding six months | | |
| Secured, considered good | 27,999,227.92 | 11,141,282.70 |
| Total | 27,999,227.92 | 11,141,282.70 |
| Less than six months | | |
| Secured, considered good | 181,088,311.19 | 162,153,389.92 |
| Total | 181,088,311.19 | 162,153,389.92 |
| Grand Total | 209,087,539.11 | 173,294,672.62 |



| BETA DRUGS LIMITED | | |
|---|-----------------------------|-----------------------------|
| Note 14 Cash and cash equivalents | | |
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| CASH IN HAND | | |
| (a) Cash in hand | 1,130,776.03 | 791,554.69 |
| Balance with Imprest a/c | 358,046.35 | 90,657.51 |
| Total | 1,488,822.38 | 882,212.20 |
| (b) Balances with banks | | |
| (i) In current accounts | | |
| Axis Bank | 4,518.61 | 171,907.17 |
| ICICI Bank | 44,657.65 | 7,345,134.56 |
| Vijaya Bank | 1,703.00 | 83.00 |
| Vijaya Bank (Imprest) | 543.36 | 1,581.20 |
| HDFC Bank | 342,924.63 | 95,649.66 |
| (iv) In earmarked accounts | | |
| - Share application money received for allotment of | 14.00 | 14.00 |
| - Balances held as margin money or security against | - | - |
| (c) Others (specify nature) | | |
| FDR with Axis Bank | 16,551,973.00 | - |
| FDR with Vijaya Bank | 2,454,290.00 | 1,213,883.00 |
| FDR with SIDBI | 19,817,381.00 | 18,592,135.00 |
| FDR with ICICI Bank | 906,404.00 | 877,595.00 |
| Total | 40,124,409.25 | 28,297,982.59 |
| Grand Total | 41,613,231.63 | 29,180,194.79 |
| Note 15 Short-term loans and advances | | |
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| (a) Loans and advances to related parties | - | - |
| (b) Loans and advances | | |
| Advances To Supplier | 17,542,474.11 | 10,287,532.48 |
| Advances To Supplier (Machinery) | 1,951,420.50 | 1,209,016.00 |
| Other Advances (Staff) | 2,501,928.00 | 2,109,789.00 |
| Total | 21,995,822.61 | 13,606,337.48 |
| Note 16 Other current assets | | |
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| Other Assets | | |
| Income Tax Refund due | 260,690.00 | 260,690.00 |
| Cheque Deposited Yet not Cleared | 6,498,423.00 | 246,200.00 |
| Prepaid Expenses | 477,647.00 | 387,225.00 |
| Amount deposited with Approved Gratuity Fund | 500,000.00 | - |
| GST Recoverable | 30,241,164.44 | 32,835,196.63 |
| Total | 37,977,924.44 | 33,729,311.63 |



| BETA DRUGS LIMITED | | | |
|--|---|--------------------------------------|--------------------------------------|
| Note 17 Revenue from operations | | | |
| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
| | | Amount in Rs. | Amount in Rs. |
| | Sale Of Products | | |
| | Other Export Sales | - | 9,094,560.93 |
| | Export Sales | 32,459,138.85 | 39,406,113.07 |
| | Sales Exempt | 142,559.00 | 500.00 |
| | GST Sales 12% | 558,700,574.75 | 463,611,046.33 |
| | GST Sales 5% | 37,226,547.25 | 52,576,456.69 |
| | GST Sales 18% | 24,668,815.40 | 15,798,161.97 |
| | Total | 653,197,635.25 | 580,486,838.99 |
| Note 18 Other income | | | |
| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
| | | Amount in Rs. | Amount in Rs. |
| (a) | Interest Income | 3,563,530.00 | 2,351,892.00 |
| (b) | Other non-operating income (net of expenses directly attributable to such income) | 253,195.00 | 635,197.00 |
| (c) | Foreign Currency Exchange Gain | 348,542.78 | 170,759.77 |
| | Total | 4,165,267.78 | 3,157,848.77 |
| Note 19 Cost of materials consumed | | | |
| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
| | | Amount in Rs. | Amount in Rs. |
| | Opening stock | 24,697,512.83 | 15,366,446.00 |
| | Add: Purchases | 345,037,373.70 | 340,523,806.48 |
| | Less: Closing stock | 23,623,618.08 | 24,697,512.83 |
| | Cost of material consumed | 346,111,268.45 | 331,192,739.65 |
| | Total | 346,111,268.45 | 331,192,739.65 |
| Note 20 Changes in inventories of finished goods, work-in-progress and stock-in-trade | | | |
| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
| | | Amount in Rs. | Amount in Rs. |
| <u>Inventories at the end of the year:</u> | | | |
| | Finished goods | 9,017,042.81 | 5,360,501.10 |
| | Work In Progress | 28,352,074.48 | 34,039,036.01 |
| | | 37,369,117.29 | 39,399,537.11 |
| <u>Inventories at the beginning of the year:</u> | | | |
| | Finished goods | 5,360,501.10 | 5,069,063.00 |
| | Work In Progress | 34,039,036.01 | 7,599,293.00 |
| | | 39,399,537.11 | 12,668,356.00 |
| <u>(Increase)/ decrease in Inventory</u> | | | |
| | Finished goods | (3,656,541.71) | (291,438.10) |
| | Work In Progress | 5,686,961.53 | (26,439,743.01) |
| | | 2,030,419.82 | (26,731,181.11) |



| BETA DRUGS LIMITED | | |
|--|--------------------------------------|--------------------------------------|
| Note 21 Other Manufacturing Expenses | | |
| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| Consumable Stores | 5,181,235.15 | 13,095,363.51 |
| R&D Consumable Stores | 6,420,529.24 | - |
| Generator running expenses | 2,211,794.00 | 2,594,633.00 |
| Power & Fuel | 12,345,711.00 | 7,952,949.00 |
| Direct labour | 42,199,724.31 | 39,900,756.00 |
| Repairs & maintenance (machinery & Building) | 4,745,158.55 | 4,275,998.93 |
| Freight Inward | 653,585.64 | 428,523.02 |
| Factory Expenses | 850,982.89 | 372,965.00 |
| Packing & Forwarding expense | 1,734,634.70 | 1,575,054.00 |
| Solid Waste Pollution expenses | 68,228.00 | 76,289.00 |
| Housekeeping Expenses | 174,081.00 | - |
| Testing Charges | 1,494,969.84 | 3,422,667.67 |
| Total | 78,080,634.32 | 73,695,199.13 |
| Note 22 Employee benefits expense | | |
| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| Salaries and wages | | |
| Director | 12,287,898.00 | 9,692,000.00 |
| Employees | 23,236,834.00 | 15,356,716.84 |
| R&D Staff | 3,576,233.00 | - |
| Employer Share of ESI | 645,186.00 | 747,344.00 |
| Employer Share of PF | 3,530,851.00 | 2,420,994.00 |
| Bonus | 1,138,726.00 | 2,583,964.00 |
| Staff welfare expenses | 1,401,308.18 | 1,600,281.89 |
| Staff Uniform Expenses | 345,996.00 | 194,481.00 |
| Gratuity Provision | 3,169,638.00 | 1,577,788.00 |
| Total | 49,332,670.18 | 34,173,569.73 |
| Note 23 Finance costs | | |
| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| (a) Interest expense on: | | |
| (i) Borrowings | | |
| Bank Interest CC | 3,107,346.00 | 2,527,662.00 |
| Interest on Term Loan | 1,586,942.00 | 2,596,165.80 |
| Interest on Term Loan (Vehicle) | 623,452.11 | 970,421.40 |
| (ii) Others | 58,640.00 | 392,034.00 |
| (iii) Interest on income tax | 360,294.00 | - |
| (b) Other borrowing costs (Processing Fees) | | |
| Bank charges | 665,264.65 | 850,080.27 |
| Processing fee for renewal | - | - |
| Total | 6,401,938.76 | 7,336,363.47 |



| BETA DRUGS LIMITED | | |
|--|--|--|
| Note 24 Other expenses | | |
| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| Advertisement Expenses | 455,141.00 | 863,842.00 |
| Audit Fee | 1,025,000.00 | 1,302,500.00 |
| Books & Periodical | 37,500.00 | 26,000.00 |
| Business Promotion Expenses | 3,784,290.29 | 1,721,685.56 |
| Daily Pooja Expenses | 209,920.00 | 274,160.00 |
| Commission Paid | 315,964.00 | 3,917,595.00 |
| Conference Expenses | 4,610,540.40 | 7,416,816.40 |
| Conveyance Expenses | 3,010,335.30 | 3,317,563.24 |
| Corporate Expenses | 468,000.00 | 1,279,733.58 |
| Corporate Social Responsibility Expenses | 1,448,575.30 | 964,392.00 |
| Sponsorship A/C | - | 130,000.00 |
| Donation A/C | 31,200.00 | 120,000.00 |
| Diwali Expenses | 1,427,485.00 | 440,145.00 |
| Expired & damages Goods Return | 1,532,434.50 | 2,577,154.03 |
| Freight Outward | 3,630,315.24 | 3,959,373.92 |
| Foreign Travel | 2,869,523.07 | 1,687,707.74 |
| Insurance Apportion Cost | 1,024,797.40 | 504,363.98 |
| Legal & Professional Expenses | 7,622,518.96 | 5,107,249.80 |
| Medical Expenses | 68,735.68 | 60,184.38 |
| Misc. Expenses | - | 24,350.00 |
| Office Expenses | 441,338.77 | 603,062.23 |
| Printing & Stationary | 2,906,123.55 | 3,296,931.11 |
| Rate Difference | - | 3,936,429.47 |
| Rate Fee & taxes | 2,726,941.58 | 843,191.50 |
| Rent | 8,297,200.00 | 8,633,740.00 |
| Repair & maintenance (Vehicle) | 1,123,901.21 | 843,058.82 |
| Round Off | 14,412.93 | -3,746.19 |
| Small Balance Written Off | - | 35,627.72 |
| Software Expenses | 199,050.00 | 199,700.00 |
| Telephone & Postage | 542,283.25 | 425,142.94 |
| Trade Discount Expenses | 2,836,770.95 | 1,982,327.05 |
| Travelling Expenses | 7,470,763.82 | 8,594,078.28 |
| Total | 60,131,062.20 | 65,084,359.56 |

**BETA DRUGS LIMITED****NOTE '3' : SIGNIFICANT ACCOUNTING POLICIES****(Forming part of Accounts)****FOR THE YEAR ENDED 31ST MARCH' 2020****3.1. Basis of Accounting**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical convention on accrual basis. These financial statements have been prepared to comply, in all material aspects, with the Indian accounting standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the presentation requirements as prescribed by the Schedule III of the Companies Act, 2013 to the extent applicable.

3.2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires that management makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balance of assets and liabilities and the disclosure relating to contingent liabilities as at the date of the financial statements. These estimates are based upon management's best knowledge of current events and actions. The difference between the actual results and estimates are recognized in the period in which the results are known / materialised.

3.3. Fixed Assets**-Tangible Assets**

Tangible Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment of assets, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. The company has a policy of physical verification of all the assets once in a year, the last verification was done on 20th March 2020 and no discrepancies were noticed during such verification.

-Capital Work-in-Progress

Expenses incurred during construction/installation period are included under capital work-in-progress and allocated to relevant fixed assets in the ratio of cost of the respective assets on completion of construction/installation. WIP as on 31.03.2020 is Rs. 7,50,000.00.

3.4. Depreciation / Amortisation

Depreciation on tangible assets is provided, on Written down Value method, over the useful life of assets estimated by the management in accordance with Schedule-II of the Companies Act, 2013. **(Refer note 4.5 on Other Notes to Accounts).**

-Residual value of assets has been considered at 5% of the original cost of the assets.

-Depreciation on additions to fixed assets is calculated on date of put to use as certified by the management.

-Depreciation on assets sold & scrapped, during the year, is provided up-to the date on which such fixed assets are sold or scrapped.

3.5. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

3.6. Valuation of Inventories

-Raw Material Chemicals & Salts,

-Packing Material,

-Finished Goods Oncology products comprises of injections, tablets and capsules,

-Work In Progress (Semi Finished Goods).

Is valued at cost or estimated realisable value, whichever is lower. The company has determined the cost of inventory using the First-In, First-Out method.

The company has appointed cost auditor to ascertain and verify the authenticity of cost records maintained by



the company. The valuation of Finished Goods as well as Work in Process material has been taken as certified by the cost auditor. The value of raw material and packing material has been taken at cost.

The company has a policy of physical verification of the entire available inventory once every month, no material discrepancies were noticed during such verification

3.7. Revenue Recognition

- Revenue from sale of goods is recognised when risk and rewards of ownership are transferred to the customers.
- Revenue from services is recognised when services are rendered and related costs are incurred.
- Other income is recognised on accrual basis unless otherwise stated.
- Insurance and other claims are accounted for on settlement of claims/on receipt.
- Revenue from sales/services are shown net of taxes, as applicable.

3.8. Employee Benefits

a) Short-term Employee Benefits:

- Leave Encashment, on the basis of actual computation, is accounted for on payment basis, after the cessation of employment, the payment in respect thereof is made by the Company from its own funds as per the past practice consistently followed by the Company.
- Payment of Bonus – This year the company has made the provision of Rs. 10,75,794.00 as per The Payment of Bonus Act, 1965.

b) Post-Employment Benefits

(i) Defined Contribution Plans:

Contributions as required under the Statute/Rule are made to Employees State Insurance & Provident Fund and charged to the Statement of Profit & Loss of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plans :

Gratuity is accounted for on accrual basis -the Company has opened an Employees' Gratuity Trust with Aditya Birla Sun Life Insurance Company Ltd. and has taken the Group Cap Secure Plan. The Gratuity payable to any employee will be paid out of funds deposited in this plan.

The company has got the Actual Valuation done by independent consultant for FY 2019-20 to determine the projected benefit obligation for Gratuity Benefit and the accounting expenses associated with Gratuity Benefit on 31-03-2020 in accordance with Ind AS-19.

Detailed Calculation of Gratuity Provision as per Certified Actuary.

| Particulars | Amount (') |
|--|---------------|
| Present Value of Benefit Obligation as on 01.04.2019 | 33,46,133.00 |
| Current Service Cost | 21,18,402.00 |
| Interest Cost | 2,27,537.00 |
| Benefits paid | (9,49,849.00) |
| Net Actuarial Losses (Gains) recognised in the year | 8,23,699.00 |
| Expenses recognised in Statement of Profit and Loss | 55,65,922.00 |

Gratuity Provision in FY 2019-20 was provided for Rs. 55,65,922.00 and Rs. 33,46,133.00 in FY 2018-19.

c) Termination Benefits: Termination benefits are recognized as an expense as and when incurred.

3.9 Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. The difference in the rate of exchange, if any, is accounted at the time of realisation or settlement and is recognized in the Statement of Profit and Loss. Net amount of Rs. 3,48,542.78 is recognised as revenue income for the year.

**3.10. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets to the extent that they relate to the period till such assets are ready to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit & Loss. Details of the borrowing cost capitalized during the FY19-20 are as mentioned below:

During the year, the Company has capitalised borrowing costs of Rs. 30,03,802 (Previous year 8,30,397) relating to credit facility availed for installation of Plant and Machinery, included in Capital Work in Progress.

3.11. Investments

-Current Investments are carried at cost or fair market value whichever is lower.

-Non-Current Investments are carried at cost. Provision for diminution in value of non-current investments is made only, if a decline is other than temporary.

3.12. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit & Loss on monthly due basis. The company has taken following premises on lease:

- 1.) Administrative office located at Panchkula-SCO 184, First floor, Sector 5, Panchkula -134114. The lease is entered into with M/s B.T. Associates, Panchkula for 10 years with monthly rent of Rs. 2,40,720.00 plus GST@18 percent.
- 2.) Branch office located at Peninsula Park, Office no-1101, 11th Floor, Andheri West, Mumbai-400053, Maharashtra. The lease is entered into with Mr. Rakesh Pravinchandra Desai and Mrs. Tejpal Rakesh Desai, Mumbai for 3 years with monthly rent of Rs. 1,43,000.00 plus GST@18 percent. The monthly rent paid by the company for financial year 2019-20 is Rs. 1,57,300.00 plus GST@18 percent with an increment of 10 percent from Feb-19 onwards.
- 3.) Company Guest House located at 101, Gopush Occupants Association, Vithal Nagar Chs Ltd., NS Road 11, JVPD Scheme, Vile Parle (W), Plot No. 27 NR, Juhu Bus Vile Parle (W), Mumbai, Maharashtra – 400049. The lease is entered into with Ms. Jagruti K Purohit and Sh. Kirit B Purohit, Mumbai for 3 years with monthly rent of Rs. 2,50,000.00 plus GST@18 percent. The monthly rent paid by the company for financial year 2018-19 is Rs. 2,68,750.00 plus GST@18 percent and the monthly rent paid till August 2019 was Rs. 287500.00 plus GST @18 percent. The lease has been cancelled after August 2019.
- 4.) Company Guest House located at 1132, Sector 7, Panchkula, Haryana 134107. The lease is entered into between Broadway Overseas Ltd. and Beta Drugs Ltd. for 2 years with monthly rent of Rs. 1,05,930 plus GST @18%. The monthly rent is paid since August 2019.
- 5.) Company Guest House located at Flat No. A/804, 8th Floor, Wing A, Building Cosmopolis, Yamunanagar, opposite Oxford Tower, Oshiwara, Andheri West, Mumbai. The lease is entered with Ms. Anjali Shalin Bhojwani & Ms. Ansha Shalin Bhojwani for 2 years with monthly rent of Rs. 63000 since January 2020.
- 6.) Company Guest House located at Flat No 602, New Akash Ganga, CHS Ltd., Yamunanagar, Lokhandwala complex, opp. Ryan Global School, Andheri West, Mumbai. The lease agreement is entered with Mr. Gautam Vig for 1 year with monthly rent of Rs. 55,000 since August 2019.

3.13. Taxes on Income

-Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.



-Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

-Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities.

-Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will be in a position to avail of such credit under the provisions of the Income Tax Act, 1961.

3.14. Earnings Per Share (EPS)

-Annualised basic earnings per equity share is arrived at based on net profit/(loss) attributable to equity shareholders to the basic weighted average number of equity shares outstanding.

-Annualised diluted earnings per equity share is arrived at based on adjusted net profit/(loss) attributable to equity shareholders to the adjusted weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares; except where the results are anti-dilutive. At present the Company does not have any dilutive potential equity shares.

3.15. Cash Flow Statement:

- The Cash Flow Statement is prepared by the indirect method set out in Indian Accounting Standard (Ind AS) 7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

-Cash and cash equivalents presented in the Cash Flow Statement consists of balance in current accounts and cash balances.

3.16. Contingencies and Provisions

A provision is recognised when the Company has a present obligation as a result of past events. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

| Bank Name | Bank Guarantee No | Opening Date | Expiry Date | In Favour of | Amount (₹) |
|-------------|-------------------|--------------|-------------|--|-------------|
| ICICI BANK | 0043BGFD003118 | 02.09.2017 | 31.08.2025 | THE PRESIDENT OF INDIA THROUGH THE DEPUTY ASST COMMISSIONER OF CUSTOMS,AIR CARGO COMPLEX,NEW DELHI | 8,22,770.00 |
| VIJAYA BANK | 8304IBGIS180059 | 26.10.2018 | 30.05.2020 | PRESIDENT OF INDIA THROUGH OFFICE OF DGAFMS,NEW DELHI | 90,000.00 |
| VIJAYA BANK | 8304IBGIS180060 | 26.10.2018 | 30.05.2020 | PRESIDENT OF INDIA THROUGH OFFICE OF DGAFMS,NEW DELHI | 37,000.00 |
| VIJAYA BANK | 8304IBGIS180065 | 31.12.2018 | 04.10.2020 | PRESIDENT OF INDIA THROUGH OFFICE OF DGAFMS,NEW DELHI | 76,000.00 |
| VIJAYA BANK | 8304IBGIS180066 | 31.12.2018 | 29.09.2020 | PRESIDENT OF INDIA THROUGH OFFICE OF DGAFMS,NEW DELHI | 79,000.00 |
| VIJAYA BANK | 8304IBGIS180068 | 31.12.2018 | 29.09.2020 | PRESIDENT OF INDIA THROUGH OFFICE OF DGAFMS,NEW DELHI | 52,000.00 |
| VIJAYA BANK | 8304IBGIS180069 | 31.12.2018 | 04.10.2020 | PRESIDENT OF INDIA THROUGH OFFICE OF DGAFMS,NEW DELHI | 61,000.00 |
| VIJAYA BANK | 8304IBGIS180070 | 31.12.2018 | 04.10.2020 | PRESIDENT OF INDIA THROUGH OFFICE OF DGAFMS,NEW DELHI | 38,000.00 |



| | | | | | |
|-------------|-----------------|------------|------------|---|--------------|
| VIJAYA BANK | 8304IBGIS180071 | 31.12.2018 | 04.10.2020 | PRESIDENT OF INDIA THROUGH OFFICE OF DGAFMS,NEW DELHI | 32,000.00 |
| VIJAYA BANK | 8304IBGIS180067 | 31.12.2018 | 04.10.2020 | PRESIDENT OF INDIA THROUGH OFFICE OF DGAFMS,NEW DELHI | 1,16,000.00 |
| VIJAYA BANK | 8304IBGIS190019 | 08.03.2019 | 08.06.2020 | TAMILNADU MEDICAL SERVICES CORP | 2,33,883.00 |
| VIJAYA BANK | 8304IBGIS190021 | 29.03.2019 | 22.11.2020 | PRESIDENT OF INDIA THROUGH OFFICE OF DGAFMS,NEW DELHI | 1,26,000.00 |
| VIJAYA BANK | 8304IBGIS190022 | 29.03.2019 | 20.11.2020 | PRESIDENT OF INDIA THROUGH OFFICE OF DGAFMS,NEW DELHI | 81,000.00 |
| VIJAYA BANK | 8304IGISS190025 | 10.06.2019 | 28.12.2020 | PRESIDENT OF INDIA THROUGH OFFICE OF DGAFMS,NEW DELHI | 42,000.00 |
| VIJAYA BANK | 8304IGISS190057 | 18.09.2019 | 13.05.2021 | PRESIDENT OF INDIA THROUGH OFFICE OF DGAFMS,NEW DELHI | 70,000.00 |
| VIJAYA BANK | 8304IGISS190059 | 04.10.2019 | 15.06.2021 | PRESIDENT OF INDIA THROUGH OFFICE OF DGAFMS,NEW DELHI | 35,000.00 |
| VIJAYA BANK | 8304IGISS190060 | 04.10.2019 | 30.10.2023 | PRESIDENT OF INDIA THROUGH OFFICE OF DGAFMS,NEW DELHI | 1,68,400.00 |
| VIJAYA BANK | 8304IGISS190075 | 27.12.2019 | 28.02.2023 | MANAGING DIRECTOR RMSCL,JAIPUR | 4,43,944.00 |
| VIJAYA BANK | 8304IGISS200007 | 17.02.2020 | 28.02.2021 | TAMILNADU MEDICAL SERVICES CORP,CHENNAI | 91,000.00 |
| | | | | TOTAL AMOUNT | 26,94,997.00 |

- 3.17 **Internal Control Policy and BCP Management:** The Company has firm internal control measures that are sufficient according to the volume and the type of business. The management assesses the operating effectiveness of these controls on regular basis. The internal auditor in his quarterly report, also confirms about the effectiveness of the internal control measures. There are pre-drafted plans to deal with the disasters and ensure the continuity of its business operations with the minimum disruptions. All the required security checks i.e. physical security of the company premises and its database are properly installed, daily backup is being done for all the accounting and related data. The company has recently engaged Tata Consultancy Services to provide a cloud based ERP in which the data will remain safe on the cloud and can be accessed and updated on real time basis from anywhere.
- 3.18 **Impact of Covid-19:** The plant and office was closed w.e.f. March 22, 2020 due to COVID-19 pandemic, the Company had restarted all of its operations during the month of May 2020 adhering to the safety norms prescribed by Central Government and by the local authorities and worked with 70% production capacity for the initial two months as it was facing labour migration issue and then restored to its full capacity. The Company is taking proper measures to prevent the Covid-19 spread like temperature scanning of every individual entering the office/factory, use of hand sanitizers and face masks during the course of work, Sanitizing the premises and maintaining social distancing at all the workplaces. The Company's capital and financial resources remain intact as the company had enough unutilized working capital limit. The Company has been paying all its statutory dues and other commitments on a timely basis. The company's vendor base is also being supported with payments at regular intervals. The company has witnessed slight drop in demand for its products & services, otherwise there is no major impact on the business of the company, as of now.

NOTE 4 : OTHER NOTES TO ACCOUNTS**(Forming part of Accounts)****FOR THE YEAR ENDED 31ST MARCH, 2020****4.1. Issued, Subscribed & Paid up Capital:**

Issued, Subscribed and Paid-up capital of the company is Rs. 9,61,37,900.00 (Divided into 96,13,790.00 shares of Rs. 10 each). The company has raised two preferential issues in the FY 2019-20. The first issue was of 6,45,244 Equity Shares at Rs. 91 per share (including premium of Rs. 81 per share) in the month of May 2019 and the second issue was of 3,19,046 Equity Shares at the rate of Rs. 90 per share (including premium of Rs. 80 per share) in the month of July 2019. Both of these issues were raised to acquire all the shares of M/s Adley Lab Ltd. and for the working capital infusion. The money raised has been fully utilized and the information with this regard has been duly uploaded in the stock exchange.

4.2. Reserves & Surplus:

-The amount shown in the Reserve & Surplus represents only surplus carried forward from the earlier year plus the surplus earned during the year. Total amount of surplus outstanding as on 31.03.2020 is Rs. 46,82,52,885.91 which includes Share Premium of Rs. 23,94,01,048.98 and Free Reserves of Rs. 22,88,51,836.93

4.3. Long-term Borrowings**Secured :**

Term Loan:

| S.NO | Lender | Nature of facility | Loan | Amount outstanding as at March 31, 2020 | Sanctioned Rate of Interest (%) | Repayment Terms | Security / Principal terms and conditions |
|------|--|---|-----------|---|---------------------------------|--|--|
| 1 | Bank of Baroda formerly Vijaya Bank before its merger. | Term Loan of Rs. 50.00 Lakhs (A/c No 830409041000064) | Term Loan | Rs. 18.03 Lakh | 13.00% | Total Installments of Rs 1.15 Lakhs P.M. divided into 60 Equated monthly installment. First Installment Commenced from April,2017. | (1)All stocks of raw material/ stock in process/ finished warehouse/goods goods kept at factory, in transit and all other locations belonging to company |



| | | | | | | | |
|--|--|---|-----------|-----------------|--------|--|--|
| | | Term Loan of Rs. 15.00 Lakhs (A/c No. 830408411000229) | Term Loan | Rs. 8.82 Lakhs | 10.05% | Total Installments of Rs .249 Lakhs P.M. divided into 84 Equated monthly installment. First Installment Commenced from August, 2016. | (2)Equitable mortgage of factory land in village Nandpur comprised in Khewat/Khatoni no. 114/157 in khasra No. 733/465 (00-05), 466(00-02), 735/467 (02-00), village Nandpur Tehsil Nalagarh, Distt. Baddi measuring 2 Bigha 7 Biswa owned by M/s Beta Drugs Pvt. Ltd. vide sale deed no. 712 dated 24.03.2006 charged to ML of the Company. |
| | | Term Loan of Rs. 10.14 Lakhs (A/c No. 830408411000259) | Term Loan | Rs. 6.97 Lakhs. | 9.15% | Total Installments of Rs 0.21 Lakhs P.M. divided into 60 Equated monthly installment. First Installment Commenced from May, 2018. | (3)Hypothecation of Plant & Machinery & other movable fixed assets of the company. (4)Collateral Charge on Vacant Showroom site at Khata No. 9/10 in Khasra No. 56 (1-2), village Dharampur, Hadbast No. 152, Tehsil Kalka measuring 1 Biswa 2 Biswani i.e. 55 Sq. Yards owned by one of the director Mr. Rahul Batra S/o Vijay Batra vide sales Deed No. 674 dated 16.05.2011.(5) Personal Guarantee of Vijay Kumar Batra S/o Sh. Jiwandass, |



| | | | | | | | |
|---|---------------|--|--------------|--------------------|--------|--|--|
| | | | | | | | Balwant Singh S/o Sh. Sadhu Ram, Varun Batra S/o Sh. Vijay Kumar batra, Neeraj Batra W/o Sh. Vijay Kumar Batra, Rahul Batra S/o Sh. Vijay Kumar Batra. (6) HYP of Motor Vehicles from the bank in the name of Company. |
| 2 | SIDBI Loan | Term Loan of Rs. 100.00 Lakhs (Sanctioned Amount Rs. 100 Lakh and Disbursed amount Rs. 98.65 Lakh) | Term Loan | Rs. 70.36 Lakhs | 11.65% | Total Installments of Rs 1.23 Lakhs P.M. divided into 80 Equated monthly installment. Last Installment i.e. 81st Installment is of Rs. 0.25 Lakh. | 1) HYP of Machinery and Fixed Deposit amounted Rs. 34 Lakh with SIDBI as collateral. |



| | | | | | | | |
|---|-----------|---------------------------------|-----------|------------------|-------|--|---|
| | | Term Loan of Rs. 400.00 Lakhs | Term Loan | Rs. 355.60 Lakhs | 8.09% | Total Installments of Rs 7.40 Lakhs P.M. after moratorium of 6 months divided into 53 Equated monthly installment. Last Installment i.e. 54th Installment is of Rs. 7.80 Lakh. | 1) HYP of Machinery amounted Rs. 829.00 Lakhs and Fixed Deposit amounted Rs.150 Lakh with SIDBI as collateral. Also Extension of Charge on Fixed Deposit already lien marked against previous SIDBI loan. |
| 3 | Axis Bank | Vehicle Loan of Rs.69.25 Lakhs | Term Loan | Rs. 16.69 Lakhs | 8.38% | Total Installments of Rs 2.18 Lakhs P.M. divided into 36 Equated monthly installment. | 1) HYP of Motor Vehicles from the bank in the name of Company. |
| | | Vehicle Loan of Rs.8.00 Lakhs | Term Loan | Rs. 5.25 Lakhs | 8.40% | Total Installments of Rs 0.16 Lakhs P.M. divided into 60 Equated monthly installment. | 1) HYP of Motor Vehicles from the bank in the name of Company. |
| 4 | HDFC Bank | Vehicle Loan of Rs. 43.00 Lakhs | Term Loan | Rs. 4.02 Lakhs | 8.76% | Total Installments of Rs 1.36 Lakhs P.M. divided into 36 Equated monthly installment. | 1) HYP of Motor Vehicles from the bank in the name of Company. |
| 5 | HDFC Bank | Vehicle Loan of Rs. 7.50 Lakhs | Term Loan | Rs. 5.13 Lakhs | 8.98% | Total Installments of Rs 0.15 Lakhs P.M. divided into 60 Equated monthly installment. | 1) HYP of Motor Vehicles from the bank in the name of Company. |

**Unsecured :**

Term Loan:

| S.NO | Lender | Nature of facility | Loan | Amount outstanding as at March 31, 2019 | Rate of interest (%) | Repayment Terms | Security / Principal terms and conditions |
|------|-----------|---|-----------|---|----------------------|--|---|
| 1. | Edelweiss | Unsecured Business Loan of Rs. 40 Lakhs | Term Loan | Rs. 2.99Lakhs | 18.50% | Total Installments of Rs 1.46 Lakhs P.M. divided into 37 Equated monthly installments. | Unsecured Loan |

Interest on the above term loans is payable on monthly basis.

- 4.4. In the opinion of the Directors, "Current Assets" and "Loans & Advances" are approximately of the value stated in the Balance Sheet, if realized in the ordinary course of business and to the best of their knowledge. Provisions for all the known liabilities have been made and, *as certified*, all the contractual and statutory obligations have been duly complied with.

4.5. **Depreciation / Amortisation**

The management estimates the remaining useful life of existing fixed assets as on 01st April, 2019 as follows:-

| | |
|----------------------|----------|
| Building | 30 years |
| Furniture & Fixtures | 10 years |
| Machinery | 15 years |
| Lab Equipment | 10 years |
| Equipment (Other) | 5 years |
| Vehicles | 8 years |

For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets..(Refer note 3.4).

4.6. **Earnings Per Share (Ind AS-33)**

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|-------------------------------------|--|--|
| Numerator | | |
| Net Profit/(Loss) | | |
| Attributable to Equity shareholders | 7,09,99,377.27 | 7,71,40,924.85 |
| Denominator | | |
| Number of Equity shares | No.'s 96,13,790 | No.'s 86,49,500 |
| Number of Weighted avg. shares | No.'s 94,81,575 | No.'s 86,49,500 |
| Nominal | | |
| Value per Equity share | 10 | 10 |
| Earnings per Equity share | 7.49 | 8.92 |
| - Basic and diluted | | |



4.7. Non-Current Investments:

Investment in Joint ventures and Associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Dividends received or receivable from associates or joint ventures are recognized as a reduction in the carrying amount of the investment.

Equity shares have been stated at cost; provision for appreciation/diminution in the value of shares has not been made and no dividend was received during the year.

The provisions of Section 186 of the Companies Act, 2013 have been complied with.

During the financial year 2019-2020 the company has made the investments in following entities:

(a) Adley Lab Limited (CIN: U24231CH1992PLC012190) is a public limited company incorporated on 10/04/1992, engaged in the business of oncology and active Pharmaceuticals Ingredients.

Beta Drugs Limited has acquired the 100% Equity shares of Adley Lab Limited, therefore Adley Lab Limited has become a wholly owned subsidiary company of Beta Drugs Limited. Total cost of acquisition is Rs 4,50,40,000 (Rupees Four Crore Fifty Lakh Forty thousand only) which was discharged partly by issue and allotment of 3,19,046 equity shares of Beta Drugs Limited on preferential basis and partly through normal banking channels up-to an amount of Rs 1,63,25,860 (out of which 2,45,713 equity shares was allotted to related parties and Rs 34,50,000 was paid through normal banking channels)

4.8. Taxes

- The exact liability of CST/VAT, Service Tax, GST, Income Tax and other statutory dues is indeterminate, till finalisation of assessments and no disputed dues or amounts were outstanding or remaining unpaid as at 31st March, 2020.

-The amount of tax credit determined shall be carried forward upto fifteen assessment years immediately succeeding the assessment year in which tax credit becomes allowable.

-The current tax provision shown in the Balance Sheet is Rs. 56,49,138.24 after utilization of the advance tax and TDS of Rs. 92,90,742 and MAT credit utilization of Rs. 22,58,625.02.

4.9. Segment Reporting

Since the Company primarily operates in one segment (i.e. Manufacturing of Oncology medicines), therefore segment reporting as required under Ind AS - 108 is not applicable - there is no reportable geographical segment as the export sale of the company is less than 10% of the total sales made in India.

4.10. Related Party Disclosures (Ind AS-24)

Related parties & their relationship and related parties transactions.

| S. NO. | Related Party | Nature of Relationship | Nature of Transaction | Amount Involved During the year (`) |
|--------|-------------------|-------------------------|--------------------------|---------------------------------------|
| 1. | Adley Lab Limited | Wholly Owned Subsidiary | -Purchase of Goods | 7,57,19,750.00 |
| | | | -Grant of Unsecured Loan | 1,18,69,000.00* |
| | | | -Interest on | 8,73,378.00 |



| | | | | |
|----|------------------------------------|--|-----------------------------|-----------------|
| | | | Unsecured Loan | |
| | | | -Sale of Goods | 18,96,893.39 |
| | | | -Purchase of goods | 15,21,843.75 |
| | | | -Grant of Unsecured Loan | 1,32,20,000.00* |
| | | | -Interest on Unsecured Loan | 1,65,379.00 |
| 2. | Adley Formulations Private Limited | Wholly Owned Subsidiary | | |
| 3. | B.T. Associates Private Limited | Share holder are common (Holding more than 50 % shares) | Payment of Building Rent | 28,88,640.00 |
| 4. | Varun Batra | Director | Salary | 51,00,000.00 |
| 5. | Balwant Singh | Director | Salary | 17,26,500.00 |
| 6. | Rahul Batra | Director | Salary | 51,00,000.00 |
| 7. | Seema Chopra | Director | Salary | 3,61,398.00 |
| 8. | Jayant Kumar | Chief Financial Officer | Salary | 11,99,568.00 |
| 9. | Rajni Brar | Company Secretary | Salary | 6,60,000.00 |

The above disclosure of the related party and the transactions entered have been made as per Ind AS-24. The transactions have been carried at arm's length price (ALP).

*The amount of Rs. 1,18,69,000.00 and Rs. 1,32,20,000.00 of the above loans has been issued for working capital requirements of the subsidiary companies. The rate of interest on this loan has been taken at yield method i.e. 9% as computed.

4.11. Impairment of Assets

During the year, the Company has undertaken a review of all the fixed assets in line with the requirements of Ind AS-36 on "Impairment of Assets" as notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, based on such review, no provision for impairment is required to be recognised for the year.

4.12. Fixed Assets:

- During the financial year 2019-20 the company has capitalised assets worth Rs 19,52,70,267.46 from the Work in Progress.
 - During the financial Year 2019-20 there was an addition of Rs. 1,01,17,200.00 under the head Land.
 - During the financial Year 2019-20 there was an addition of Rs 5,24,61,683.90 the head Building including the assets transferred from Work in Progress.
 - During the financial year, there was addition of Rs. 14,05,35,101.67 to Plant & Machinery, Furniture & Fixtures, Office Equipment, Vehicles & Computers including the assets transferred from WIP.
- The additions of Rs. 1,49,27,893.38 was made to the R&D Block.

4.13. Deferred Tax Assets & Liabilities

During the FY 2019-20 the company has made Deferred Tax Provision (Liability) as follows:

| Calculation of Deferred Tax Asset / Liability | Amount (₹) |
|---|---------------|
| Deferred Tax on depreciation | 16,28,474.37 |
| Deferred Tax on provision of gratuity | - 7,42,693.29 |
| Deferred Tax on provision of bonus | 4,19,572.89 |



| | |
|--|---------------------|
| Total Deferred Liability Created for the financial year 2019-20 in Profit and Loss Account. | 13,05,353.98 |
| Less : Deferred Tax Liability as on 31.03.2019 (Opening) | 9,79,705.11 |
| Balance Deferred Tax Liability recognized in Balance Sheet | 3,25,648.86 |

4.14. **Micro, Small & Medium Enterprises**

Based on the information presently available, total outstanding as on 31.03.2020 is Rs. 4,20,41,229.42 to micro or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

4.15. **Auditor's Remuneration**

(exclusive of GST)

| | 31st March, 2020 AMOUNT | 31st March, 2019 AMOUNT |
|---|---|---|
| As Statutory Auditors | 4,02,500.00 | 4,02,500.00 |
| - Taxation Matters | - | - |
| - Certification | - | - |
| -Other Services | - | - |
| As Internal Auditor | 4,20,000.00 | 9,00,000.00 |
| - Taxation Matters | - | - |
| - Certification | - | - |
| -Other Services | - | - |
| - Cost Audit | 75000.00 | 75000.00 |
| - Secretarial Audit | 1,10,000.00 | 1,10,000.00 |
| - Reimbursement of out of pocket expenses | 17,500.00 | - |
| TOTAL | 10,25,000.00 | 13,02,500.00 |

4.16. **Other additional information**

| Particulars | 31st March, 2020 AMOUNT | 31st March, 2019 AMOUNT |
|--|---|---|
| "A" Revenue from operations (under broad heads) | | |
| -Export Sales | 3,24,59,138.85 | 4,85,00,674.00 |
| -Sales With in India | 62,07,38,496.4 | 53,19,86,164.99 |
| -Total | 65,31,97,635.25 | 58,04,86,838.99 |

**"B" Purchases**

| | | |
|--------------------------------|-----------------|-----------------|
| -Excipients & Packing Material | 34,50,37,373.70 | 34,05,23,806.48 |
|--------------------------------|-----------------|-----------------|

- 4.17. Expenditure In Foreign Currency (On Accrual Basis):- Following Expenses were incurred by the company during the year 2019-20.

| | 31 st March, 2020 AMOUNT | 31 st March, 2019 AMOUNT |
|---------------------------------|--|--|
| -Import of Capital Goods | 29,92,254.50 | 3,04,603.00 |
| -Revenue Expenses (Travel) | 28,69,523.07 | 16,87,707.74 |
| -Revenue Expenses (RM Purchase) | 8,168.64 | 26,39,390.00 |
| -Revenue Expenses (Others) | 1,33,184.00 | - |
| TOTAL | 60,03,130.21 | 46,31,700.74 |

- 4.18. Earning in Foreign Currency
Particulars

For The Year Ended
(31.03.2020)

For the year Ended
(31.03.2019)

| | | |
|---------------------|-----------------|-----------------|
| FOB Value of Export | 3,24,59,138.85* | 4,85,00,674.00* |
|---------------------|-----------------|-----------------|

* This includes indirect export.

- 4.19. **Corporate Social Responsibility:** The Company has provided for the corporate social responsibility as per Section 135 of the Companies Act 2013 i.e. Rs. 14,48,575.30 during the year. The total amount to be spent during the year was Rs. 24,12,967.30 including the amount unspent carried forward from last year. The actual amount spent during the financial year was Rs. 9,00,850.00 and the outstanding provision as on 31st March 2020 amounting Rs. 15,12,117.30 will be spent in the next financial year. The company had plan to use the maximum amount in March'20 but due to covid pandemic the company decided to utilize it in next year.

- 4.20. Balance confirmation has been sent to all the Debtors and Creditors by way of electronic mail. The major balances are confirmed by the counter parties.

- 4.21. Figures for previous year have been regrouped / rearranged where necessary to conform to the current year's presentation.

In terms of our attached report of even date.
For **KALRA RAI AND ASSOCIATES**
CHARTERED ACCOUNTANTS
F R No. -008859N
Sd/-

LAJPAT RAI KALRA
PARTNER
M No. -087438

Dated: 28.05.2020
Place: Chandigarh
UDIN: 20087438AAAACC6622

For and on behalf of the Board of Directors
sd/- sd/-
(Managing Director) (Whole-Time Director)

sd/- sd/-
(Chief Financial Officer) (Company Secretary)



CONSOLIDATED FINANCIAL STATEMENTS

OF

"BETA DRUGS LIMITED"

&

ITS WHOLLY –OWNED SUBSIDIARIES

"ADLEY FORMULATIONS PRIVATE LIMITED"

&

"ADLEY LAB LIMITED"

FOR THE FINANCIAL YEAR 2019-20



KALRA RAI & ASSOCIATES
CHARTERED ACCOUNTANTS

Head Office: Kothi No. 667, 1st floor, Sector-43-A
Chandigarh-160022

Independent Auditors' Report
Members of Beta Drugs Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind-AS financial statements of Beta Drugs Limited ('the Holding Company'), and its subsidiary (Holding company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Holding 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 consolidated Ind-AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind-AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the consolidated Ind-AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind-AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Group's preparation of the consolidated Ind-AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated Ind-AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated Ind-AS 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 Group as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 subsection(11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purpose of our audit;

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

c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid consolidated Ind-AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of written representations received from the directors of holding company as on March 31, 2020, and taken on record by the Board of Directors, none of the Directors in the Group is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act, however Ministry of Corporate Affairs (MCA) vide its Notification dated 22nd October, 2019 had amended the Companies (Appointment and Qualification of Directors) Rules for requirement of registration of Independent Directors in the databank by passing an online proficiency self-assessment test within one year from inclusion of his name in the data bank. The Independent directors of the Holding company had registered their name in Independent Director data bank and will clear the exam within a time period of one year from the date of registration.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refers 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 Group has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There have been no amounts available which is required to be transferred, to the Investor Education and Protection Fund by the Group;

Place:- Chandigarh

Date: 28.05.2020

UDIN:20087438AAAACF9660

For KALRA RAI & ASSOCIATES

Chartered Accountants

sd/-

(Lajpat Rai Kalra)

Partner

M. No- 087438

**CARO****Annexure 1 referred to in paragraph 1 of our report of even date****Re: Beta Drugs Limited ('the Group')**

i. a. All the companies in the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. All fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. According to information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the respective Company in the Group except in one company called Adley Formulations Pvt Ltd. the detail of which is mentioned in the standalone report.

ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. According to the information and explanations given to us, the Holding Company has granted loans to the subsidiary companies covered in the register maintained under Section 189 of the Companies Act, 2013 and all the provisions have been complied with.

iv. In our opinion and according to the information and explanations given to us, the Holding Company has advanced loans to the wholly owned subsidiary companies in which the directors are interested, the provisions of Section 185 of the Companies Act, 2013 have been complied with and interest @ 9% p.a. has been charged on the same. In our opinion and according to the information and explanations given to us, the Holding Company has made investments and given guarantees/provided security which is in compliance with the provisions of Section 186 of the Companies Act, 2013.

v. The Group has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account maintained by the Group pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of Active Pharmaceutical Ingredients and Formulations and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the Cost Audit Report.

vii. a. The Group is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



viii. In our opinion and according to the information and explanations given by the management, the Group has not defaulted in repayment of loans or borrowings to a bank or government. There are no dues which are payable to financial institutions or debenture holders.

ix. In our opinion and according to the information and explanations given by the management, the Group has utilized the monies raised by way of term loans for the purposes for which they were raised.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Group or no fraud on the Group by the officers and employees of the Group has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, neither of the Company in the Group is a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Group and hence not commented upon.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Holding Company has made the preferential allotment of shares during the year under review and all the provisions of Section 42 of the Companies Act 2013 have been complied with and the funds have been utilized for the purpose for which the issue was raised.

xv. According to the information and explanations given by the management, neither of the companies in the Group has entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

xvi. According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Group.

Place:- Chandigarh

Date: 28.05.2020

UDIN:20087438AAAACF9660

For KALRA RAI & ASSOCIATES

Chartered Accountants

sd/-

(Lajpat Rai Kalra)

Partner

M. No- 087438



"ANNEXURE-B" TO THE AUDITORS' REPORT

Referred to in Paragraph 7 of Our Report 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 **Beta Drugs Limited** ("the Group") as of 31 March 2020 in conjunction with our audit of the financial statements of the Group 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 subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Companies 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 ('ICAI'). 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 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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.

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, the Companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Companies 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.

Place:- Chandigarh

Date: 28.05.2020

UDIN:20087438AAAACF9660

For KALRA RAI & ASSOCIATES

Chartered Accountants

sd/-

(Lajpat Rai Kalra)

Partner

M. No- 087438



| BETA DRUGS LIMITED (CONSOLIDATED) | | | | |
|--------------------------------------|---|---|----------------------|----------------------|
| VILLAGE NANDPUR, BADDI, SOLAN 174101 | | | | |
| CIN : L24230HP2005PLC028969 | | | | |
| BALANCE SHEET AS AT 31 MARCH ' 2020 | | | | |
| Particulars | | Note No. | As at 31 March' 2020 | As at 31 March' 2019 |
| | | | Amount in Rs. | Amount in Rs. |
| A | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share capital | 1 | 96,137,900.00 | 86,495,000.00 |
| | (b) Reserves and surplus | 2 | 474,984,730.17 | 322,722,940.54 |
| | (c) Money received against share warrants | | - | - |
| | | | 571,122,630.17 | 409,217,940.54 |
| 2 | Share application money pending allotment | | - | - |
| 3 | Non-current liabilities | | | |
| | (a) Long-term borrowings | 3 | 102,763,226.60 | 69,386,491.21 |
| | (b) Deferred tax liabilities (net) | 4 | - | - |
| | (c) Other long-term liabilities | 5 (a) | 23,068,275.00 | 18,468,275.00 |
| | (d) Long-term provisions | 5 (b) | 7,917,730.00 | 4,244,783.00 |
| | | | 133,749,231.60 | 92,099,549.21 |
| 4 | Current liabilities | | | |
| | (a) Short-term borrowings | 6 | 96,484,536.03 | 108,758,919.65 |
| | (b) Trade payables | 7 | 144,890,419.70 | 131,170,898.71 |
| | (c) Other current liabilities | 8 | 113,472,966.93 | 76,779,945.85 |
| | (d) Short-term provisions | | 12,041,411.81 | 7,355,573.90 |
| | | | 366,889,334.47 | 324,065,338.11 |
| | TOTAL | | 1,071,761,196.24 | 825,382,827.86 |
| B | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Fixed assets | | | |
| | (i) Tangible assets | 9 | 402,637,921.82 | 173,193,033.18 |
| | (ii) Intangible assets | 9 | 35,611,243.66 | 3,525,745.11 |
| | (iii) Capital work-in-progress | 9 | 750,000.00 | 146,889,993.77 |
| | (iv) Intangible assets under development | | - | - |
| | (v) Fixed assets held for sale | | - | - |
| | | | 438,999,165.48 | 323,608,772.06 |
| | (b) Non-current investments | 10 | 3,520,592.62 | 3,520,592.62 |
| | (c) Deferred tax assets (net) | 4 | 1,664,667.68 | 1,369,093.92 |
| | (d) Long-term loans and advances | 11 (a) | 15,661,940.06 | 13,567,636.06 |
| | (e) Other non-current assets | 11 (b) | 51,528,421.68 | 53,787,046.70 |
| | | | 72,375,622.04 | 72,244,369.30 |
| 2 | Current assets | | | |
| | (a) Current investments | | - | - |
| | (b) Inventories | 12 | 123,465,074.38 | 95,293,672.65 |
| | (c) Trade receivables | 13 | 319,268,550.10 | 250,284,489.20 |
| | (d) Cash and cash equivalents | 14 | 53,869,596.95 | 33,016,247.09 |
| | (e) Short-term loans and advances | 15 | 18,971,768.25 | 15,378,352.48 |
| | (f) Other current assets | 16 | 44,811,419.04 | 35,556,925.09 |
| | | | 560,386,408.72 | 429,529,686.51 |
| | TOTAL | | 1,071,761,196.24 | 825,382,827.86 |
| | See accompanying notes forming part of the financial statements | | | |
| In terms of our report attached. | | | | |
| For KALRA RAI AND ASSOCIATES | | For and on the behalf of the Board of Directors | | |
| Chartered Accountants | | | | |
| (FRN: 008859N) | | | | |
| sd/- | sd/- | sd/- | sd/- | sd/- |
| LAJPAT RAI KALRA | JAYANT KUMAR | RAJNI BRAR | RAHUL BATRA | VIJAY KUMAR BATRA |
| Partner | C.F.O | C.S. | DIRECTOR | MANAGING DIRECTOR |
| MEMBERSHIP NO. 087438 | | | DIN: 02229234 | DIN: 01083215 |
| UDIN: 20087438AAAACF9660 | | | | |
| Place : Chandigarh | | | | |
| Date :- 28.05.2020 | | | | |



| BETA DRUGS LIMITED (CONSOLIDATED) VILLAGE NANDPUR, BADDI, SOLAN 174101 CIN : L24230HP2005PLC028969 STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH' 2020 | | | | |
|--|---|---|----------------------|----------------------|
| Particulars | | Note No. | As at 31 March' 2020 | As at 31 March' 2019 |
| | | | Amount in Rs. | Amount in Rs. |
| A | CONTINUING OPERATIONS | | | |
| 1 | Revenue from operations (gross) | 17 | 908,056,577.13 | 659,290,672.52 |
| | Less: Excise duty | | - | - |
| | Revenue from operations (net) | | 908,056,577.13 | 659,290,672.52 |
| 2 | Other income | 18 | 4,104,848.78 | 3,742,886.77 |
| 3 | Total revenue (1+2) | | 912,161,425.91 | 663,033,559.29 |
| 4 | Expenses | | | |
| | (a) Cost of materials consumed | 19 | 452,084,859.73 | 370,954,107.26 |
| | (b) Purchases of stock-in-trade | | - | - |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 20 | -8,525,879.97 | -36,680,420.21 |
| | (d) Other manufacturing expenses | 21 | 103,324,160.75 | 79,464,541.99 |
| | (d) Employee benefits expense | 22 | 94,648,498.18 | 52,688,637.73 |
| | (e) Finance costs | 23 | 25,872,089.82 | 14,311,641.37 |
| | (f) Depreciation and amortisation expense | 9 | 37,588,135.19 | 28,415,646.53 |
| | (g) Other expenses | 24 | 87,452,724.54 | 74,815,325.84 |
| | Total expenses | | 792,444,588.24 | 583,969,480.50 |
| 5 | Profit/ (Loss) before exceptional and extraordinary items and tax (3 - 4) | | 119,716,837.67 | 79,064,078.79 |
| 6 | Exceptional items | | - | - |
| 7 | Profit/ (Loss) before extraordinary items and tax (5 ± 6) | | 119,716,837.67 | 79,064,078.79 |
| 8 | Extraordinary items/Prior period items | | - | - |
| 9 | Profit/ (Loss) before tax (7 ± 8) | | 119,716,837.67 | 79,064,078.79 |
| 10 | Tax expense: | | | |
| | (a) Current tax expense for current year | | 25,076,415.83 | 16,904,470.60 |
| | (b) (Less): MAT credit (where applicable) | | - | -15,370,422.70 |
| | (c) Current tax expense relating to prior years | | - | - |
| | (d) Net current tax expense | | 25,076,415.83 | 1,534,047.90 |
| | (e) Deferred tax | | 489,247.37 | -2,868,769.87 |
| | | | 25,565,663.20 | -1,334,721.97 |
| 11 | Profit/ (Loss) from continuing operations (9 ± 10) | | 94,151,174.47 | 80,398,800.75 |
| B | DISCONTINUING OPERATIONS | | | |
| 12 | Profit/ (Loss) from discontinuing operations (B.i ± B.ii ± B.iii) | | - | - |
| C | TOTAL OPERATIONS | | 94,151,174.47 | 80,398,800.75 |
| 13 | Profit/ (Loss) for the year (11 ± 12) | | 94,151,174.47 | 80,398,800.75 |
| 14 | Earnings per share (of Rs. 10/- each): | | | |
| | (a) Basic | | | |
| | (i) Continuing operations | | 9.93 | 9.30 |
| | (ii) Total operations | | 9.93 | 9.30 |
| | (b) Diluted | | | |
| | (i) Continuing operations | | 9.93 | 9.30 |
| | (ii) Total operations | | 9.93 | 9.30 |
| | See accompanying notes forming part of the financial statements | | | |
| In terms of our report attached. | | | | |
| For KALRA RAI AND ASSOCIATES | | For and on the behalf of the Board of Directors | | |
| Chartered Accountants | | | | |
| (FRN: 008859N) | | | | |
| sd/- | | sd/- | sd/- | sd/- |
| LAJPAT RAI KALRA | | JAYANT KUMAR | RAJNI BRAR | VIJAY KUMAR BATRA |
| Partner | | C.F.O | C.S. | MANAGING DIRECTOR |
| MEMBERSHIP NO. 087438 | | DIN: 02229234 | | DIN: 01083215 |
| UDIN: 20087438AAAACF9660 | | | | |
| Place : Chandigarh | | | | |
| Date : 28.05.2020 | | | | |



BETA DRUGS LIMITED (CONSOLIDATED)

VILLAGE NANDPUR, BADDI, SOLAN 174101

CIN : L24230HP2005PLC028969

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH' 2020

| Particulars | | As at 31 March' 2020 | As at 31 March' 2019 |
|-------------|--|-------------------------|-------------------------|
| | | Amount in Rs. | Amount in Rs. |
| A | CASHFLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit before tax and extraordinary items(as per Statement of Profit & Loss) | 119,716,837.67 | 79,064,078.79 |
| | Adjustments for non Cash/Non trade items: | | |
| | Depreciation & Amortization Expenses | 37,588,135.19 | 28,415,646.53 |
| | Finance Cost | 25,872,089.82 | 14,311,641.37 |
| | Interest received | (2,433,218.00) | (2,361,807.00) |
| | Other inflows/ (outflows) of cash | (37,015,959.88) | (24,003,852.70) |
| | Operating profits before Working Capital Changes | 143,727,884.80 | 95,425,706.99 |
| | Adjusted For: | | |
| | (Increase)/Decrease in trade receivables | (68,984,060.90) | (105,862,013.89) |
| | Increase/(Decrease) in trade payables | 13,719,520.99 | 70,112,305.00 |
| | (Increase)/Decrease in inventories | (28,171,401.73) | (67,258,870.65) |
| | Increase/(Decrease) in other current liabilities | 36,693,021.08 | 41,490,013.93 |
| | (Increase)/Decrease in short term loans and advances | (3,593,415.77) | (1,248,390.00) |
| | (Increase)/Decrease in other current assets | (9,254,493.95) | (31,537,773.48) |
| | Cash generated from Operations | 84,137,054.52 | 1,120,977.90 |
| | Net cashflow from Operating Activities (A) | 84,137,054.52 | 1,120,977.90 |
| B | CASHFLOW FROM INVESTING ACTIVITIES | | |
| | Purchase of tangible/intangible assets | (152,978,528.61) | (206,678,830.21) |
| | Interest received | 2,433,218.00 | 2,361,807.00 |
| | Cash used for Non Current Investments | - | (3,520,592.62) |
| | Cash advances and loans made to other parties | | |
| | Net cash used in Investing Activities (B) | (150,545,310.61) | (207,837,615.83) |
| C | CASHFLOW FROM FINANCING ACTIVITIES | | |
| | Finance Cost | (25,872,089.82) | (14,311,641.37) |
| | Increase in/(Repayment) of Short term Borrowings | (12,274,383.62) | 72,893,907.63 |
| | Increase in/(Repayment) of Long term Borrowings | 37,976,735.39 | 62,083,822.30 |
| | Increase/ (Decrease) in share capital | 9,642,900.00 | - |
| | Increase/ (Decrease) in share premium | 77,788,444.00 | - |
| | Other Inflows/ (Outflows) of cash | - | - |
| | Net cash used in Financing Activities (C) | 87,261,605.95 | 120,666,088.56 |
| D | Net Increase/(Decrease) in cash & cash equivalents (A+B+C) | 20,853,349.86 | -86,050,549.37 |
| E | Cash & Cash equivalents at beginning of period | 33,016,247.09 | 119,066,796.46 |
| F | Cash & Cash equivalents at end of period | 53,869,596.95 | 33,016,247.09 |
| G | Net Increase/(Decrease) in cash & cash equivalents (F-E) | 20,853,349.86 | -86,050,549.37 |

In terms of our report attached.

For KALRA RAI AND ASSOCIATES

Chartered Accountants

(FRN: 008859N)

sd/-

LAJPAT RAI KALRA

Partner

MEMBERSHIP NO. 087438

UDIN: 20087438AAACF9660

Place : Chandigarh

Date : 28.05.2020

For and on the behalf of the Board of Directors

sd/-
JAYANT KUMAR
C.F.Osd/-
RAJNI BRAR
C.S.sd/-
RAHUL BATRA
DIRECTOR
DIN: 02229234sd/-
VIJAY KUMAR BATRA
MANAGING DIRECTOR
DIN: 01083215



BETA DRUGS LIMITED (CONSOLIDATED)
Notes forming part of the financial statements

Note 1 Share capital

| Particulars | As at 31 March' 2020 | | As at 31 March' 2019 | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Number of shares | Amount in Rs. | Number of shares | Amount in Rs. |
| (a) Authorised - Equity shares of Rs. 10 each | 10,000,000.00 | 100,000,000.00 | 10,000,000.00 | 100,000,000.00 |
| | - | - | - | - |
| (b) Issued - Equity shares of Rs. 10 each | 9,613,790.00 | 96,137,900.00 | 8,649,500.00 | 86,495,000.00 |
| | 9,613,790.00 | 96,137,900.00 | 8,649,500.00 | 86,495,000.00 |
| (c) Subscribed and fully paid up - Equity shares of Rs.10 each | 9,613,790.00 | 96,137,900.00 | 8,649,500.00 | 86,495,000.00 |
| | 9,613,790.00 | 96,137,900.00 | 8,649,500.00 | 86,495,000.00 |
| (d) Subscribed but not fully paid up | - | - | - | - |
| | - | - | - | - |
| Total | 9,613,790.00 | 96,137,900.00 | 8,649,500.00 | 86,495,000.00 |

Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As at 31 March' 2020 | | As at 31 March' 2019 | |
|---------------------------------------|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Mr. Vijay Kumar Batra | 6,257,228 | 65.09% | 5,973,580 | 69.06% |

Note 2 Reserves and surplus

| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
|---|-----------------------|-----------------------|
| | Amount in Rs. | Amount in Rs. |
| (a) Capital reserve | | |
| Opening balance | - | - |
| Closing balance | - | - |
| (b) Securities premium account | | |
| Opening balance | 161,612,604.98 | - |
| Closing balance | 239,401,048.98 | 161,612,604.98 |
| (c) Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening balance | 161,110,335.56 | 80,711,534.81 |
| Add :- B/f balance on a/c of acquisition | (19,677,828.84) | - |
| Add :- Opening Provision For Mat | - | - |
| Less :- Provision for Gratuity | - | - |
| Less :- Used In Issue Of Share Capital (Right Issue) | - | - |
| | 141,432,506.72 | 80,711,534.81 |
| Add: Profit / (Loss) for the year | 94,151,174.47 | 80,398,800.75 |
| Closing balance | 235,583,681.19 | 161,110,335.56 |
| Total | 474,984,730.17 | 322,722,940.54 |



| BETA DRUGS LIMITED (CONSOLIDATED) | | |
|---|-----------------------------|-----------------------------|
| Notes forming part of the financial statements | | |
| Note 3 Long-term borrowings | | |
| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| Term loans | | |
| From banks | | |
| Secured | | |
| Vijaya Bank (Building) | - | - |
| Vijaya Bank (Machinery New) | 423,200.85 | 1,696,562.00 |
| Vijaya Bank (Machinery Old) | - | - |
| SIDBI (Machinery New canada) | 5,560,000.00 | 7,036,000.00 |
| SIDBI (Term Loan new) | 26,680,000.00 | 35,560,000.00 |
| HDFC Bank (Car Loan) | 368,196.45 | 916,629.16 |
| ICICI Bank (Car Loan) | 294,108.87 | 1,466,676.60 |
| Vijaya Bank (Car Loan) | 1,120,700.08 | 1,523,555.00 |
| Axis Bank (Car Loan) | 353,816.99 | 2,211,328.00 |
| Kotak Bank (LAP) | - | 17,353,355.71 |
| ICICI Bank (LAP) | 47,073,170.00 | - |
| HDFC Bank Loan | - | 1,198,658.74 |
| Yes Bank (Car Loan) | 1,483,516.00 | - |
| SIDBI (Term Loan) | 9,363,000.00 | - |
| SIDBI (Smile Scheme) | 731,000.00 | - |
| HDB Bank (LAP) | 9,312,517.36 | - |
| | 102,763,226.60 | 68,962,765.21 |
| From other parties | | |
| <u>Unsecured (From Related Parties)</u> | - | - |
| Beta Drugs Limited | - | - |
| <u>Secured</u> | - | - |
| Edelweiss Limited | - | 423,726.00 |
| ICICI Bank | - | - |
| Total - A | - | 423,726.00 |
| Unsecured (From Unrelated Parties) | | |
| Total - B | - | - |
| | | |
| | - | 423,726.00 |
| The Above Amount Includes | | |
| Secured Borrowings | 102,763,226.60 | 68,962,765.21 |
| Unsecured Borrowings | - | 423,726.00 |
| Total | 102,763,226.60 | 69,386,491.21 |



BETA DRUGS LIMITED (CONSOLIDATED)

Notes forming part of the financial statements

Notes: Long-term borrowings

| Particulars | As at 31 March' 2020 | | | As at 31 March' 2019 | | |
|--|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|
| | Amount in Rs. | | | Amount in Rs. | | |
| | Non- Current | Current Maturities | Total | Non- Current | Current Maturities | Total |
| Term loans | | | | | | |
| From banks | | | | | | |
| Secured | | | | | | |
| Vijaya Bank (Building)* | - | - | - | - | 1,162,845.88 | 1,162,845.88 |
| Vijaya Bank (Machinery New)** | 423,200.85 | 1,380,273.15 | 1,803,474.00 | 1,696,562.00 | 1,162,785.00 | 2,859,347.00 |
| Vijaya Bank (Machinery Old)*** | - | - | - | - | 3,258,698.00 | 3,258,698.00 |
| SIDBI (Machinery New canada) | 5,560,000.00 | 1,476,000.00 | 7,036,000.00 | 7,036,000.00 | 1,476,000.00 | 8,512,000.00 |
| SIDBI (Term Loan new) | 26,680,000.00 | 8,880,000.00 | 35,560,000.00 | 35,560,000.00 | 4,440,000.00 | 40,000,000.00 |
| HDFC Bank (Vehicle Loan) | 368,196.45 | 548,432.71 | 916,629.16 | 916,629.16 | 1,660,172.89 | 2,576,802.05 |
| ICICI Bank (Vehicle Loan) | 294,108.87 | 1,172,372.13 | 1,466,481.00 | 1,466,676.60 | 1,024,685.40 | 2,491,362.00 |
| Vijaya Bank (Vehicle Loan) | 1,120,700.08 | 458,950.92 | 1,579,651.00 | 1,523,555.00 | 402,521.00 | 1,926,076.00 |
| Axis Bank (Vehicle Loan) | 353,816.99 | 1,840,537.01 | 2,194,354.00 | 2,211,328.00 | 2,514,177.00 | 4,725,505.00 |
| Kotak Bank (LAP) | - | - | - | 17,353,355.71 | 1,140,631.99 | 18,493,987.70 |
| ICICI Bank (LAP) | 47,073,170.00 | 1,455,841.00 | 48,529,011.00 | - | - | - |
| HDFC Bank (Vehicle Loan) | - | 1,198,592.97 | 1,198,592.97 | 1,198,658.74 | 1,490,405.27 | 2,689,064.01 |
| Yes Bank (Vehicle Loan) | 1,483,516.00 | 1,008,366.00 | 2,491,882.00 | - | - | - |
| SIDBI (Term Loan) | 9,363,000.00 | 4,452,000.00 | 13,815,000.00 | - | - | - |
| SIDBI (Smile Scheme) | 731,000.00 | 324,000.00 | 1,055,000.00 | - | - | - |
| HDB Bank (LAP) | 9,312,517.36 | 1,949,746.75 | 11,262,264.11 | - | - | - |
| | 102,763,226.60 | 26,145,112.64 | 128,908,339.24 | 68,962,765.21 | 19,732,922.43 | 88,695,687.64 |
| From other parties | | | | | | |
| Unsecured (From Related Parties) | | | | | | |
| Beta Drugs Ltd. | - | - | - | - | - | - |
| Secured | | | | | | |
| Edelweiss Limited**** | - | 299,794.00 | 299,794.00 | 423,726.00 | 1,412,607.00 | 1,836,333.00 |
| ICICI Bank | - | - | - | - | 392,715.00 | 392,715.00 |
| Total - A | - | 299,794.00 | 299,794.00 | 423,726.00 | 1,805,322.00 | 2,229,048.00 |
| Unsecured (From Unrelated Parties) | - | - | - | - | - | - |
| Total - B | - | - | - | - | - | - |
| | - | 299,794.00 | 299,794.00 | 423,726.00 | 1,805,322.00 | 2,229,048.00 |
| The Above Amount Includes | | | | | | |
| Secured Borrowings | 102,763,226.60 | 26,145,112.64 | 128,908,339.24 | 68,962,765.21 | 19,732,922.43 | 88,695,687.64 |
| Unsecured Borrowings | - | 299,794.00 | 299,794.00 | 423,726.00 | 1,805,322.00 | 2,229,048.00 |
| Amount disclosed under "Other Current Liabilities" | | -26,444,906.64 | -26,444,906.64 | | -21,538,244.43 | -21,538,244.43 |
| Total | 102,763,226.60 | - | 102,763,226.60 | 69,386,491.21 | - | 69,386,491.21 |

* The rate of interest changed from 13.25% to 9.55% from June 2018 onwards hence the principal repayments in current year were more than the current maturities taken last year.

** The rate of interest changed from 13% to 9.45% from June 2018 onwards hence the principal repayments in current year were more than the current maturities taken last year.

*** The rate of interest changed from 14.05% to 9.55% from June 2018 onwards hence the principal repayments in current year were more than the current maturities taken last year.

**** TDS on interest paid - Rs. 1,00,503 is recoverable from Edelweiss.



| BETA DRUGS LIMITED (CONSOLIDATED) | | |
|---|-----------------------------|-----------------------------|
| Notes forming part of the financial statements | | |
| Note 4 Deferred Tax | | |
| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| Deferred tax liabilities | | |
| Deferred tax on depreciation | 1,904,874.49 | - |
| Deferred tax assets | | |
| Deferred tax on depreciation | 627,760.39 | 1,579,647.82 |
| Deferred tax on unabsorbed depreciation | - | - |
| Deferred tax on loss on sale of asset | 48,326.44 | - |
| Deferred tax on provision of gratuity | 1,134,723.10 | 558,515.55 |
| Deferred tax on provision of bonus | -395,182.81 | 532,038.19 |
| Deferred tax on provision of CSR | - | 198,568.31 |
| Deferred tax on a/c of acquisition | 784,821.14 | - |
| Less: Opening Deferred Tax | 1,369,093.92 | -1,499,675.95 |
| Net Deferred tax liabilities/assets | 1,664,667.68 | 1,369,093.92 |
| Continue Note 4 Current tax Provision | | |
| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| Current Year Tax | 25,076,415.83 | 16,904,470.60 |
| Less :-MAT Credit Utilised | -2,258,625.02 | - |
| Less :- Advance Tax Including TDS | -10,776,379.00 | -9,548,896.70 |
| Short term Provision | 12,041,411.81 | 7,355,573.90 |
| Net Current Tax provision | 12,041,411.81 | 7,355,573.90 |
| Note 5 Other long-term liabilities | | |
| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| (a) Trade Payables: * | - | - |
| (i) Acceptances | - | - |
| (ii) Other than Acceptances | - | - |
| (b) Others: | | |
| (i) Payables on purchase of fixed assets | - | - |
| (ii) Contractually reimbursable expenses | - | - |
| (iii) Security received from customers | 23,068,275.00 | 18,468,275.00 |
| Total | 23,068,275.00 | 18,468,275.00 |
| Note 5 (b) Long Term-provisions | | |
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| (a) Provision for Gratuity | 7,917,730.00 | 4,244,783.00 |
| (b) Other Long-Term Provisions | - | - |
| Total | 7,917,730.00 | 4,244,783.00 |



| BETA DRUGS LIMITED (CONSOLIDATED) | | |
|--|-----------------------------|-----------------------------|
| Note 6 Short-term borrowings | | |
| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| Other loans and advances | | |
| Secured | | |
| - Vijaya Bank CC Limit (Beta Drugs) Secured | 39,691,951.82 | 11,566,270.95 |
| - Vijaya Bank CC Limit (Adley Lab) Secured | 9,180,725.94 | - |
| - ICICI Bank CC Limit Secured | 47,611,858.27 | - |
| - Kotak Bank CC Limit Secured | - | 56,066,815.00 |
| - Kotak Bank OD Limit Secured | - | 41,125,833.70 |
| Total | 96,484,536.03 | 108,758,919.65 |
| Note 7 Trade payables | | |
| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| Trade payables: | | |
| Micro Enterprises And Small Enterprises | 48,216,001.20 | 72,307,640.40 |
| Others | 96,674,418.50 | 58,863,258.31 |
| Total | 144,890,419.70 | 131,170,898.71 |
| Note 8 Other current liabilities | | |
| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| (a) Other payables | 20,067,608.87 | 13,986,762.00 |
| (i) Current Maturities of Long Term Debt (Note No. 3) | 26,444,906.64 | 21,538,244.43 |
| (ii) Payables on purchase of fixed assets | 18,576,528.38 | 24,092,372.34 |
| (b) Cheque issued yet not presented for Payment | 6,657,507.00 | 10,954,486.00 |
| Advances From Customers | 41,726,416.04 | 6,208,081.08 |
| Total | 113,472,966.93 | 76,779,945.85 |
| Note 8 (a) Other current liabilities | | |
| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| PF Payable | 952,688.00 | 572,517.00 |
| ESI payable | 101,195.00 | 110,930.00 |
| Labour Welfare payable | 10,776.00 | - |
| TDS payable | 1,516,723.00 | 1,368,330.00 |
| Interest Accrued But Not Due | 1,410,540.92 | 302,120.00 |
| Salary & wages Payable | 11,121,118.00 | 7,562,356.00 |
| GST Payable | 1,703,109.65 | - |
| Other Expenses payable | 663,547.00 | 522,153.00 |
| Bonus Payable | 1,075,794.00 | 2,583,964.00 |
| CSR Provision | 1,512,117.30 | 964,392.00 |
| Total | 20,067,608.87 | 13,986,762.00 |



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Note No. 9 Fixed Assets Chart as at 31st March 2020

| | Assets | | | Gross Block | | | | | Accumulated Depreciation/ Amortisation | | | | | Net Block | |
|---|----------------------------|------------------------|--------|---------------------------------|---------------------------|--|-----------------------------|----------------------------------|--|--|-----------------------------|--|----------------------------------|----------------------------------|----------------------------------|
| | | Useful Life (In Years) | Shift | Balance as at 1st April 2019 | Additions during the year | Addition on account of business acquisition | Deletion during the year | Balance as at 31st March 2020 | Balance as at 1st April 2019 | Addition on account of business acquisition | Provided during the year | Deletion / adjustments during the year | Balance as at 31st March 2020 | Balance as at 31st March 2020 | Balance as at 31st March 2019 |
| A | Tangible assets | | | | | | | | | | | | | | |
| | Own Assets | | | | | | | | | | | | | | |
| | LAND | | Single | 8,770,480.00 | 10,117,200.00 | 605,253.50 | - | 19,492,933.50 | - | - | - | - | - | 19,492,933.50 | 8,770,480.00 |
| | BUILDING | 30 | Single | 84,702,408.43 | 52,791,863.90 | 33,364,568.05 | - | 170,858,840.38 | 16,555,959.06 | 9,490,594.50 | 10,507,629.28 | - | 36,554,182.84 | 134,304,657.54 | 68,146,449.37 |
| | PLANT AND MACHINERY | 15 | Single | 98,073,152.28 | 135,588,830.16 | 38,717,382.70 | - | 272,379,365.14 | 36,882,693.31 | 19,175,339.30 | 13,018,830.68 | - | 69,076,863.29 | 203,302,501.85 | 61,190,458.97 |
| | FURNITURE AND FIXTURES | 10 | Single | 3,521,461.43 | 1,401,763.90 | 427,355.85 | - | 5,350,581.18 | 1,262,888.47 | 351,395.00 | 785,463.56 | - | 2,399,747.03 | 2,950,834.15 | 2,258,572.96 |
| | COMPUTER | 3 | Single | 1,650,203.04 | 814,500.93 | 161,006.78 | - | 2,625,710.75 | 774,992.26 | 52,215.18 | 826,837.16 | - | 1,654,044.60 | 971,666.15 | 875,210.78 |
| | VEHICLE | 8 | Single | 40,852,733.27 | 4,508,648.00 | - | 1,397,299.12 | 43,964,082.15 | 16,465,339.71 | - | 8,324,891.86 | 248,793.84 | 24,541,437.73 | 19,422,644.43 | 24,387,393.56 |
| | OFFICE EQUIPMENTS | 5 | Single | 5,595,992.89 | 3,315,972.69 | 1,025,151.89 | - | 9,937,117.47 | 2,871,607.49 | 850,717.17 | 1,938,765.92 | - | 5,661,090.58 | 4,276,026.89 | 2,724,385.40 |
| | LAB EQUIPMENTS | 10 | Single | 7,122,806.76 | 55,027.19 | 533,360.00 | - | 7,711,193.95 | 2,282,724.62 | 255,094.09 | 1,296,889.41 | - | 3,834,708.13 | 3,876,485.82 | 4,840,082.14 |
| | R&D LAB BUILDING | 30 | Single | - | 1,289,930.38 | - | - | 1,289,930.38 | - | - | 30,635.85 | - | 30,635.85 | 1,259,294.53 | - |
| | R&D LAB EQUIPMENTS | 10 | Single | - | 13,376,378.00 | - | - | 13,376,378.00 | - | - | 840,154.97 | - | 840,154.97 | 12,536,223.03 | - |
| | R&D LAB FURNITURE | 10 | Single | - | 261,585.00 | - | - | 261,585.00 | - | - | 16,931.09 | - | 16,931.09 | 244,653.91 | - |
| | Total (A) | | | 250,289,238.10 | 223,521,700.15 | 74,834,078.77 | 1,397,299.12 | 547,247,717.90 | 77,096,204.92 | 30,175,355.23 | 37,587,029.77 | 248,793.84 | 144,609,796.09 | 402,637,921.82 | 173,193,033.18 |
| | P.Y Total | | | 180,551,494.77 | 10,057,174.09 | 59,680,569.24 | - | 250,289,238.10 | 48,680,558.39 | - | 28,415,646.53 | - | 77,096,204.92 | 173,193,033.18 | 131,870,936.38 |
| B | Capital work in progress | | | | | | | | | | | | | | |
| | BUILDING | | | 40,795,656.22 | 5,709,994.00 | - | 46,505,650.22 | - | - | - | - | - | - | - | 40,795,656.22 |
| | PLANT AND MACHINERY | | | 105,344,337.55 | 29,392,386.31 | - | 134,736,723.86 | - | - | - | - | - | - | - | 105,344,337.55 |
| | SOFTWARE DEVELOPMENT | | | 750,000.00 | - | - | - | 750,000.00 | - | - | - | - | - | 750,000.00 | 750,000.00 |
| | R&D Lab Building | | | - | 1,289,930.38 | - | 1,289,930.38 | - | - | - | - | - | - | - | - |
| | R&D Lab Equipment | | | - | 12,476,378.00 | - | 12,476,378.00 | - | - | - | - | - | - | - | - |
| | R&D Lab Furniture | | | - | 261,585.00 | - | 261,585.00 | - | - | - | - | - | - | - | - |
| | Total (B) | | | 146,889,993.77 | 49,130,273.69 | - | 195,270,267.46 | 750,000.00 | - | - | - | - | - | 750,000.00 | 146,889,993.77 |
| | P.Y Total | | | 13,474,652.00 | 136,941,086.88 | - | - | 150,415,738.88 | - | - | - | - | - | 150,415,738.88 | 13,474,652.00 |
| C | Intangible Assets | | | | | | | | | | | | | | |
| | Registration Fee | | | 3,525,745.11 | 4,625,998.55 | - | - | 8,151,743.66 | - | - | - | - | - | 8,151,743.66 | 3,525,745.11 |
| | Goodwill on consolidation | | | - | 27,459,500.00 | - | - | 27,459,500.00 | - | - | - | - | - | 27,459,500.00 | - |
| | Total (C) | | | 3,525,745.11 | 32,085,498.55 | - | - | 35,611,243.66 | - | - | - | - | - | 35,611,243.66 | 3,525,745.11 |
| | P.Y Total | | | 400,000.00 | 3,125,745.11 | - | - | 3,525,745.11 | - | - | - | - | - | 3,525,745.11 | 400,000.00 |
| | | | | | | | | | | | | | | | |
| | Current Year Total (A+B+C) | | | 400,704,976.98 | 304,737,472.39 | 74,834,078.77 | 196,667,566.58 | 583,608,961.56 | 77,096,204.92 | 30,175,355.23 | 37,587,029.77 | 248,793.84 | 144,609,796.09 | 438,999,165.48 | 323,608,772.06 |
| | Previous Year Total | | | 194,426,146.77 | 150,124,006.08 | 59,680,569.24 | - | 404,230,722.09 | 48,680,558.39 | - | 28,415,646.53 | - | 77,096,204.92 | 327,134,517.17 | 145,745,588.38 |



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BETA DRUGS LIMITED ("BDL")

| BETA DRUGS LIMITED (CONSOLIDATED) | | |
|--|-----------------------------|-----------------------------|
| Note 10 Non Current investments | | |
| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| Investment In Beta UBK International Pvt. Ltd. (Uzbekistan) | 3,520,592.62 | 3,520,592.62 |
| Total | 3,520,592.62 | 3,520,592.62 |
| Note 11 (a) Long-term loans and advances | | |
| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| Security Deposit | | |
| Secured, considered good | 15,661,940.06 | 13,567,636.06 |
| loan and advances to realted parties | | |
| Unsecured, considered good | - | - |
| Total | 15,661,940.06 | 13,567,636.06 |
| Note 11 (b) Other Non Current Assets | | |
| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
| | Amount in Rs. | Amount in Rs. |
| MAT Credit Entitlement | 40,328,421.68 | 42,587,046.70 |
| Insurance Claim Receivable | 11,200,000.00 | 11,200,000.00 |
| Total | 51,528,421.68 | 53,787,046.70 |
| Note 12 Inventories | | |
| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| (Valued at cost or NRV unless otherwise stated) | | |
| (a) Finished goods (other than those acquired for trading) | 20,018,777.71 | 15,309,740.20 |
| (b) Raw Material | 26,461,953.94 | 18,026,721.39 |
| (c) WIP | 37,855,878.48 | 34,039,036.01 |
| (d) Others | 39,128,464.26 | 27,918,175.04 |
| Total | 123,465,074.38 | 95,293,672.65 |
| Note 13 Trade receivables | | |
| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
| | | |
| Exceeding six months | | |
| Secured, considered good | 39,675,091.57 | 30,028,295.64 |
| Total | 39,675,091.57 | 30,028,295.64 |
| Less than six months | | |
| Secured, considered good | 279,593,458.53 | 220,256,193.56 |
| Total | 279,593,458.53 | 220,256,193.56 |
| Grand Total | 319,268,550.10 | 250,284,489.20 |



| BETA DRUGS LIMITED (CONSOLIDATED) | | |
|---|-----------------------------|-----------------------------|
| Note 14 Cash and cash equivalents | | |
| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| CASH IN HAND | | |
| (a) Cash in hand | 2,833,666.42 | 1,453,943.69 |
| Balance with Imprest a/c | 599,949.35 | 94,961.51 |
| Total | 3,433,615.77 | 1,548,905.20 |
| (b) Balances with banks | | |
| (i) In current accounts | | |
| Axis Bank | 4,518.61 | 173,907.17 |
| ICICI Bank | 1,150,280.52 | 7,552,170.13 |
| Vijaya Bank | 126,033.92 | 415,076.30 |
| Vijaya Bank (Imprest) | 543.36 | 1,581.20 |
| HDFC Bank | 342,924.63 | 95,649.66 |
| Capital Small Finance Bank Ltd | - | 14,560.00 |
| State Bank of India | 9,472.67 | 4,590.03 |
| IDBI Bank | 14,437.00 | - |
| Kotak Mahindra Bank | 620,202.48 | 856,472.40 |
| (iv) In earmarked accounts | | |
| - Share application money received for allotment of | 14.00 | 14.00 |
| - Balances held as margin money or security against | 878,344.00 | - |
| (c) Others (specify nature) | | |
| FDR With Axis Bank | 16,551,973.00 | - |
| FDR With Vijaya Bank | 1,575,946.00 | 1,213,883.00 |
| FDR With SIDBI | 19,817,381.00 | 18,592,135.00 |
| FDR With ICICI Bank | 906,404.00 | 877,595.00 |
| FDR (Against Bank Guarantees) | 8,437,506.00 | 1,669,708.00 |
| Total | 50,435,981.19 | 31,467,341.89 |
| Grand Total | 53,869,596.96 | 33,016,247.09 |
| Note 15 Short-term loans and advances | | |
| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| (a) Loans and advances to related parties | - | - |
| (b) Loans and advances | | |
| Advances To Supplier | 13,893,272.75 | 11,797,618.48 |
| Advances To Supplier (Machinery) | 1,981,820.50 | 1,209,016.00 |
| Other Advances (Staff) | 3,096,675.00 | 2,371,718.00 |
| Total | 18,971,768.25 | 15,378,352.48 |
| Note 16 Other current assets | | |
| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| Other Assets | | |
| Income Tax Refund due | 260,690.00 | 260,690.00 |
| Cheque Deposited Yet not Cleared | 12,195,062.00 | 2,904,893.00 |
| Rent Receivable | - | 105,000.00 |
| Sales Tax Security | - | 215,297.00 |
| Prepaid Expenses | 718,076.00 | 547,484.00 |
| Amount deposited in approved Gratuity fund | 500,000.00 | - |
| Preliminary Expenses | 131,676.60 | 175,568.80 |
| GST Recoverable | 31,005,914.44 | 31,347,992.29 |
| Total | 44,811,419.04 | 35,556,925.09 |



| BETA DRUGS LIMITED (CONSOLIDATED) | | | |
|--|---|--------------------------------------|--------------------------------------|
| Note 17 Revenue from operations | | | |
| | Particulars | For the year ended 31 March' 2020 | For the year ended 31 March' 2019 |
| | | Amount in Rs. | Amount in Rs. |
| | Sale Of Products | | |
| | Other Export Sales | 35,245,853.20 | 16,966,100.87 |
| | Central Sales 5% | 3,069,050.00 | - |
| | Central Sales 1.5% | - | - |
| | Sales Local 4% | - | - |
| | Sales Local 18% | 17,357,913.25 | 6,358,272.40 |
| | Export Sales | 44,289,358.85 | 43,166,613.07 |
| | Sales Loan Licence | - | - |
| | Sales Exempt | 276,068.00 | 1,062,899.00 |
| | GST Sales 12% | 675,230,843.35 | 521,138,291.32 |
| | GST Sales 5% | 53,508,526.33 | 54,786,033.89 |
| | GST Sales 18% | 79,078,964.15 | 15,812,461.97 |
| | Total | 908,056,577.13 | 659,290,672.52 |
| Note 18 Other income | | | |
| | Particulars | For the year ended 31 March' 2020 | For the year ended 31 March' 2019 |
| | | Amount in Rs. | Amount in Rs. |
| (a) | Interest Income | 2,433,218.00 | 2,361,807.00 |
| (b) | Rental Income | 455,000.00 | 175,000.00 |
| (c) | Other non-operating income (net of expenses directly attributable to such income) | 868,088.00 | 1,035,320.00 |
| (d) | Foreign Currency Exchange Gain | 348,542.78 | 170,759.77 |
| | Total | 4,104,848.78 | 3,742,886.77 |
| Note 19 Cost of materials consumed | | | |
| | Particulars | For the year ended 31 March' 2020 | For the year ended 31 March' 2019 |
| | | Amount in Rs. | Amount in Rs. |
| | Opening stock | 45,944,896.43 | 15,366,446.00 |
| | Add: Purchases | 471,730,381.49 | 401,532,557.69 |
| | Less: Closing stock | 65,590,418.20 | 45,944,896.43 |
| | Cost of material consumed | 452,084,859.73 | 370,954,107.26 |
| | Total | 452,084,859.73 | 370,954,107.26 |
| Note 20 Changes in inventories of finished goods, work-in-progress and stock-in-trade | | | |
| | Particulars | For the year ended 31 March' 2020 | For the year ended 31 March' 2019 |
| | | Amount in Rs. | Amount in Rs. |
| <u>Inventories at the end of the year:</u> | | | |
| | Finished goods | 20,018,777.71 | 15,309,740.20 |
| | Work In Progress | 37,855,878.48 | 34,039,036.01 |
| | | 57,874,656.18 | 49,348,776.21 |
| <u>Inventories at the beginning of the year:</u> | | | |
| | Finished goods | 15,309,740.20 | 5,069,063.00 |
| | Work In Progress | 34,039,036.01 | 7,599,293.00 |
| | | 49,348,776.21 | 12,668,356.00 |
| <u>(Increase)/ decrease in Inventory</u> | | | |
| | Finished goods | (4,709,037.50) | (10,240,677.20) |
| | Work In Progress | (3,816,842.47) | (26,439,743.01) |
| | | (8,525,879.97) | (36,680,420.21) |



| BETA DRUGS LIMITED (CONSOLIDATED) | | |
|--|--|--|
| Note 21 Other Manufacturing Expenses | | |
| Particulars | For the year ended 31 March' 2020 | For the year ended 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| Consumeable Stores | 7,418,981.29 | 13,628,258.85 |
| R&D Consumable Stores | 6,420,529.24 | - |
| Generator running expenses | 2,860,719.00 | 2,612,333.00 |
| Power & Fuel | 16,680,554.00 | 9,537,142.00 |
| Direct labour | 54,569,083.07 | 43,131,191.00 |
| Repairs & maintenance (machinery & Building) | 5,471,509.88 | 4,284,352.93 |
| Freight Inward | 841,319.98 | 449,195.52 |
| Factory Expenses | 1,052,148.49 | 396,785.00 |
| Packing & Forwarding expense | 4,690,719.07 | 1,610,701.00 |
| Solid Waste Pollution expenses | 186,749.48 | 109,830.00 |
| Housekeeping expenses | 206,831.00 | - |
| Testing Charges | 2,925,016.25 | 3,704,752.69 |
| Total | 103,324,160.75 | 79,464,541.99 |
| Note 22 Employee benefits expense | | |
| Particulars | For the year ended 31 March' 2020 | For the year ended 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| Salaries and wages | | |
| Director | 25,178,154.00 | 14,692,000.00 |
| Employees | 51,412,975.00 | 27,316,767.84 |
| R&D Staff | 3,576,233.00 | - |
| Employer Share of ESI | 874,973.00 | 826,443.00 |
| Employer Share of PF | 4,665,719.00 | 2,571,403.00 |
| Employer Share of Welfare Fund | 4,740.00 | - |
| Bonus | 2,043,072.00 | 2,942,583.00 |
| Staff welfare expenses | 1,700,870.18 | 1,668,521.89 |
| Staff Uniform Expenses | 376,331.00 | 194,481.00 |
| Gratuity Provision | 4,815,431.00 | 2,476,438.00 |
| Total | 94,648,498.18 | 52,688,637.73 |
| Note 23 Finance costs | | |
| Particulars | For the year ended 31 March' 2020 | For the year ended 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| (a) Interest expense on: | | |
| (i) Borrowings | | |
| Bank Interest CC | 15,026,433.46 | 7,998,617.00 |
| Interest on Term Loan | 5,763,233.84 | 3,626,505.50 |
| Interest on Term Loan (Vehicle) | 1,201,454.07 | 1,258,342.57 |
| (ii) Others | 473,640.00 | 392,034.00 |
| (iii) Interest on income tax | 477,036.00 | - |
| (iv) Interest on Inter-corporate Loan | - | - |
| (b) Other borrowing costs (Processing Fees) | | |
| Bank charges | 2,930,292.45 | 1,036,142.30 |
| Processing fee for renewal | - | - |
| Total | 25,872,089.82 | 14,311,641.37 |



| BETA DRUGS LIMITED (CONSOLIDATED) | | |
|--|--|--|
| Note 24 Other expenses | | |
| Particulars | For the year ended 31 March' 2020 | For the year ended 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| Advertisement Expenses | 490,141.00 | 1,576,628.57 |
| Audit Fee | 1,025,000.00 | 1,302,500.00 |
| Books & Periodical | 37,500.00 | 26,000.00 |
| Business Promotion Expenses | 6,358,767.99 | 1,896,777.50 |
| Daily Pooja Expenses | 209,920.00 | 274,160.00 |
| Commission Paid | 1,034,700.52 | 5,126,033.00 |
| Conference Expenses | 5,001,705.40 | 7,707,633.40 |
| Convenyance Expenses | 3,234,685.30 | 3,396,983.24 |
| Corporate Expenses | 468,000.00 | 1,279,733.58 |
| Corporate Social Responsibility Expenses | 1,448,575.30 | 964,392.00 |
| Sponsorship A/C | - | 130,000.00 |
| Donation A/C | 31,200.00 | 120,000.00 |
| Diwali Expenses | 1,427,485.00 | 440,145.00 |
| Expired & damages Goods Return | 3,174,133.84 | 3,366,286.57 |
| Freight Outward | 5,698,511.81 | 5,028,082.23 |
| Foreign Travel | 3,240,601.07 | 1,687,707.74 |
| Foreign Exchange Loss | 759,322.98 | 455,590.73 |
| Insurance Apportion Cost | 1,461,034.40 | 576,325.98 |
| Legal & Professional Expenses | 8,661,727.96 | 5,111,379.80 |
| Loss on sale of asset | 197,399.01 | |
| Medical Expenses | 108,275.68 | 60,184.38 |
| Misc. Expenses | 20,837.00 | 24,350.00 |
| Office Expenses | 494,628.77 | 651,542.66 |
| Printing & Stationary | 3,081,754.43 | 3,353,637.11 |
| Preliminary expenses w/off | 43,892.20 | 43,892.20 |
| Rate Difference | 696,912.50 | 4,251,763.47 |
| Rate Fee & taxes | 3,909,622.18 | 1,142,727.50 |
| Rent | 8,297,200.00 | 8,633,740.00 |
| Repair & maintenance (Vehicle) | 1,525,126.39 | 1,023,357.82 |
| Round Off | 14,566.32 | -3,880.64 |
| Small Balance Written Off | - | 29,836.85 |
| Software Expenses | 224,450.00 | 223,700.00 |
| Telephone & Postage | 618,732.25 | 494,853.94 |
| Trade Discount Expenses | 3,387,492.59 | 2,561,376.05 |
| Travelling Expenses | 21,068,822.65 | 11,857,885.16 |
| Total | 87,452,724.54 | 74,815,325.84 |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT****BETA DRUGS LIMITED****NOTE'3': SIGNIFICANT ACCOUNTING POLICIES****(Forming part of Accounts)****FOR THE YEAR ENDED 31ST MARCH, 2020****3.1. i) Basis of Accounting**

The consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical convention on accrual basis. These financial statements have been prepared to comply, in all material aspects, with the Indian accounting standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the presentation requirements as prescribed by the Schedule III of the Companies Act, 2013 to the extent applicable.

The Separate financial statements are presented in addition to the consolidated financial statements presented by the Company.

ii) Principles of consolidation**a) Subsidiaries:**

Subsidiaries are all entities over which the group has control. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Common control transactions

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interests method as follows:

- 1) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- 2) No adjustments are made to reflect fair values, or recognize any new assets or liabilities. Adjustments are only made to harmonize accounting policies.

Changes in Company's Subsidiaries, Joint Ventures or Associate Companies during FY 2019-2020:

| S. No. | Name and Address of the Company | CIN | Country of Incorporation | Holding / Subsidiary | % of Share Held | Applicable Section |
|--------|---------------------------------|-----------------------|--------------------------|----------------------|-----------------|--------------------|
| 1. | Adley Lab Limited * | U24231CH1992PLC012190 | India | Subsidiary | 99.99% | 2(87) |

*Adley Lab Limited (CIN: U24231CH1992PLC012190) is a public limited company incorporated on 10/04/1992, engaged in the business of oncology and active Pharmaceuticals Ingredients.



**The company has not included the accounts of M/s BETA UBK INTERNATIONAL PRIVATE LIMITED since the operations are not started yet.

Beta Drugs Limited has acquired the 100% Equity shares of Adley Lab Limited; therefore Adley Lab Limited has become a wholly owned subsidiary company of Beta Drugs Limited. Total cost of acquisition is Rs 4,50,40,000 (Rupees Four Crore Fifty Lakh Forty thousand only) which was discharged partly by issue and allotment of 3,19,046 equity shares of Beta Drugs Limited on preferential basis and partly through normal banking channels up-to an amount of Rs 1,63,25,860 (out of which 2,45,713 equity shares was allotted to related parties and Rs 34,50,000 was paid through normal banking channels)

3.2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires that management makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balance of assets and liabilities and the disclosure relating to contingent liabilities as at the date of the financial statements. These estimates are based upon management's best knowledge of current events and actions. The difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

3.3. Fixed Assets

-Tangible Assets

Tangible Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment of assets, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use reflecting in each standalone financials of holding and subsidiaries companies. The company has a policy of physical verification of all the assets once in a year, the last verification was done on 20th March 2020 and no discrepancies were noticed during such verification.

Following Immovable assets are currently in the name of M/s Adley Formulations, post-acquisition of business, the title deed is to be transferred in M/s Adley Formulations Private Limited. As explained to us, registration of title deeds is in progress in respect of immovable properties.

| Particulars | Address of Property |
|----------------------|--|
| 1. LAND | Village kotla, Barotiwala, Tehsil Baddi, Dist. Solan, HP |
| 2. BUILDING | Village kotla, Barotiwala, Tehsil Baddi, Dist. Solan, HP |
| 3. BUILDING SHOWROOM | SCO 42, Sector 12, Panchkula |

In respect of movable properties, two vehicles are currently in the name of M/s Adley Formulations, post acquisition of business, the vehicle registration is to be transferred in M/s Adley Formulation Private Limited. As explained to us, transfer of vehicle along with endorsement of insurance is in progress in respect of two cars having registration no. HP 12J 0888 and PB 65AK 9829.

- Capital Work-in-Progress

Expenses incurred during construction/installation period are included under capital work-in-progress and allocated to relevant fixed assets in the ratio of cost of the respective assets on completion of construction/installation. WIP as on 31.03.2020 is Rs. 7,50,000.00.

- Intangible Assets

Intangible assets comprises of product registration fees paid in different countries and goodwill generated on consolidation of the accounts.

**3.4. Depreciation / Amortisation**

- Depreciation on tangible assets is provided, on Written Down Value method, over the useful life of assets estimated by the management in accordance with Schedule-II of the Companies Act, 2013. *(Refer note 4.7).*
- Residual value of assets has been considered at 5% of the original cost of the assets.
- Depreciation on additions to fixed assets is calculated on date of put to use as certified by the management.
- Depreciation on assets sold & scrapped, during the year, is provided up-to the month in which such fixed assets are sold or scrapped.

3.5. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

3.6. Valuation of Inventories

- Raw Material Chemicals & Salts
- Packing Material
- Finished Goods of Active Pharmaceutical Ingredients and Pharmaceutical Formulation Intermediates.
- Work In Progress (Semi Finished Goods)
- Is valued at cost or estimated realizable value, whichever is lower. The company has determined the cost of Inventory using the First In First Out method.
- The value of raw material and packing material has been taken at cost. Finished goods and Work in Progress has been taken on allocation of overhead cost.
- In Beta Drugs Limited, cost auditor is appointed to ascertain and verify the authenticity of cost records maintained by the company. The valuation of Finished Goods as well as Work in Process material has been taken as certified by the cost auditor. The value of raw material and packing material has been taken at cost.
- The company has a policy of physical verification of the entire available inventory once every month, no material discrepancies were noticed during such verification.

3.7. Revenue Recognition

- Revenue from sale of goods is recognized when risk and rewards of ownership are transferred to the customers.
- Revenue from services is recognized when services are rendered and related costs are incurred.
- Other income is recognized on accrual basis unless otherwise stated.
- Revenue from sales/services are shown net of taxes, as applicable.

3.8. Employee Benefits**a) Short-term Employee Benefits:**

- Leave Encashment, on the basis of actual computation, is accounted for on payment basis, after the cessation of employment the payment in respect thereof is made by the Company from its own funds as per the past practice consistently followed by the Company.
- Payment of Bonus – This year the company has made the consolidated provision of Rs. 10,75,794.00 as per The Payment of Bonus Act, 1965.

b) Post-Employment Benefits**(i) Defined Contribution Plans :**

Contributions as required under the Statute/Rule are made to Employees State Insurance & Provident Fund and charged to the Statement of Profit & Loss of the year when the contributions to the respective funds are due.

**(ii) Defined Benefit Plans:**

Gratuity is accounted for on accrual basis -the Company has opened an Employees' Gratuity Trust with Aditya Birla Sun Life Insurance Company Ltd. and has taken the Group Cap Secure Plan. The Gratuity payable to any employee will be paid out of funds deposited in this plan.

GRATUITY PROVISION FOR HOLDING COMPANY – BETA DRUGS LIMITED

| Particulars | Amount |
|--|---------------|
| Present Value of Benefit Obligation as on 1.04.2019 | 33,46,133.00 |
| Current Service Cost | 21,18,402.00 |
| Interest Cost | 2,27,537.00 |
| Benefits paid | (9,49,849.00) |
| Net Actuarial Losses (Gains) recognised in the year | 8,23,699.00 |
| Expenses recognised in Statement of Profit and Loss | 55,65,922.00 |

Gratuity Provision in FY 2019-20 was provided for Rs. 55,65,922.00 and Rs. 33,46,133.00 in FY 2018-19.

GRATUITY PROVISIONS FOR SUBSIDIARY – ADLEY FORMULATIONS PRIVATE LIMITED

Provision for Gratuity Liability for the financial year 2019-20 of Rs. 9,66,057.00 is created and the outstanding balance for provision as on 31st March 2020 is Rs. 16,72,072.00 as per the Payment of Gratuity Act, however actuarial valuation is not done.

GRATUITY PROVISIONS FOR SUBSIDIARY – ADLEY LAB LIMITED

Provision for Gratuity Liability for the financial year 2019-20 of Rs. 6,79,736.00 is created as per the Payment of Gratuity Act, however actuarial valuation is not done.

c) Termination Benefits: Termination benefits are recognized as an expense as and when incurred.**3.9. Foreign Currency Transactions**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction or the average of opening and closing rates. The difference in the rate of exchange, if any, is accounted at the time of realisation or settlement and is recognized in the Statement of Profit and Loss and has been disclosed in the Notes to Accounts separately in the standalone notes.

3.10. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent that they relate to the period till such assets are ready to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit & Loss. Details of the borrowing cost capitalized in the FY19-20 are as mentioned below:

During the year, the Company has capitalized borrowing costs of Rs. 30,03,802.00 (Previous year 8,30,397.00) relating to credit facility availed for installation of Plant and Machinery, included in Capital Work in Progress.

3.11. Investments

-Current Investments are carried at cost or fair value whichever is lower.

-Non-Current Investments are carried at cost. Provision for diminution in value of non-current investments is made only, if a decline is other than temporary.

3.12. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease charges are recognized as an expense in the Statement of Profit & Loss on monthly due basis. The company has taken following premises on lease:

- 7.) Administrative office located at Panchkula-SCO 184, First floor, Sector 5, Panchkula -134114. The lease is entered into with M/s B.T. Associates, Panchkula for 10 years with monthly rent of Rs. 2,40,720.00 plus GST@18 percent.
- 8.) Branch office located at Peninsula Park, Office no-1101, 11th Floor, Andheri West, Mumbai-400053, Maharashtra. The lease is entered into with Mr. Rakesh Pravinchandra Desai and Mrs. Tejpal Rakesh Desai, Mumbai for 3 years with monthly rent of Rs. 1,43,000.00 plus GST@18 percent. The monthly rent paid by the company for financial year 2019-20 is Rs. 1,57,300.00 plus GST@18 percent with an increment of 10 percent from Feb-19 onwards.
- 9.) Company Guest House located at 101, Gopush Occupants Association, Vithal Nagar Chs Ltd., NS Road 11, JVPD Scheme, Vile Parle (W), Plot No. 27 NR, Juhu Bus Vile Parle (W), Mumbai, Maharashtra – 400049. The lease is entered into with Ms. Jagruti K Purohit and Sh. Kirit B Purohit, Mumbai for 3 years with monthly rent of Rs. 2,50,000.00 plus GST@18 percent. The monthly rent paid by the company for financial year 2018-19 is Rs. 2,68,750.00 plus GST@18 percent and the monthly rent paid till August 2019 was Rs. 287500.00 plus GST@18 percent. The lease has been cancelled after August 2019.
- 10.) Company Guest House located at 1132, Sector 7, Panchkula, Haryana 134107. The lease is entered into between Broadway Overseas Ltd. and Beta Drugs Ltd. for 2 years with monthly rent of Rs. 1,05,930 plus GST@18%. The monthly rent is paid since August 2019.
- 11.) Company Guest House located at Flat No. A/804, 8th Floor, Wing A, Buiding Cosmopolis, Yamunanagar, opposite Oxford Tower, Oshiwara, Andheri West, Mumbai. The lease is entered with Ms. Anjali Shalin Bhojwani & Ms. Ansha Shalin Bhojwani for 2 years with monthly rent of Rs. 63000 since January 2020.
- 12.) Company Guest House located at Flat No 602, New Akash Ganga, CHS Ltd., Yamunanagar, Lokhandwala complex, opp. Ryan Global School, Andheri West, Mumbai. The lease agreement is entered with Mr. Gautam Vig for 1 year with monthly rent of Rs. 55,000 since August 2019.

3.13. Taxes on Income

-Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

-Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

-Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities.

-Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will be in a position to avail of such credit under the provisions of the Income Tax Act, 1961.

3.14. Earnings Per Share (EPS)

-Annualized basic earnings per equity share is arrived at based on net profit/(loss) attributable to equity shareholders to the basic weighted average number of equity shares outstanding.

-Annualized diluted earnings per equity share is arrived at based on adjusted net profit/(loss) attributable to equity shareholders to the adjusted weighted average number of equity shares outstanding, for the effects of all



dilutive potential equity shares; except where the results are anti-dilutive. At present the Company does not have any dilutive potential equity shares.

3.15. Cash Flow Statement:

-The Cash Flow Statement is prepared by the indirect method set out in Indian Accounting Standard (Ind AS) 7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

-Cash and cash equivalents presented in the Cash Flow Statement consists of balance in current accounts and cash balances.

3.16. Contingencies and Provisions

A provision is recognized when the Company has a present obligation as a result of past events. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

The Consolidated Contingent Liability in the form of Bank Guarantee as on 31.03.2020 is Rs. 72,53,863.00. Details of contingent liabilities are separately mentioned in standalone financials statement of each enterprise.

- 3.17 Internal Control Policy and BCP Management:** The Company has firm internal control measures that are sufficient according to the volume and the type of business. The management assesses the operating effectiveness of these controls on regular basis. The internal auditor in his quarterly report also confirms about the effectiveness of the internal control measures. There are pre-drafted plans to deal with the disasters and ensure the continuity of its business operations with the minimum disruptions. All the required security checks i.e. physical security of the company premises and its database are properly installed, daily backup is being done for all the accounting and related data. The company has recently engaged Tata Consultancy Services to provide a cloud based ERP in which the data will remain safe on the cloud and can be accessed and updated on real time basis from anywhere.

- 3.18 Impact of Covid-19:** The plant and office was closed w.e.f. March 22, 2020 due to COVID-19 pandemic, the Company had restarted all of its operations during the month of May 2020 adhering to the safety norms prescribed by Central Government and by the local authorities and worked with 70% production capacity for the initial two months as it was facing labour migration issue and then restored to its full capacity. The Company is taking proper measures to prevent the Covid-19 spread like temperature scanning of every individual entering the office/factory, use of hand sanitizers and face masks during the course of work, Sanitizing the premises and maintaining social distancing at all the workplaces. The Company's capital and financial resources remain intact as the company had enough unutilized working capital limit. The Company has been paying all its statutory dues and other commitments on a timely basis. The company's vendor base is also being supported with payments at regular intervals. The company has witnessed slight drop in demand for its products & services, otherwise there is no major impact on the business of the company, as of now.

NOTE 4 : OTHER NOTES TO ACCOUNTS
(Forming part of Accounts)
FOR THE YEAR ENDED 31ST MARCH, 2020

4.1. Contingent Liabilities & Commitments:

- a) Estimated amount of contracts remaining to be executed and not provided for in the books of account -Nil (previous year - Nil).
- b) Contingent Liabilities: Rs. 72,53,863.00
- Claims against the Company not acknowledged as debt- Nil (previous year - Nil).
 - Liabilities in respect of Income Tax, Service Tax, Sales Tax and other material statutory dues have been accounted for on the basis of respective returns filed with the relevant authorities. Additional demand, if any, arising at the time of assessments will be accounted for in the year in which assessments are completed.

4.2. Issued, Subscribed & Paid up Capital:

Issued, Subscribed and Paid-up capital of the company are separately mentioned in standalone financials statement of each enterprise.

4.3. Reserves & Surplus:

-The amount shown in the Reserve & Surplus represents only surplus carried forward from the earlier year plus the surplus earned during the year. Total amount of surplus outstanding as on 31.03.2020 is Rs. 47,49,84,730.17 which includes Share Premium of Rs. 23,94,01,048.98 and Free Reserves of Rs. 23,55,83,681.19.

4.4. Long-term Borrowings

Secured: Details of Consolidated Term Loan is mentioned below.

Term Loan:

DETAILS OF TERM LOAN - M/S BETA DRUGS LIMITED

| S.NO | Lender | Nature of facility | Loan | Amount outstanding as at March 31, 2020 | Sanctioned Rate of Interest (%) | Repayment Terms | Security / Principal terms and conditions |
|------|--|---|-----------|---|---------------------------------|---|--|
| 1 | Bank of Baroda formerly Vijaya Bank before its merger. | Term Loan of Rs. 50.00 Lakhs (A/c No 830409041000064) | Term Loan | Rs. 18.03 Lakhs | 13.00% | Total Installments of Rs 1.15 Lakhs P.M. divided into 60 Equated monthly installment. First Installment Commenced from April, 2017. | (1)All stocks of raw material/ stock in process/ finished warehouse/goods goods kept at factory, in transit and all other locations belonging to company |



| | | | | | | | |
|--|--|---|-----------|-----------------|--------|--|--|
| | | Term Loan of Rs. 15.00 Lakhs (A/c No. 830408411000229) | Term Loan | Rs. 8.82 Lakhs | 10.05% | Total Installments of Rs .249 Lakhs P.M. divided into 84 Equated monthly installment. First Installment Commenced from August, 2016. | (2)Equitable mortgage of factory land in village Nandpur comprised in Khewat/Khatoni no. 114/157 in khasra No. 733/465 (00-05), 466(00-02), 735/467 (02-00), village Nandpur Tehsil Nalagarh, Distt. Baddi measuring 2 Bigha 7 Biswa owned by M/s Beta Drugs Pvt. Ltd. vide sale deed no. 712 dated 24.03.2006 charged to ML of the Company. |
| | | Term Loan of Rs. 10.14 Lakhs (A/c No. 830408411000259) | Term Loan | Rs. 6.97 Lakhs. | 9.15% | Total Installments of Rs 0.21 Lakhs P.M. divided into 60 Equated monthly installment. First Installment Commenced from May, 2018. | (3)Hypothecation of Plant & Machinery & other movable fixed assets of the company. (4)Collateral Charge on Vacant Showroom site at Khata No. 9/10 in Khasra No. 56 (1-2), village Dharampur, Hadbast No. 152, Tehsil Kalka measuring 1 Biswa 2 Biswani i.e. 55 Sq. Yards owned by one of the director Mr. Rahul Batra S/o Vijay Batra vide sales Deed No. 674 dated 16.05.2011.(5) Personal Guarantee of Vijay Kumar Batra S/o Sh. Jiwandass, |



| | | | | | | | |
|---|---------------|--|--------------|--------------------|--------|--|--|
| | | | | | | | Balwant Singh S/o Sh. Sadhu Ram, Varun Batra S/o Sh. Vijay Kumar batra, Neeraj Batra W/o Sh. Vijay Kumar Batra, Rahul Batra S/o Sh. Vijay Kumar Batra. (6) HYP of Motor Vehicles from the bank in the name of Company. |
| 2 | SIDBI Loan | Term Loan of Rs. 100.00 Lakhs (Sanctioned Amount Rs. 100 Lakhs and Disbursed amount Rs. 98.65 Lakhs) | Term Loan | Rs. 70.36 Lakhs | 11.65% | Total Installments of Rs 1.23 Lakhs P.M. divided into 80 Equated monthly installment. Last Installment i.e. 81st Installment is of Rs. 0.25 Lakh. | 1) HYP of Machinery and Fixed Deposit amounted Rs. 34 Lakhs with SIDBI as collateral. |



| | | | | | | | |
|---|-----------|---------------------------------|-----------|------------------|-------|---|---|
| | | Term Loan of Rs. 400.00 Lakhs | Term Loan | Rs. 355.60 Lakhs | 8.09% | Total Installments of Rs 7.40 Lakhs P.M. after moratorium of 6 months divided into 53 Equated monthly installment. Last Installment i.e. 54th Installment is of Rs. 7.80 Lakhs. | 1) HYP of Machinery amounted Rs. 829.00 Lakhs and Fixed Deposit amounted Rs.150 Lakh with SIDBI as collateral. Also Extension of Charge on Fixed Deposit already lien marked against previous SIDBI loan. |
| 3 | Axis Bank | Vehicle Loan of Rs.69.25 Lakhs | Term Loan | Rs. 16.69 Lakhs | 8.38% | Total Installments of Rs 2.18 Lakhs P.M. divided into 36 Equated monthly installment. | 1) HYP of Motor Vehicles from the bank in the name of Company. |
| | | Vehicle Loan of Rs.8.00 Lakhs | Term Loan | Rs. 5.25 Lakhs | 8.40% | Total Installments of Rs 0.16 Lakhs P.M. divided into 60 Equated monthly installment. | 1) HYP of Motor Vehicles from the bank in the name of Company. |
| 4 | HDFC Bank | Vehicle Loan of Rs. 43.00 Lakhs | Term Loan | Rs. 4.02 Lakhs | 8.76% | Total Installments of Rs 1.36 Lakhs P.M. divided into 36 Equated monthly installment. | 1) HYP of Motor Vehicles from the bank in the name of Company. |
| 5 | HDFC Bank | Vehicle Loan of Rs. 7.50 Lakhs | Term Loan | Rs. 5.13 Lakhs | 8.98% | Total Installments of Rs 0.15 Lakhs P.M. divided into 60 Equated monthly installment. | 1) HYP of Motor Vehicles from the bank in the name of Company. |

**Unsecured:**

Term Loan:

| S.NO | Lender | Nature of facility | Loan | Amount outstanding as at March 31, 2020 | Rate of interest (%) | Repayment Terms | Security / Principal terms and conditions |
|------|-----------|---|-----------|---|----------------------|---|---|
| 1. | Edelweiss | Unsecured Business Loan of Rs. 40 Lakhs | Term Loan | Rs. 2.99 Lakhs | 18.50% | Total Installments of Rs 1.46 Lakhs P.M. divided into 37 Equated monthly installment. | Unsecured Loan |

DETAILS OF TERM LOAN - M/S ADLEY FORMUATIONS P. LTD.

| S.NO | Lender | Nature of facility | Loan | Amount outstanding as at March 31, 2020 | Rate of interest (%) | Repayment Terms | Security / Principal terms and conditions |
|------|-------------------------------|---|-----------|---|----------------------|--|---|
| 1 | ICICI BANK LTD (VEHICLE LOAN) | Term Loan of Rs. 40.00 Lakhs (A/c No. LUPNC00035804579) | Term Loan | Rs. 14.66 Lakhs | 13.51% | Total Installments of Rs 1.08 Lakhs P.M. divided into 48 Equated monthly installment. | HYP of Motor Vehicles from the bank. |
| 2 | HDFC BANK (VEHICLE LOAN) | Term Loan of Rs 45 Lakhs | Term Loan | Rs 11.98 Lakhs | 7.86% | Total Installments of Rs 1.37 Lakhs P.M. divided into 37 Equated monthly installment. | HYP of Motor Vehicles from the bank. |
| 3 | ICICI BANK (PROPERTY LOAN) | Term Loan of 486.00 Lakhs | Term Loan | Rs 485.29 lakhs | 10.26% | Total Installments of Rs 5.30 Lakhs P.M. divided into 180 Equated monthly installment. | |



| | | | | | | | |
|---|-------------------------------|------------------------------------|--------------------|-----------------|-------|---|--|
| 4 | ICICI BANK CC | Cash Credit of Rs. 555.00 Lakhs | Working Capital | Rs 476.11 Lakhs | | | 1.Hypothecation of Industrial Property at plot no 56 Industrial Area Kalka 2.Hypothecation of Industrial Property at Khewat Khatoni 24/24 Min Khasra No. 49 (5-8) Mouja Kotla, Hadbast No 203, Pargam Doon Baddi 3.Hypothecation of Commercial Property at SCO No 184 Sector-5 Urban Estate Panchkula. |
| 5 | Yes Bank (VEHICLE LOAN) | Term Loan of Rs 30 Lakhs | Term Loan | Rs 24.91 Lakhs | 9.44% | Total Installments of Rs 0.93 Lakhs P.M. divided into 37 Equated monthly installments. | HYP of Motor Vehicles from the bank. |

DETAILS OF TERM LOAN - M/S ADLEY LAB LTD.

| Lender | Nature of Facility | Loan | Amount outstanding as at 31 March, 2020 | Rate of Interest | Repayment Terms |
|---------------|----------------------------------|-----------------|---|------------------|--|
| Vijaya Bank | Working Capital of Rs. 100 lakhs | Working Capital | 91.80 Lakhs | 8.70% | 1. First charge by way of hypothecation of whole of the current assets, of the borrower ,both present and future and including but not limiting to ,all stocks of raw material, work in progress, semi finished goods, finished goods, packing material, stores, etc. 2. First charge by way of hypothecation of all the present and future book-debts and other actionable claims arising out of genuine trade transactions. |
| SIDBI | Term Loan of Rs 268 Lakhs | Term Loan | 138.15 Lakhs | 9.70% (Floating) | 3.First charge by the way of hypothecation in the favour of SIDBI of all the borrower movable, including the movables, plant, machinery, machinery spares ,tools & accessories, office equipment, computers, furniture & fixtures both present and future. 4.First charge by way of mortgage of leasehold rights in favour of SIDBI of all immovable properties of the borrower ,both present and future ,situated at plot no D-27, Industrial Area, Focal point, Derabassi, Punjab measuring 2500 sq.yards, including building and structure thereon. |
| SIDBI (SMILE) | Term Loan of Rs 20 Lakhs | Term Loan | 10.55 lakhs | 9.35% (Floating) | 5. Total 71 Installments of Rs 3.98 Lakhs p.m. (plus interest) and last installment of Rs. 5.42 Lakhs (plus interest). |



| | | | | | |
|-----|---------------------------|-----------|-----------------|------------------|--|
| HDB | Term Loan of Rs 150 Lakhs | Term Loan | Rs 112.62 Lakhs | 9.81% (Floating) | Total Installments of Rs 2.49 Lakhs P.M. divided into 84 Equated monthly installment. First Installment Commenced from 04 January, 2018. |
|-----|---------------------------|-----------|-----------------|------------------|--|

Interest on the above term loans is payable on monthly basis.

- 4.5. In the opinion of the Directors, "Current Assets" and "Loans & Advances" are approximately of the value stated in the Balance Sheet, if realized in the ordinary course of business and to the best of their knowledge. Provisions for all the known liabilities have been made and, *as certified*, all the contractual and statutory obligations have been duly complied with.

- 4.6. Party balances have been incorporated in the financial statements at the value as per the books of accounts & are considered hopeful of recovery/good for payment. The balance confirmation letter for both debtor and creditors are sent by the company through registered post, and in few cases balance confirmation is received from them.

4.7. **Depreciation/Amortization**

The management estimates the remaining useful life of existing fixed assets as on 01st April, 2019 as follows:-

| | |
|----------------------|----------|
| Building | 30 years |
| Furniture & Fixtures | 10 years |
| Machinery | 15 years |
| Lab Equipment | 10 years |
| Equipment (Other) | 5 years |
| Vehicles | 8 years |

For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. The useful lives for these assets are same as the useful lives as prescribed under Part-C of Schedule-II of the Companies Act, 2013. (Refer note 3.4).

4.8. **Earnings Per Share**

| | Year ended 31 st March, 2020 | Year ended 31 st March, 2019 |
|-------------------------------------|--|--|
| Numerator | | |
| Net Profit / (Loss) | | |
| Attributable to Equity shareholders | 9,41,51,174.47 | 8,03,98,800.75 |
| Denominator | | |
| Number of Equity shares | No.'s 96,13,790 | No.'s 86,94,500 |
| Nominal | | |
| Value per Equity share | 10 | 10 |
| Earnings per Equity share | | |
| - Basic and diluted | 9.93/9.93 | 9.30/9.30 |



4.9. **Non-Current Investments:**

Investment in Joint ventures and Associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize Dividends received or receivable from associates or joint ventures are recognized as a reduction in the carrying amount of the investment.

Equity shares have been stated at cost; provision for appreciation/diminution in the value of shares has not been made and no dividend was received during the year.

The provisions of Section 186 of the Companies Act, 2013 have been complied with.

During the financial year 2019-2020 the company has made investments in following entities:

(a) Adley Lab Limited (CIN: U24231CH1992PLC012190) is a public limited company incorporated on 10/04/1992, engaged in the business of oncology and active Pharmaceuticals Ingredients.

Beta Drugs Limited has acquired the 100% Equity shares of Adley Lab Limited; therefore Adley Lab Limited has become a wholly owned subsidiary company of Beta Drugs Limited. Total cost of acquisition is Rs 4,50,40,000 (Rupees Four Crore Fifty Lakh Forty thousand only) which was discharged partly by issue and allotment of 3,19,046 equity shares of Beta Drugs Limited on preferential basis and partly through normal banking channels up-to an amount of Rs 1,63,25,860 (out of which 2,45,713 equity shares was allotted to related parties and Rs 34,50,000 was paid through normal banking channels)

4.10. **Taxes**

- The exact liability of CST/VAT, Service Tax, GST, Income Tax and other statutory dues is indeterminate pending finalization of assessments and no disputed dues or amounts were outstanding or remaining unpaid as at 31st March, 2020.
- The amount of tax credit determined shall be carried forward upto fifteen assessment years immediately succeeding the assessment year in which tax credit becomes allowable.
- The tax provision has been disclosed in the separate Notes to Accounts respectively.

4.11. **Segment Reporting**

Since the Company primarily operates in one segment (i.e. Manufacturing of Oncology medicines), therefore segment reporting as required under Ind AS - 108 is not applicable - there is no reportable geographical segment as the export sale of the company is less than 10% of the total sales made in India.

4.12. **Related Party Disclosures**

Related parties & their relationship and related parties transactions.

Related Party disclosures are made in separate standalone audited financials of each enterprise.

4.13. **Impairment of Assets**

During the year, the Company has undertaken a review of all the fixed assets in line with the requirements of Ind AS-36 on "Impairment of Assets" as notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, based on such review, no provision for impairment is required to be recognized for the year.

4.14 Fixed Assets:

- During the financial year 2019-20 the company has capitalized assets worth Rs 19,52,70,267.46 from the Work in Progress.
 - During the financial Year 2019-20 there was an addition of Rs. 1,01,17,200.00 under the head Land.
 - During the financial Year 2019-20 there was an addition of Rs 5,27,91,863.90 the head Building including the assets transferred from Work in Progress.
- During the financial year, there was addition of Rs. 14,56,84,742.87 to Plant & Machinery, Furniture & Fixtures, Office Equipment, Vehicles & Computers including the assets transferred from WIP.
The additions of Rs. 1,49,27,893.38 was made to the R&D Block.

The above amount does not include the assets added in the Fixed assets block on acquisition of Adley Lab Ltd.
The addition on account of business acquisition was Rs. 7,48,34,078.77

4.15. Deferred Tax Assets & Liabilities

During the FY 2019-20 the company has made Consolidated Deferred Tax Provision (Asset) of Rs. 16,64,667.68.
Details of Calculation in mentioned below.

| Calculation of Deferred Tax Asset / Liability | Amount in Rs. |
|--|----------------------|
| Deferred Tax Asset on provision of gratuity | 11,34,723.10 |
| Deferred Tax Asset on provision of CSR | - |
| Deferred Tax Asset on sale of Asset | 48,326.44 |
| Deferred Tax Asset on a/c of acquisition | 7,84,821.14 |
| Total Deferred Tax Asset Created for the financial year 2019-20 in Profit and Loss Account. | 19,67,870.68 |
| Add : Deferred Tax Asset as on 01.04.2019 (Opening) | 13,69,093.92 |
| Less: Deferred Tax Liability on provision of bonus | 3,95,182.81 |
| Less: Deferred Tax Liability on depreciation | 12,77,114.10 |
| Balance Deferred Tax Asset recognized in Balance Sheet | 16,64,667.68 |

4.16. Government Grants:

Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is deducted from the related expense. When the grant relates to an asset, it is recognized as deferred income and amortized over the useful life of such assets. No Government Grant received during the financial year 2019-2020.

4.17. Micro, Small & Medium Enterprises

Based on the information presently available, total outstanding as on 31.03.2020 is Rs.4,82,16,001.20 to micro or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.



4.18. **Auditor's Remuneration**
(Exclusive of GST)

| | 31 st March, 2020 AMOUNT | 31 st March, 2019 AMOUNT |
|---|--|--|
| -As Statutory Auditors | 4,02,500.00 | 4,02,500.00 |
| - Taxation Matters | - | - |
| - Certification | - | - |
| -Other Services | - | - |
| -As Internal Auditor | 4,20,000.00 | 9,00,000.00 |
| - Taxation Matters | - | - |
| - Certification | - | - |
| -Other Services | - | - |
| - Cost Audit | 750,00.00 | 75,000.00 |
| - Secretarial Audit | 1,10,000.00 | 1,10,000.00 |
| - Reimbursement of out of pocket expenses | 17,500.00 | - |
| TOTAL | 10,25,000.00 | 13,02,500.00 |

4.19 **Other additional information**

| <u>Particulars</u> | <u>31st March, 2020 AMOUNT</u> | <u>31st March, 2019 AMOUNT</u> |
|--|---|---|
| "A" Revenue from operations (under broad heads) | | |
| Sales | | |
| -Sales With in India | 82,85,21,365.08 | 59,91,57,958.58 |
| -Export Sales | <u>7,95,35,212.05</u> | <u>6,01,32,713.94</u> |
| | <u>90,80,56,577.13</u> | <u>65,92,90,672.52</u> |
| "B" Purchases | | |
| -Chemicals, Bulk Drugs & Packing Material | 47,17,30,381.49 | 40,15,32,557.69 |



- 4.20. **Expenditure in Foreign Currency (On Accrual Basis):-** Following Expenses were incurred by the company during the year 2019-20.

| | <u>31st March, 2020</u> <u>AMOUNT</u> | <u>31st March, 2019</u> <u>AMOUNT</u> |
|--------------------------------|---|---|
| Import of Capital Goods | 29,92,254.50 | 3,04,603.00 |
| Revenue Expenses (Travel) | 32,40,601.07 | 16,87,707.74 |
| Revenue Expenses (RM Purchase) | 2,28,69,661.14 | 26,39,390.00 |
| Revenue Expenses (others) | 1,33,184.00 | - |
| TOTAL | <u>2,92,35,700.71</u> | <u>46,31,700.74</u> |

- 4.21. **Earning in Foreign Currency Particulars**

| | For The Year Ended (31.03.2020) | For the year Ended (31.03.2019) |
|---------------------|---|---|
| FOB Value of Export | 7,95,35,212.05* | 6,01,32,713.94* |

* This includes indirect export

**Annexure-7**

4.22 Additional Information, as required under Schedule III to the Companies Act, 2013 in respect of subsidiaries whose accounts are consolidated.

Amount in Rs.

| Name of the Enterprise | Net Assets i.e. Total assets minus total liabilities | | Share in profit or (loss) | |
|------------------------------------|--|------------------------|---------------------------------|-----------------------|
| | As % of consolidated net assets | Amount | As % of consolidated net profit | Amount |
| Parent | | | | |
| Beta Drugs Limited | 98.82% | 56,43,90,785.91 | 75.41% | 7,09,99,377.35 |
| Subsidiary | | | | |
| Adley Formulations Private Limited | 6.54% | 3,73,43,793.32 | 22.82% | 2,14,85,917.43 |
| Adley Lab Limited | (0.08%) | (4,31,448.07) | 1.77% | 16,65,879.69 |
| Inter-Company Elimination | (5.28%) | (3,01,80,501) | - | - |
| Total | 100.00% | 57,11,22,630.16 | 100.00% | 9,41,51,174.47 |

4.23 SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013**ADLEY FORMULATIONS PRIVATE LIMITED**

[Pursuant to Section 129(3) of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014 -AOC 1]

| | |
|--------------------------------|--|
| Name of Subsidiary Company | Adley Formulations Private Limited |
| Reporting Period | 01 st April 2019 to 31 st March 2020 |
| Reporting Currency | Rupees (Rs.) |
| Share Capital | 1,26,00,000.00 |
| Reserves & Surplus | 2,47,43,793.32 |
| Total Assets | 24,13,24,208.99 |
| Total Liabilities | 24,13,24,208.99 |
| Investments | - |
| Turnover / Total Income | 24,57,88,334.02 |
| Profit/ (Loss) Before Taxation | 2,84,51,234.97 |
| Provision for Taxation | 69,65,317.54 |
| Profit / (Loss) After Taxation | 2,14,85,917.43 |
| Proposed Dividend | Nil |
| % of Shareholding | 100% |

4.24 SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013**ADLEY LAB LIMITED**

[Pursuant to Section 129(3) of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014 -AOC 1]

| | |
|--------------------------------|--|
| Name of Subsidiary Company | Adley Lab Limited |
| Reporting Period | 01 st October 2019 to 31 st March 2020 |
| Reporting Currency | Rupees (Rs.) |
| Share Capital | 1,75,80,500.00 |
| Reserves & Surplus | (1,80,11,948.07) |
| Total Assets | 8,87,12,755.68 |
| Total Liabilities | 8,87,12,755.68 |
| Investments | - |
| Turnover / Total Income | 5,60,86,750.00 |
| Profit/ (Loss) Before Taxation | 17,62,366.20 |
| Provision for Taxation* | (96,486.51) |
| Profit / (Loss) After Taxation | 16,65,879.69 |
| Proposed Dividend | - |
| % of Shareholding | 100% |

*Deferred Tax Provision



- 4.25. **Corporate Social Responsibility:** The holding company Beta Drugs Limited has provided for the corporate social responsibility as per Section 135 of the Companies Act 2013 i.e. Rs. 14,48,575.30 during the year. The total amount to be spent during the year was Rs. 24,12,967.30 including the amount unspent carried forward from last year. The actual amount spent during the financial year was Rs. 9,00,850.00 and the outstanding provision as on 31st March 2020 amounting Rs. 15,12,117.30 will be spent in the next financial year. The company had plan to use the maximum amount in March'20 but due to covid pandemic the company decided to utilize it in next year.

There is no such requirement for the subsidiary companies Adley formulations Private Limited and Adley Lab Limited

- 4.26 Balance confirmation has been sent to all the Debtors and Creditors by way of electronic mail. The major balances are confirmed by the counter parties.
- 4.27 Figures for previous year have been regrouped / rearranged where necessary to conform to the current year's presentation.

In terms of our attached report of even date.

For KALRA RAI AND ASSOCIATES

CHARTERED ACCOUNTANTS

F R No. -008859N

Sd/-

LAJPAT RAI KALRA

PARTNER

M No. -087438

Dated: 28.05.2020

Place: Chandigarh

UDIN: 20087438AAAACF9660

For and on behalf of the Board of Directors

sd/-

sd/-

(Managing Director) (Whole-Time Director)

sd/-

(Chief Financial Officer)

sd/-

(Company Secretary)



STANDALONE FINANCIAL

STATEMENTS

OF

"ADLEY FORMULATIONS PRIVATE LIMITED"

(WHOLLY-OWNED SUBSIDIARY)

FOR THE FINANCIAL YEAR

2019-20



**KALRA RAI & ASSOCIATES
CHARTERED ACCOUNTANTS**

**Head Office: Kothi No. 667, 1st floor, Sector-43-A
Chandigarh-160022**

Independent Auditors' Report

Members of Adley Formulations Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind-AS financial statements of Adley Formulations Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 Ind-AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind-AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the stand alone Ind-AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind-AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind-AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind-AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind-AS 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, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 subsection(11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone Ind-AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020, 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, refers 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 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 have been no amounts available which is required to be transferred to the Investor Education and Protection Fund by the Company;

Place:- Chandigarh

Date: 28.05.2020

UDIN:20087438AAAACE8971

For KALRA RAI & ASSOCIATES

Chartered Accountants

sd/-

(Lajpat Rai Kalra)

Partner

M. No- 087438

FRN: 008859N

**CARO**

Annexure 1 referred to in paragraph 1 of our report of even date

Re: Adley Formulations Private Limited ('the Company')

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. All fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. According to information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment except for the following, are held in the name of the Company. As explained to us, registration of title deeds is in progress in respect of immovable properties.

Following Immovable assets are currently in the name of M/s Adley Formulations, post acquisition of business, the title deed is to be transferred in M/s Adley Formulation Private Limited.

| Particulars | Address of Property |
|----------------------|--|
| 4. Land | Village kotla, Barotiwala, Tehsil Baddi, Dist. Solan, HP |
| 5. Building | Village kotla, Barotiwala, Tehsil Baddi, Dist. Solan, HP |
| 3. Building Showroom | SCO 42, Sector 12, Panchkula |

In respect of movable properties, two vehicles are currently in the name of M/s Adley Formulations, post acquisition of business, the vehicle registration is to be transferred in M/s Adley Formulation Private Limited. As explained to us, transfer of vehicle along with endorsement of insurance was pending due to loan hypothecation; registration will be transferred after closure of the loans in respect of two cars having registration no. HP 12J 0888 and PB 65AK 9829.

ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors/to a Company in which the director is interested to which, the provisions of Section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has made investments and given guarantees/provided security which is in compliance with the provisions of Section 186 of the Companies Act, 2013.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of Active Pharmaceutical Ingredients and Formulations and are of the opinion that prima facie, the specified



accounts and records have been made and maintained. We have not, however, made a detailed examination of the Cost Audit Report.

vii. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a bank or government. There are no dues which are payable to financial institutions or debenture holders.

ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

xvi. According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

Place:- Chandigarh
Date: 28.05.2020
UDIN:20087438AAAAACE8971

For KALRA RAI & ASSOCIATES
Chartered Accountants
sd/-
(Lajpat Rai Kalra)
Partner
M. No- 087438
FRN: 008859N

**"ANNEXURE-B" TO THE AUDITORS' REPORT*****Referred to in Paragraph 7 of Our Report 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 **Adley Formulations Private Limited** ("the Company") as of 31 March 2020 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 management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). 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 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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.

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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, 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.

Place:- Chandigarh

Date: 28.05.2020

UDIN:20087438AAAACE8971

For KALRA RAI & ASSOCIATES

Chartered Accountants

sd/-

(Lajpat Rai Kalra)

Partner

M. No- 087438

FRN: 008859N

15TH ANNUAL REPORT



BETA DRUGS LIMITED ("BDL")

| ADLEY FORMULATIONS PRIVATE LIMITED Cabin No. 1, 1ST FLOOR SCO-184, SECTOR-5 PANCHKULA Panchkula HR 134114 IN CIN : U24303HR2018PTC076347 BALANCE SHEET AS AT 31ST MARCH' 2020 | | | |
|--|----------|--|-----------------------|
| Particulars | Note No. | As at 31 March' 2020 | As at 31 March' 2019 |
| | | Amount in Rs. | Amount in Rs. |
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 1 | 12,600,000.00 | 12,600,000.00 |
| (b) Reserves and surplus | 2 | 24,743,793.32 | 3,257,875.89 |
| (c) Money received against share warrants | | - | - |
| | | 37,343,793.32 | 15,857,875.89 |
| 2 Share application money pending allotment | | - | - |
| 3 Non-current liabilities | | | |
| (a) Long-term borrowings | 3 | 62,236,173.87 | 20,018,691.05 |
| (b) Deferred tax liabilities (net) | 4 | - | - |
| (c) Other long-term liabilities | 5 (a) | 20,068,275.00 | 15,968,275.00 |
| (d) Long-term provisions | 5 (b) | 1,672,072.00 | 898,650.00 |
| | | 83,976,520.87 | 36,885,616.05 |
| 4 Current liabilities | | | |
| (a) Short-term borrowings | 6 | 47,611,858.27 | 97,192,648.70 |
| (b) Trade payables | 7 | 34,676,666.12 | 29,554,248.20 |
| (c) Other current liabilities | 8 | 31,123,096.82 | 15,390,023.22 |
| (d) Short-term provisions | | 6,592,273.58 | 1,521,967.90 |
| | | 120,003,894.79 | 143,658,888.02 |
| TOTAL | | 241,324,208.99 | 196,402,379.96 |
| B ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 9 | 49,485,302.59 | 55,504,716.24 |
| (ii) Intangible assets | 9 | 1,392,753.00 | - |
| (iii) Capital work-in-progress | | - | - |
| (iv) Intangible assets under development | | - | - |
| (v) Fixed assets held for sale | | - | - |
| | | 50,878,055.59 | 55,504,716.24 |
| (b) Non-current investments | | - | - |
| (c) Deferred tax assets (net) | 4 | 1,301,981.85 | 389,388.81 |
| (d) Long-term loans and advances | 10 (a) | 9,408,416.06 | 8,941,770.06 |
| (e) Other non-current assets | 10 (b) | 11,200,000.00 | 11,200,000.00 |
| | | 21,910,397.91 | 20,531,158.87 |
| 2 Current assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | 11 | 40,577,787.43 | 31,196,622.71 |
| (c) Trade receivables | 12 | 104,883,985.99 | 76,989,816.58 |
| (d) Cash and cash equivalents | 13 | 10,598,366.67 | 3,836,052.30 |
| (e) Short-term loans and advances | 14 | 7,767,023.80 | 5,244,492.47 |
| (f) Other current assets | 15 | 4,708,591.60 | 3,099,520.80 |
| | | 168,535,755.49 | 120,366,504.86 |
| TOTAL | | 241,324,208.99 | 196,402,379.96 |
| See accompanying notes forming part of the financial statements | | | |
| In terms of our report attached. | | | |
| For KALRA RAI AND ASSOCIATES Chartered Accountants (FRN: 008859N) sd/- LAJPAT RAI KALRA Partner MEMBERSHIP NO. 087438 UDIN: 20087438AAAACE8971 Place : Chandigarh Date : 28.05.2020 | | For and on the behalf of the Board of Directors sd/- Rahul Batra DIN:02229234 sd/- Varun Batra DIN: 02148383 | |

15TH ANNUAL REPORT



BETA DRUGS LIMITED ("BDL")

ADLEY FORMULATIONS PRIVATE LIMITED
Cabin No. 1, 1ST FLOOR SCO-184, SECTOR-5 PANCHKULA Panchkula HR 134114 IN
CIN : U24303HR2018PTC076347
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 1ST APRIL 2019 TO 31ST MARCH 2020

| Particulars | | Note No. | As at 31 March' 2020 | As at 31 March' 2019 |
|-------------|---|----------|-----------------------|----------------------|
| | | | Amount in Rs. | Amount in Rs. |
| A | CONTINUING OPERATIONS | | | |
| 1 | Revenue from operations (gross) | 16 | 245,788,334.02 | 78,803,833.53 |
| | Less: Excise duty | | - | - |
| | Revenue from operations (net) | | 245,788,334.02 | 78,803,833.53 |
| 2 | Other income | 17 | 1,069,893.00 | 585,038.00 |
| 3 | Total revenue (1+2) | | 246,858,227.02 | 79,388,871.53 |
| 4 | Expenses | | | |
| | (a) Cost of materials consumed | 18 | 103,241,664.06 | 39,761,367.61 |
| | (b) Purchases of stock-in-trade | | - | - |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 19 | 1,039,725.89 | -9,949,239.10 |
| | (d) Other manufacturing expenses | 20 | 17,386,543.13 | 5,769,342.86 |
| | (e) Employee benefits expense | 21 | 42,823,607.00 | 18,515,068.00 |
| | (f) Finance costs | 22 | 17,408,296.63 | 6,975,277.90 |
| | (g) Depreciation and amortisation expense | 9 | 9,807,627.80 | 4,183,553.00 |
| | (g) Other expenses | 23 | 26,699,527.53 | 9,730,966.28 |
| | Total expenses | | 218,406,992.05 | 74,986,336.54 |
| 5 | Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4) | | 28,451,234.97 | 4,402,534.99 |
| 6 | Exceptional items | | - | - |
| 7 | Profit / (Loss) before extraordinary items and tax (5 ± 6) | | 28,451,234.97 | 4,402,534.99 |
| 8 | Extraordinary items/Prior period items | | - | - |
| 9 | Profit / (Loss) before tax (7 ± 8) | | 28,451,234.97 | 4,402,534.99 |
| 10 | Tax expense: | | | |
| | (a) Current tax expense for current year | | 7,877,910.58 | 1,534,047.90 |
| | (b) (Less): MAT credit (where applicable) | | - | - |
| | (c) Tax expense relating to prior years | | - | - |
| | (d) Net current tax expense | | 7,877,910.58 | 1,534,047.90 |
| | (e) Deferred tax | | (912,593.04) | (389,388.81) |
| | | | 6,965,317.54 | 1,144,659.10 |
| 11 | Profit / (Loss) from continuing operations (9 ± 10) | | 21,485,917.43 | 3,257,875.89 |
| B | DISCONTINUING OPERATIONS | | | |
| 12 | Profit / (Loss) from discontinuing operations (B.i ± B.ii ± B.iii) | | - | - |
| C | TOTAL OPERATIONS | | 21,485,917.43 | 3,257,875.89 |
| 13 | Profit / (Loss) for the year (11 ± 12) | | 21,485,917.43 | 3,257,875.89 |
| 14 | Earnings per share (of Rs. 10/- each): | | | |
| | (a) Basic | | | |
| | (i) Continuing operations | | 17.05 | 6.21 |
| | (ii) Total operations | | 17.05 | 6.21 |
| | (b) Diluted | | | |
| | (i) Continuing operations | | 17.05 | 6.21 |
| | (ii) Total operations | | 17.05 | 6.21 |

In terms of our report attached.

For KALRA RAI AND ASSOCIATES
Chartered Accountants
(FRN: 008859N)
sd/-
LAJPAT RAI KALRA
Partner
MEMBERSHIP NO. 087438
UDIN: 20087438AAAACE8971
Place : Chandigarh
Date : 28.05.2020

For and on the behalf of the Board of Directors

sd/-
Rahul Batra
DIN: 02229234

sd/-
Varun Batra
DIN: 02148383

**ADLEY FORMULATIONS PRIVATE LIMITED**

Cabin No. 1, 1ST FLOOR SCO-184, SECTOR-5 PANCHKULA Panchkula HR 134114 IN

CIN : U24303HR2018PTC076347

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH' 2020

| Particulars | | As at 31 March' 2020 | As at 31 March' 2019 |
|-------------|---|------------------------|------------------------|
| | | Amount in Rs. | Amount in Rs. |
| A | CASHFLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit before tax and extraordinary items (as per Statement of Profit & Loss) | 21,485,917.43 | 3,257,875.89 |
| | Adjustments for non Cash/Non trade items: | | |
| | Depreciation & Amortization Expenses | 9,807,627.80 | 4,183,553.00 |
| | Finance Cost | 17,408,296.63 | 6,975,277.90 |
| | Interest received | - | (9,915.00) |
| | Other inflows/(outflows) of cash | (139,171.04) | (10,690,738.81) |
| | Operating profits before Working Capital Changes | 48,562,670.82 | 3,716,052.98 |
| | Adjusted For: | | |
| | (Increase)/Decrease in trade receivables | (27,894,169.41) | (76,989,816.58) |
| | Increase/(Decrease) in trade payables | 5,122,417.92 | 29,554,248.20 |
| | (Increase)/Decrease in inventories | (9,381,164.72) | (31,196,622.71) |
| | Increase/(Decrease) in other current liabilities | 20,803,379.28 | 16,911,991.12 |
| | (Increase)/Decrease in short term loans and advances | (2,522,531.33) | (5,244,492.47) |
| | (Increase)/Decrease in other current assets | (1,609,070.80) | (3,099,520.80) |
| | Working Capital Changes | (15,481,139.06) | (70,064,213.23) |
| | Net cashflow from Operating Activities (A) | 33,081,531.76 | (66,348,160.25) |
| B | CASHFLOW FROM INVESTING ACTIVITIES | | |
| | Purchase of tangible/intangible assets | (5,180,967.15) | (59,688,269.24) |
| | Interest received | - | 9,915.00 |
| | Cash advances and loans made to other parties | (466,646.00) | (8,941,770.06) |
| | Net cash used in Investing Activities (B) | (5,647,613.15) | (68,620,124.30) |
| C | CASHFLOW FROM FINANCING ACTIVITIES | | |
| | Finance Cost | (17,408,296.63) | (6,975,277.90) |
| | Increase/(Decrease) in short term borrowings | (49,580,790.43) | 97,192,648.70 |
| | Increase in/(Repayment) of Long term Borrowings | 42,217,482.82 | 20,018,691.05 |
| | Increase in/(Repayment) of Other Long term Liabilities | 4,100,000.00 | 15,968,275.00 |
| | Increase/ (Decrease) in share capital | - | 12,600,000.00 |
| | Other Inflows/ (Outflows) of cash | - | - |
| | Net cash used in Financing Activities (C) | (20,671,604.24) | 138,804,336.85 |
| D | Net Increase/(Decrease) in cash & cash equivalents (A+B+C) | 6,762,314.37 | 3,836,052.30 |
| E | Cash & Cash equivalents at beginning of period | 3,836,052.30 | - |
| F | Cash & Cash equivalents at end of period | 10,598,366.67 | 3,836,052.30 |
| G | Net Increase/(Decrease) in cash & cash equivalents (F-E) | 6,762,314.37 | 3,836,052.30 |

In terms of our report attached.

For KALRA RAI AND ASSOCIATES

Chartered Accountants

(FRN: 008859N)

sd/-

LAJPAT RAI KALRA

Partner

MEMBERSHIP NO. 087438

UDIN: 20087438AAAACE8971

Place : Chandigarh

Date : 28.05.2020

For and on the behalf of the Board of Directors

sd/-

Rahul Batra
DIN:02229234

sd/-

Varun Batra
DIN: 02148383



ADLEY FORMULATIONS PRIVATE LIMITED
Notes forming part of the financial statements

Note 1 Share capital

| Particulars | As at 31 March' 2020 | | As at 31 March' 2019 | |
|---|-------------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|
| | Number of shares | Amount in Rs. | Number of shares | Amount in Rs. |
| (a) Authorised - Equity shares of Rs. 10 each | 1,300,000.00 - | 13,000,000.00 - | 1,300,000.00 - | 13,000,000.00 - |
| (b) Issued - Equity shares of Rs. 10 each | 1,260,000.00 1,260,000.00 | 12,600,000.00 12,600,000.00 | 1,260,000.00 1,260,000.00 | 12,600,000.00 12,600,000.00 |
| (c) Subscribed and fully paid up - Equity shares of Rs.10 each | 1,260,000.00 1,260,000.00 | 12,600,000.00 12,600,000.00 | 1,260,000.00 1,260,000.00 | 12,600,000.00 12,600,000.00 |
| (d) Subscribed but not fully paid up | - - | - - | - - | - - |
| Total | 1,260,000.00 | 12,600,000.00 | 1,260,000.00 | 12,600,000.00 |

Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As at 31 March' 2020 | | As at 31 March' 2019 | |
|---------------------------------------|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Beta Drugs Limited | 1,259,999.00 | 100% | 1259999 | 100% |
| Mr. Rahul Batra | 1.00 | 0% | 1 | 0% |

Note 2 Reserves and surplus

| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
|---|----------------------|----------------------|
| | Amount in Rs. | Amount in Rs. |
| (a) Securities premium account | | |
| Opening balance | - | - |
| Closing balance | - | - |
| (b) Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening balance | 3,257,875.89 | - |
| Add: Profit / (Loss) for the year | 21,485,917.43 | 3,257,875.89 |
| Closing balance | 24,743,793.32 | 3,257,875.89 |
| Total | 24,743,793.32 | 3,257,875.89 |



ADLEY FORMULATIONS PRIVATE LIMITED

Notes forming part of the financial statements

Note 3 Long-term borrowings

| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
|-------------------------------------|----------------------|----------------------|
| | Amount in Rs. | Amount in Rs. |
| Term loans | | |
| From banks | | |
| Secured | | |
| Icici Bank (Vehicle Loan) | 294,108.87 | 1,466,676.60 |
| Kotak Bank (LAP) | - | 17,353,355.71 |
| Icici Bank Ltd (LAP) | 47,073,170.00 | - |
| Hdfc Bank (Vehicle Loan) | - | 1,198,658.74 |
| Yes Bank Loan (Vehicle Loan) | 1,483,516.00 | - |
| | 48,850,794.87 | 20,018,691.05 |
| From other parties | | |
| Secured | | |
| Unsecured (From Related Parties) | | |
| M/s Beta Drugs Ltd. | 13,385,379.00 | - |
| Total - A | 13,385,379.00 | - |
| Unsecured (From Unrelated Parties) | - | - |
| Total - B | - | - |
| | 13,385,379.00 | - |
| The Above Amount Includes | | |
| Secured Borrowings | 48,850,794.87 | 20,018,691.05 |
| Unsecured Borrowings | 13,385,379.00 | - |
| | - | - |
| Total | 62,236,173.87 | 20,018,691.05 |

Notes: Long-term borrowings

| Particulars | As at 31 March' 2020 | | | As at 31 March' 2019 | | |
|--|----------------------|-----------------------|-----------------------|----------------------|-----------------------|----------------------|
| | Amount in Rs. | | | Amount in Rs. | | |
| | Non- Current | Current Maturities | Total | Non- Current | Current Maturities | Total |
| Term loans | | | | | | |
| From banks | | | | | | |
| Secured | | | | | | |
| ICICI Bank (Vehicle Loan) | 294,108.87 | 1,172,372.13 | 1,466,481.00 | 1,466,676.60 | 1,024,685.40 | 2,491,362.00 |
| Hdfc Bank (Vehicle Loan) | - | 1,198,592.97 | 1,198,592.97 | 1,198,658.74 | 1,490,405.27 | 2,689,064.01 |
| Yes Bank (Vehicle Loan) | 1,483,516.00 | 1,008,366.00 | 2,491,882.00 | - | - | - |
| Kotak Bank (Loan against Property) | - | - | - | 17,353,355.71 | 1,140,631.99 | 18,493,987.70 |
| ICICI Bank (Loan against Property) | 47,073,170.00 | 1,455,841.00 | 48,529,011.00 | - | - | - |
| | 48,850,794.87 | 4,835,172.10 | 53,685,966.97 | 20,018,691.05 | 3,655,722.66 | 23,674,413.71 |
| From other parties | | | | | | |
| Secured | - | - | - | - | - | - |
| Unsecured (From Related Parties) | | | | | | |
| M/s Beta Drugs Ltd. | 13,385,379.00 | - | 13,385,379.00 | - | - | - |
| Total - A | 13,385,379.00 | - | 13,385,379.00 | - | - | - |
| Unsecured (From Unrelated Parties) | - | - | - | - | - | - |
| Total - B | - | - | - | - | - | - |
| | 13,385,379.00 | - | 13,385,379.00 | - | - | - |
| The Above Amount Includes | | | | | | |
| Secured Borrowings | 48,850,794.87 | 4,835,172.10 | 53,685,966.97 | 20,018,691.05 | 3,655,722.66 | 23,674,413.71 |
| Unsecured Borrowings | 13,385,379.00 | - | 13,385,379.00 | - | - | - |
| Amount disclosed under "Other Current Liabilities" | | (4,835,172.10) | (4,835,172.10) | | (3,655,722.66) | -3,655,722.66 |
| Total | 62,236,173.87 | - | 62,236,173.87 | 20,018,691.05 | - | 20,018,691.05 |

**ADLEY FORMULATIONS PRIVATE LIMITED****Note 4 Deferred Tax**

| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
|---------------------------------------|----------------------|----------------------|
| | Amount in Rs. | Amount in Rs. |
| Deferred tax Asset | | |
| Deferred tax on depreciation | 627,760.40 | 155,739.81 |
| Deferred tax on Gratuity | 236,506.21 | 233,649.00 |
| Deferred tax on loss on sale of asset | 48,326.44 | - |
| Gross Deferred tax asset | 912,593.04 | 389,388.81 |
| Net Deferred tax asset | 1,301,981.85 | 389,388.81 |

Continue Note 4 Current tax Provision

| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
|-----------------------------------|----------------------|----------------------|
| | Amount in Rs. | Amount in Rs. |
| Current Year Tax | 7,877,910.58 | 1,534,047.90 |
| Less :- Advance Tax Including TDS | -1,285,637.00 | -12,080.00 |
| Current Year Tax Provision | 6,592,273.58 | 1,521,967.90 |
| Short term provisions | 6,592,273.58 | 1,521,967.90 |

Note 5 Other long-term liabilities

| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
|--|----------------------|----------------------|
| | Amount in Rs. | Amount in Rs. |
| (a) Trade Payables: * | - | - |
| (i) Acceptances | - | - |
| (ii) Other than Acceptances | - | - |
| (b) Others: | | |
| (i) Payables on purchase of fixed assets | - | - |
| (ii) Contractually reimbursable expenses | - | - |
| (iii) Interest accrued but not due on borrowings | - | - |
| (iv) Interest accrued on trade payables | - | - |
| (v) Interest accrued on others | - | - |
| (vi) Trade / security deposits received | - | - |
| (vii) Advances from customers | - | - |
| (viii) Income received in advance (Unearned revenue) | - | - |
| (ix) Security received from customers | 20,068,275.00 | 15,968,275.00 |
| Total | 20,068,275.00 | 15,968,275.00 |

Note 5 (b) Long Term-provisions

| Particulars | As at 31 March' 2020 | As at 31 March, 2019 |
|--------------------------------|----------------------|----------------------|
| | Amount in Rs. | Amount in Rs. |
| (a) Provision for Gratuity | 1,672,072.00 | 898,650.00 |
| (b) Other Long-Term Provisions | - | - |
| Total | 1,672,072.00 | 898,650.00 |



ADLEY FORMULATIONS PRIVATE LIMITED
Notes forming part of the financial statements

Note 6 Short-term borrowings

| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
|-------------------------------|----------------------|----------------------|
| | Amount in Rs. | Amount in Rs. |
| Other loans and advances | | |
| Secured | | |
| - ICICI Bank CC | 47,611,858.27 | - |
| - KOTAK Mahindra Bank CC | - | 56,066,815.00 |
| - KOTAK Mahindra Bank a/c DOD | - | 41,125,833.70 |
| Total | 47,611,858.27 | 97,192,648.70 |

Note 7 Trade payables

| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
|---|----------------------|----------------------|
| | Amount in Rs. | Amount in Rs. |
| Trade payables: | | |
| Micro Enterprises And Small Enterprises | 5,038,946.78 | 13,885,920.00 |
| Others | 29,637,719.34 | 15,668,328.20 |
| Total | 34,676,666.12 | 29,554,248.20 |

Note 8 Other current liabilities

| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
|---|----------------------|----------------------|
| | Amount in Rs. | Amount in Rs. |
| (a) Other payables | 6,659,597.65 | 6,188,860.34 |
| (i) Current Maturities of Long Term Debt | 4,835,172.10 | 3,655,722.66 |
| (ii) Payables on purchase of fixed assets | 238,181.00 | - |
| (iii) Contractually reimbursable expenses | - | - |
| (iv) Interest accrued on trade payables | - | - |
| (v) Interest accrued on others | - | - |
| (vi) Trade / security deposits received | - | - |
| (vii) Others (specify nature) | - | - |
| (b) Cheque issued yet not presented for Payment | 253,381.00 | 1,547,101.00 |
| Advances From Customers | 19,136,765.07 | 3,998,339.22 |
| Total | 31,123,096.82 | 15,390,023.22 |

Note 8(a) Other current liabilities

| Particulars | As at 31 March' 2020 | As at 31 March' 2019 |
|------------------------------|----------------------|----------------------|
| | Amount in Rs. | Amount in Rs. |
| PF Payable | 180,537.00 | 78,866.00 |
| ESI payable | 17,460.00 | 23,004.00 |
| TDS payable | 484,743.00 | 1,122,306.00 |
| Interest Accrued But Not Due | 434,428.00 | 164,395.00 |
| Duties & Taxes | 1,703,109.65 | 1,487,204.34 |
| Salary & wages Payable | 3,594,228.00 | 3,061,943.00 |
| Other Expenses payable | 245,092.00 | 251,142.00 |
| Total | 6,659,597.65 | 6,188,860.34 |



15TH ANNUAL REPORT

BETA DRUGS LIMITED ("BDL")

Note No. 9 Fixed Assets Chart as at 31st March' 2020

| Note No. 9 Fixed Assets Chart as at 31st March' 2020 | | | | | | | | | | | | | |
|--|------------------------|--------|------------------------------|---------------------------|---|--------------------------|-------------------------------|--|--------------------------|--|-------------------------------|-------------------------------|-------------------------------|
| Assets | | | Gross Block | | | | | Accumulated Depreciation/ Amortisation | | | | Net Block | |
| | Useful Life (In Years) | Shift | Balance as at 1st April 2019 | Additions during the year | Addition on account of business acquisition | Deletion during the year | Balance as at 31st March 2020 | Balance as at 1st April 2019 | Provided during the year | Deletion / adjustments during the year | Balance as at 31st March 2020 | Balance as at 31st March 2020 | Balance as at 31st March 2019 |
| A Tangible assets | | | | | | | | | | | | | |
| Own Assets | | | | | | | | | | | | | |
| LAND | | Single | 358,750.00 | - | - | | 358,750.00 | - | - | | - | 358,750.00 | 358,750.00 |
| SHOWROOM LAND | | Single | 2,620,000.00 | - | - | | 2,620,000.00 | - | - | | - | 2,620,000.00 | 2,620,000.00 |
| BUILDING | 30 | Single | 17,629,056.33 | 236,000.00 | - | | 17,865,056.33 | 692,846.06 | 1,611,181.98 | | 2,304,028.04 | 15,561,028.29 | 16,936,210.27 |
| SHOWROOM SCO 42 | 30 | Single | 8,698,424.58 | - | - | | 8,698,424.58 | 341,860.00 | 793,873.63 | | 1,135,733.63 | 7,562,690.95 | 8,356,564.58 |
| PLANT AND MACHINERY | 15 | Single | 16,156,902.07 | 457,106.30 | - | | 16,614,008.37 | 1,209,499.23 | 2,751,998.14 | | 3,961,497.37 | 12,652,511.00 | 14,947,402.84 |
| FURNITURE AND FIXTURES | 10 | Single | 639,167.43 | - | - | | 639,167.43 | 68,459.03 | 147,756.40 | | 216,215.43 | 422,952.00 | 570,708.40 |
| OFFICE EQUIPMENTS | 5 | Single | 1,917,515.70 | 128,500.00 | - | | 2,046,015.70 | 357,528.42 | 718,022.24 | | 1,075,550.66 | 970,465.04 | 1,559,987.28 |
| COMPUTER | 3 | Single | 44,048.05 | 12,462.71 | - | | 56,510.76 | 11,509.41 | 25,589.13 | | 37,098.54 | 19,412.22 | 32,538.64 |
| HEAVY VEHICLE | 8 | Single | 1,845.91 | - | - | 1,845.91 | - | 238.49 | 502.00 | 740.49 | -0.00 | 0.00 | 1,607.42 |
| VEHICLE | 8 | Single | 11,622,559.17 | 4,101,545.00 | - | 1,395,453.21 | 14,328,650.96 | 1,501,612.35 | 3,757,598.86 | 248,053.35 | 5,011,157.86 | 9,317,493.10 | 10,120,946.82 |
| Total (A) | | | 59,688,269.24 | 4,935,614.01 | - | 1,397,299.12 | 63,226,584.13 | 4,183,553.00 | 9,806,522.38 | 248,793.84 | 13,741,281.54 | 49,485,302.59 | 55,504,716.24 |
| P.Y Total | | | - | 7,700.00 | 59,680,569.24 | - | 59,688,269.24 | - | 4,183,553.00 | - | 4,183,553.00 | 55,504,716.24 | - |
| B Capital work in progress | | | | | | | | | | | | | |
| BUILDING | | | - | - | | | - | | | | | - | - |
| PLANT AND MACHINERY | | | - | - | | | - | | | | | - | - |
| SOFTWARE DEVELOPMENT | | | - | - | | | - | | | | | - | - |
| EUGMP Fee | | | - | - | | | - | | | | | - | - |
| Total (B) | | | - | - | | | - | | | | | - | - |
| P.Y Total | | | - | - | | | - | - | - | - | - | - | - |
| C Intangible Assets | | | | | | | | | | | | | |
| REGISTRATION FEE | | | - | 1,392,753.00 | | | 1,392,753.00 | - | - | - | | 1,392,753.00 | - |
| Total (C) | | | - | 1,392,753.00 | | | 1,392,753.00 | | | | | 1,392,753.00 | - |
| P.Y Total | | | - | - | | | - | - | - | - | - | - | - |
| Current Year Total (A+B+C) | | | 59,688,269.24 | 6,328,367.01 | - | 1,397,299.12 | 64,619,337.13 | 4,183,553.00 | 9,806,522.38 | 248,793.84 | 13,741,281.54 | 50,878,055.59 | 55,504,716.24 |
| Previous Year Total | | | - | 7,700.00 | 59,680,569.24 | - | 59,688,269.24 | - | 4,183,553.00 | - | 4,183,553.00 | 55,504,716.24 | - |



15TH ANNUAL REPORT

BETA DRUGS LIMITED ("BDL")

ADLEY FORMULATIONS PRIVATE LIMITED

Note 10 (a) Long-term loans and advances

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|---|---------------------------------------|---------------------------------------|
| Security Deposit | | |
| Secured, considered good | 9,408,416.06 | 8,941,770.06 |
| loan and advances to related parties | | |
| Unsecured, considered good | - | - |
| Total | 9,408,416.06 | 8,941,770.06 |

Note 10 (b) Other Non Current Assets

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|----------------------------|---------------------------------------|---------------------------------------|
| Insurance Claim Receivable | 11,200,000.00 | 11,200,000.00 |
| Total | 11,200,000.00 | 11,200,000.00 |

Note 11 Inventories

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|--|---------------------------------------|---------------------------------------|
| (Valued at cost or NRV unless otherwise stated) | | |
| (a) Finished goods (other than those acquired for trading) | 2,041,399.21 | 9,949,239.10 |
| (b) Raw Material | 7,070,902.87 | 5,128,118.77 |
| (c) WIP | 6,868,114.00 | - |
| d) Others | 24,597,371.35 | 16,119,264.83 |
| Total | 40,577,787.43 | 31,196,622.71 |

Note 12 Trade receivables

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|--------------------------|---------------------------------------|---------------------------------------|
| Exceeding six months | | |
| Secured, considered good | 11,675,863.65 | 18,887,012.94 |
| Total | 11,675,863.65 | 18,887,012.94 |
| Less than six months | | |
| Secured, considered good | 93,208,122.34 | 58,102,803.64 |
| Total | 93,208,122.34 | 58,102,803.64 |
| Total | 104,883,985.99 | 76,989,816.58 |



| ADLEY FORMULATIONS PRIVATE LIMITED | | |
|--|------------------------|------------------------|
| Note 13 Cash and cash equivalents | | |
| Particulars | As at 31 March' | As at 31 March' |
| | 2020 | 2019 |
| | Amount in Rs. | Amount in Rs. |
| CASH IN HAND | | |
| (a) Cash in hand | 724,554.85 | 662,389.00 |
| (b) Imprest A/c | 242,975.00 | 4,304.00 |
| Total | 967,529.85 | 666,693.00 |
| (b) Balances with banks | | |
| (i) In current accounts | | |
| Axis Bank | - | 2,000.00 |
| ICICI Bank | 1,105,622.87 | 207,035.57 |
| Kotak Mohindra Bank | 620,202.48 | 856,472.40 |
| Capital Small Finance Bank Ltd | - | 14,560.00 |
| Vijaya Bank | 58,032.80 | 414,993.30 |
| State Bank of India | 9,472.67 | 4,590.03 |
| (ii) In earmarked accounts | | |
| - Unpaid dividend accounts | | |
| - Unpaid matured deposits | | |
| - Unpaid matured debentures | | |
| - Share application money received for allotment of | | |
| - Balances held as margin money or security against | | |
| - Other earmarked accounts (specify) (Refer Note (ii) below) | | |
| (c) Others (specify nature) | | |
| FDR (Margin Money) | 7,837,506.00 | 1,669,708.00 |
| Total | 9,630,836.82 | 3,169,359.30 |
| Grand Total | 10,598,366.67 | 3,836,052.30 |
| Note 14 Short-term loans and advances | | |
| Particulars | As at 31 March' | As at 31 March' |
| | 2020 | 2019 |
| | Amount in Rs. | Amount in Rs. |
| (a) Loans and advances to related parties | - | - |
| (b) Loans and advances others | | |
| Advances To Supplier | 7,164,194.80 | 4,982,563.47 |
| Advances To Supplier (Machinery) | 30,400.00 | - |
| Other Advances (Staff) | 572,429.00 | 261,929.00 |
| Total | 7,767,023.80 | 5,244,492.47 |
| Note 15 Other current assets | | |
| Particulars | As at 31 March' | As at 31 March' |
| | 2020 | 2019 |
| | Amount in Rs. | Amount in Rs. |
| Other Assets | | |
| Cheque Deposited Yet not Cleared | 4,445,829.00 | 2,658,693.00 |
| Rent receivable | - | 105,000.00 |
| Prepaid Expenses | 131,086.00 | 160,259.00 |
| Preliminary Expenses | 131,676.60 | 175,568.80 |
| Total | 4,708,591.60 | 3,099,520.80 |



| ADLEY FORMULATIONS PRIVATE LIMITED | | | |
|---|----------------------------------|--|--|
| Note 16 Revenue from operations | | | |
| | Particulars | For the period ended 31 March' 2020 | For the period ended 31 March' 2019 |
| | | Amount in Rs. | Amount in Rs. |
| | Sale Of Products | | |
| | Sales Local 18% | 18,750,362.00 | 6,372,572.40 |
| | Export Sales | 47,076,073.20 | 11,632,039.94 |
| | Sales Exempt | 133,509.00 | 1,062,399.00 |
| | GST Sales 12% | 163,546,410.74 | 57,527,244.99 |
| | GST Sales 5% | 16,281,979.08 | 2,209,577.20 |
| | Total | 245,788,334.02 | 78,803,833.53 |
| Note 17 Other income | | | |
| | Particulars | For the period ended 31 March' 2020 | For the period ended 31 March' 2019 |
| | | Amount in Rs. | Amount in Rs. |
| (a) | Interest Income | - | 9,915.00 |
| (b) | Rent Income | 455,000.00 | 175,000.00 |
| (c) | Other non-operating income | 614,893.00 | 400,123.00 |
| (d) | Foreign Currency Exchange Gain | - | - |
| | Total | 1,069,893.00 | 585,038.00 |
| Note 18 Cost of materials consumed | | | |
| | Particulars | For the period ended 31 March' 2020 | For the year ended 31 March' 2019 |
| | | Amount in Rs. | Amount in Rs. |
| | Opening stock | 21,247,383.60 | - |
| | Add: Purchases | 113,662,554.68 | 61,008,751.21 |
| | Less: Closing stock | 31,668,274.22 | 21,247,383.60 |
| | Cost of material consumed | 103,241,664.06 | 39,761,367.61 |
| | Total | 103,241,664.06 | 39,761,367.61 |
| Note 19 Changes in inventories of finished goods, work-in-progress and stock-in-trade | | | |
| | Particulars | For the period ended 31 March' 2020 | For the year ended 31 March' 2019 |
| | | Amount in Rs. | Amount in Rs. |
| <u>Inventories at the end of the year:</u> | | | |
| | Finished goods | 2,041,399.21 | 9,949,239.10 |
| | Work In Progress | 6,868,114.00 | - |
| | | 8,909,513.21 | 9,949,239.10 |
| <u>Inventories at the beginning of the year:</u> | | | |
| | Finished goods | 9,949,239.10 | - |
| | Work In Progress | - | - |
| | | 9,949,239.10 | - |
| <u>(Increase)/ decrease in Inventory</u> | | | |
| | Finished goods | 7,907,839.89 | -9,949,239.10 |
| | Work In Progress | -6,868,114.00 | - |
| | | 1,039,725.89 | -9,949,239.10 |



| ADLEY FORMULATIONS PRIVATE LIMITED | | |
|--|--|--|
| Note 20 Other Manufacturing Expenses | | |
| Particulars | For the period ended 31 March' 2020 | For the year ended 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| Consumeable Stores | 1,129,774.00 | 532,895.34 |
| Generator running expenses | 289,739.00 | 17,700.00 |
| Power & Fuel | 2,962,431.00 | 1,584,193.00 |
| Direct labour | 8,516,797.76 | 3,230,435.00 |
| Repairs & maintenance (machinery & Building) | 463,251.38 | 8,354.00 |
| Freight Inward | 91,080.50 | 20,672.50 |
| Factory Expenses | 123,819.60 | 23,820.00 |
| Packing & Forwarding expense | 2,706,013.00 | 35,647.00 |
| Solid Waste Pollution expenses | 118,521.48 | 33,541.00 |
| Housekeeping Expenses | 32,750.00 | - |
| Testing Charges | 952,365.41 | 282,085.02 |
| Total | 17,386,543.13 | 5,769,342.86 |
| Note 21 Employee benefits expense | | |
| Particulars | For the period ended 31 March' 2020 | For the year ended 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| Salaries and wages | | |
| Director | 12,890,256.00 | 5,000,000.00 |
| Employees | 26,847,547.00 | 11,960,051.00 |
| Employer Share of ESI | 159,275.00 | 79,099.00 |
| Employer Share of PF | 949,352.00 | 150,409.00 |
| Bonus | 797,746.00 | 358,619.00 |
| Staff welfare expenses | 190,344.00 | 68,240.00 |
| Staff Uniform Expenses | 23,030.00 | - |
| Gratuity | 966,057.00 | 898,650.00 |
| Total | 42,823,607.00 | 18,515,068.00 |
| Note 22 Finance costs | | |
| Particulars | For the period ended 31 March' 2020 | For the year ended 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| (a) Interest expense on: | | |
| (i) Borrowings | | |
| Bank Interest CC | 11,442,986.46 | 5,470,955.00 |
| Interest on Term Loan | 2,431,581.00 | 1,030,339.70 |
| Interest on Term Loan (Vehicle) | 578,001.96 | 287,921.17 |
| (ii) Others | 415,000.00 | - |
| (iii) Interest on income tax | 116,742.00 | - |
| (iv) Interest on Loan (Holding Co.) | 183,755.00 | - |
| (b) Other borrowing costs (Processing Fees) | | |
| Bank charges | 2,240,230.21 | 186,062.03 |
| Processing fee for renewal | | |
| Total | 17,408,296.63 | 6,975,277.90 |



| ADLEY FORMULATIONS PRIVATE LIMITED | | |
|------------------------------------|--|--------------------------------------|
| Note 23 Other expenses | | |
| Particulars | For the period ended 31 March' 2020 | For the year ended 31 March' 2019 |
| | Amount in Rs. | Amount in Rs. |
| Advertisement Expenses | 35,000.00 | 712,786.57 |
| Business Promotion Expenses | 2,574,477.70 | 175,091.94 |
| Commission Paid | 648,543.52 | 1,208,438.00 |
| Conference Expenses | 391,165.00 | 290,817.00 |
| Conveyance Expenses | 208,010.00 | 79,420.00 |
| Expired & damages Goods Return | 1,641,699.34 | 789,132.54 |
| Foreign Travel | 371,078.00 | - |
| Foreign Exchange Gain/Loss | 494,832.00 | 455,590.73 |
| Freight Outward | 2,055,687.57 | 1,068,708.31 |
| Insurance Apportion Cost | 423,274.00 | 71,962.00 |
| Legal & Professional Expenses | 989,209.00 | 4,130.00 |
| Loss on sale of asset | 197,399.01 | - |
| Medical Expenses | 13,240.00 | - |
| Office Expenses | 59,290.00 | 48,480.43 |
| Printing & Stationary | 138,545.88 | 56,706.00 |
| Preliminary expenses w/off | 43,892.20 | 43,892.20 |
| Rate Difference | 696,912.50 | 315,334.00 |
| Rate Fee & taxes | 1,130,732.00 | 299,536.00 |
| Repair & maintenance (Vehicle) | 397,225.18 | 180,299.00 |
| Round Off | 147.88 | -134.45 |
| Small Balance Written Off | - | -5,790.87 |
| Software Expenses | 25,400.00 | 24,000.00 |
| Telephone & Postage | 52,066.00 | 69,711.00 |
| Trade Discount Expenses | 531,831.30 | 579,049.00 |
| Travelling Expenses | 13,579,869.45 | 3,263,806.88 |
| Total | 26,699,527.53 | 9,730,966.28 |



NOTES TO ACCOUNTS OF STANDALONE FINANCIALS OF M/S ADLEY FORMULATIONS PRIVATE LIMITED

NOTE '3' : SIGNIFICANT ACCOUNTING POLICIES**(Forming part of Accounts)****FOR THE YEAR ENDED 31ST MARCH, 2020****3.1. Basis of Accounting**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical convention on accrual basis. These financial statements have been prepared to comply, in all material aspects, with the Indian accounting standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the presentation requirements as prescribed by the Schedule III of the Companies Act, 2013 to the extent applicable.

3.2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires that management makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balance of assets and liabilities and the disclosure relating to contingent liabilities as at the date of the financial statements. These estimates are based upon management's best knowledge of current events and actions. The difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

3.3. Fixed Assets**-Tangible Assets**

Tangible Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment of assets, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. The company has a policy of physical verification of all the assets once in a year, the last verification was done on 20th March 2020 and no discrepancies were noticed during such verification.

Following Immovable assets are currently in the name of M/s Adley Formulations, post acquisition of business, the title deed is to be transferred in M/s Adley Formulations Private Limited. As explained to us, registration of title deeds is in progress in respect of immovable properties.

| Particulars | Address of Property |
|----------------------|--|
| 1. LAND | Village Kotla, Barotiwala, Tehsil Baddi, Dist. Solan, HP |
| 2. BUILDING | Village Kotla, Barotiwala, Tehsil Baddi, Dist. Solan, HP |
| 3. BUILDING SHOWROOM | SCO 42, Sector 12, Panchkula |

In respect of movable properties, two vehicles are currently in the name of M/s Adley Formulations, post acquisition of business, the vehicle registration is to be transferred in M/s Adley Formulations Private Limited. As explained to us, transfer of vehicle along with endorsement of insurance was pending due to loan hypothecation, registration will be transferred after closure of the loans in respect of two cars having registration no. HP 12J 0888 and PB 65AK 9829.

- Capital Work-in-Progress

Expenses incurred during construction/installation period are included under capital work-in-progress and allocated to relevant fixed assets in the ratio of cost of the respective assets on completion of construction/installation. There is no work in progress for the financial year ending 31-March-2020.

3.4. Depreciation/Amortisation

- Depreciation on tangible assets is provided, on Written Down Value method, over the useful life of assets estimated by the management in accordance with Schedule-II of the Companies Act, 2013. **(Refer note 4.7).**
- Residual value of assets has been considered at 5% of the original cost of the assets.
- Depreciation on additions to fixed assets is calculated on date of put to use as certified by the management.
- Depreciation on assets sold & scrapped, during the year, is provided upto the month in which such fixed assets are sold or scrapped.

**3.5. Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

3.6. Valuation of Inventories

- Raw Material Chemicals & Salts
- Packing Material (including the stock transferred from Adley Formulations (prop.) i.e. held for more than 1 year).
- Finished Goods Oncology products comprises of Injections, Tablets & Capsules
- Work In Progress (Semi Finished Goods)
- The value of raw material and packing material has been taken at cost. Finished goods and Work in Progress has been taken on allocation of overhead cost.
- The company has a policy of physical verification of the entire available inventory once every month, no material discrepancies were noticed during such verification

3.7. Revenue Recognition

- Revenue from sale of goods is recognised when risk and rewards of ownership are transferred to the customers.
- Revenue from services is recognised when services are rendered and related costs are incurred.
- Other income is recognised on accrual basis unless otherwise stated.
- Revenue from sales/services are shown net of taxes, as applicable.

3.8. Employee Benefits**a) Short-term Employee Benefits:**

- Leave Encashment, on the basis of actual computation, is accounted on payment basis, after retirement of the employees, the payment in respect thereof is made by the Company from its own funds as per the past practice consistently followed by the Company.
- Payment of Bonus – This year the company has paid Rs. 7,97,746.00 as per The Payment of Bonus Act, 1965.

b) Post-Employment Benefits**(i) Defined Contribution Plans :**

Contributions as required under the Statute/Rule are made to Employees State Insurance & Provident Fund and charged to the Statement of Profit & Loss of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plans :

Gratuity is accounted for on accrual basis.

Provision for Gratuity Liability for the financial year 2019-20 of Rs. 9,66,057.00 is created and the outstanding balance for provision as on 31st March 2020 is Rs. 16,72,072.00 as per the Payment of Gratuity Act, however actuarial valuation is not done.

c) Termination Benefits : Termination benefits are recognised as an expense as and when incurred.**3.9. Foreign Currency Transactions**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. The difference in the rate of exchange, if any, is accounted at the time of realisation or settlement and is recognized in the Statement of Profit and Loss. Net amount of Rs. 4,94,832.00 is recognised as revenue expense for the year.

3.10. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets to the extent that they relate to the period till such assets are ready to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit & Loss.

**3.11. Investments**

- Current Investments are carried at cost or fair value whichever is lower.
- Non-Current Investments are carried at cost. Provision for diminution in value of non-current investments is made only, if a decline is other than temporary.

3.12. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit & Loss on monthly due basis.

3.13. Taxes on Income

- Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.
- Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities.
- Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will be in a position to avail of such credit under the provisions of the Income Tax Act, 1961.

3.14. Earnings Per Share (EPS)

- Annualised basic earnings per equity share is arrived at based on net profit/(loss) attributable to equity shareholders to the basic weighted average number of equity shares outstanding.
- Annualised diluted earnings per equity share is arrived at based on adjusted net profit/(loss) attributable to equity shareholders to the adjusted weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares; except where the results are anti-dilutive. At present the Company does not have any dilutive potential equity shares.

3.15. Cash Flow Statement:

- The Cash Flow Statement is prepared by the indirect method set out in Indian Accounting Standard (Ind AS) 7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.
- Cash and cash equivalents presented in the Cash Flow Statement consists of balance in current accounts and cash balances.

3.16. Contingencies and Provisions

A provision is recognised when the Company has a present obligation as a result of past events. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

Details of Contingent Liabilities in the form of Bank Guarantee as on 31.03.2020.

| Bank Name | Bank Guarantee No | Opening Date | Expiry Date | In Favour | Amount (₹) |
|------------|-------------------|--------------|-------------|---|-------------|
| ICICI BANK | 0043BGFD003519 | 19.12.2018 | 31.12.2021 | THE MANAGING DIRECTOR UTTAR PRADESH MEDICAL SUPPLIES CORP LTD | 13,004.00 |
| ICICI BANK | 0043BGFD005519 | 29.03.2019 | 30.01.2020 | TAMILNADU MEDICAL SERVICES CORP | 1,96,100.00 |



| | | | | | |
|-------------|------------------|------------|------------|--|---------------------|
| ICICI BANK | 0043BGFD005619 | 30.03.2019 | 30.04.2020 | STATE HEALTH SOCIETY, ASSAM O/O | 66,655.00 |
| ICICI BANK | 0043BGFD00072 | 04.06.2019 | 03.07.2022 | MANAGING DIRECTOR, RMSCL JAIPUR | 9,61,384.00 |
| ICICI BANK | 0043BGFD001020 | 03.08.2019 | 30.08.2020 | STATE HEALTH SOCIETY, ASSAM O/O | 1,24,257.00 |
| ICICI BANK | FD NO - 16736502 | 23.10.2019 | 23.10.2020 | FA/CAO JKMSCL JAMMU | 1,00,000.00 |
| KOTAK BANK | 0281IGP190063972 | 19.12.2019 | 11.01.2024 | MANAGING DIRECTOR, RMSCL JAIPUR | 14,91,497.00 |
| KOTAK BANK | 0281IGP190065684 | 26.12.2019 | 26.12.2021 | STATE HEALTH SOCIETY, ASSAM O/O | 69,418.00 |
| ICICI BANK | 0043BGFD003020 | 15.02.2020 | 25.02.2023 | ANDHRA PRADESH MEDICAL SERVICES AND INFRASTRUCTURE & DEVELOPMENT CORPORATION | 10,21,551.00 |
| ICICI BANK, | 0043BG00000520 | 22.01.2020 | 30.04.2020 | STATE PHARMACEUTICALS CORP OF SRI LANKA , COLOMBO | 5,15,000.00 |
| | | | | TOTAL | 45,58,866.00 |

- 3.17 **Internal Control Policy and BCP Management:** The Company has firm internal control measures that are sufficient according to the volume and the type of business. The management assesses the operating effectiveness of these controls on regular basis. There are pre-drafted plans to deal with the disasters and ensure the continuity of its business operations with the minimum disruptions. All the required security checks i.e. physical security of the company premises and its database are properly installed, daily backup is being done for all the accounting and related data. The company has recently engaged Tata Consultancy Services to provide a cloud based ERP in which the data will remain safe on the cloud and can be accessed and updated on real time basis from anywhere.
- 3.18 **Impact of Covid-19:** The plant and office was closed w.e.f. March 22, 2020 due to COVID-19 pandemic, the Company had restarted all of its operations during the month of May 2020 adhering to the safety norms prescribed by Central Government and by the local authorities and worked with 70% production capacity for the initial two months as it was facing labour migration issue and then restored to its full capacity. The Company is taking proper measures to prevent the Covid-19 spread like temperature scanning of every individual entering the office/factory, use of hand sanitizers and face masks during the course of work, Sanitizing the premises and maintaining social distancing at all the workplaces. The Company's capital and financial resources remain intact as the company had enough unutilized working capital limit. The Company has been paying all its statutory dues and other commitments on a timely basis. The company's vendor base is also being supported with payments at regular intervals. The company has witnessed slight drop in demand for its products & services, otherwise there is no major impact on the business of the company, as of now.

**NOTE 4 : OTHER NOTES TO ACCOUNTS****(Forming part of Accounts)****FOR THE YEAR ENDED 31ST MARCH, 2020****4.1. Contingent Liabilities & Commitments:**

- a) Estimated amount of contracts remaining to be executed and not provided for in the books of account - Nil (previous year - Nil).
- b) Contingent Liabilities: Rs. 45,58,866.00
- Claims against the Company not acknowledged as debt - Nil (previous year - Nil).
 - Liabilities in respect of Income Tax, Service Tax, Sales Tax and other material statutory dues have been accounted for on the basis of respective returns filed with the relevant authorities. Additional demand, if any, arising at the time of assessments will be accounted for in the year in which assessments are completed.

4.2. Issued, Subscribed & Paid up Capital:

Issued Subscribed and paid up capital of the company is Rs. 1,26,00,000.00 (divided into 12,60,000 shares of Rs, 10 each)

4.3. Reserves & Surplus:

- The amount shown in the Reserve & Surplus represents only the surplus earned during the year. Total amount of surplus outstanding as on 31.03.2020 is Rs. 2,47,43,793.32.

4.4. Long-term Borrowings**Secured :**

Term Loan:

| S.NO | Lender | Nature of facility | Loan | Amount outstanding as at March 31, 2020 | Rate of interest (%) | Repayment Terms | Security / Principal terms and conditions |
|------|-------------------------------|---|-----------|---|----------------------|---|---|
| 1 | ICICI BANK LTD (VEHICLE LOAN) | Term Loan of Rs. 40.00 Lakhs (A/c No. LUPNC00035804579) | Term Loan | Rs. 14.66 Lakhs | 13.51% | Total Installments of Rs 1.08 Lakhs P.M. divided into 48 Equated monthly installment. | HYP of Motor Vehicles from the bank. |
| 2 | HDFC BANK (VEHICLE LOAN) | Term Loan of Rs 45 Lakhs | Term Loan | Rs 11.98 Lakhs | 7.86% | Total Installments of Rs 1.37 Lakhs P.M. divided into 37 Equated monthly installment. | HYP of Motor Vehicles from the bank. |
| 3 | ICICI BANK (PROPERTY LOAN) | Term Loan of 486.00 Lakhs | Term Loan | Rs 485.29 lakhs | 10.26% | Total Installments of Rs 5.30 Lakhs P.M. divided into 180 Equated | |



| | | | | | | monthly installment. | |
|---|-------------------------|---------------------------------|-----------------|-----------------|-------|---|--|
| 4 | ICICI BANK CC | Cash Credit of Rs. 555.00 Lakhs | Working Capital | Rs 476.11 Lakhs | | | 1.Hypothecation of Industrial Property at plot no 56 Industrial Area Kalka 2.Hypothecation of Industrial Property at Khewat Khatoni 24/24 Min Khasra No. 49 (5-8) Mouja Kotla, Hadbast No 203, Pargam Doon Baddi 3.Hypothecation of Commercial Property at SCO No 184 Sector-5 Urban Estate Panchkula. |
| 5 | Yes Bank (VEHICLE LOAN) | Term Loan of Rs 30 Lakhs | Term Loan | Rs 24.91 Lakhs | 9.44% | Total Installments of Rs 0.93 Lakhs P.M. divided into 37 Equated monthly installment. | HYP of Motor Vehicles from the bank. |

- 4.5.** In the opinion of the Directors, "Current Assets" and "Loans & Advances" are approximately of the value stated in the Balance Sheet, if realized in the ordinary course of business and to the best of their knowledge provisions for all the known liabilities have been made and, as certified, all the contractual and statutory obligations have been duly complied with.

During the financial year 2018-19 the company raised a claim of Rs.1,12,00,000.00 against the stock destroyed by the fire occurred in the factory premises. This claim recovery is still pending from the National Insurance Company.

- 4.6.** Party balances have been incorporated in the financial statements at the value as per the books of account & are considered hopeful of recovery/good for payment.

4.7. Depreciation/Amortisation

- The management estimates the remaining useful life of existing fixed assets as on 01st April, 2019 as follows:-

| | |
|----------------------|----------|
| Building | 30 years |
| Furniture & Fixtures | 10 years |
| Machinery | 15 years |
| Equipment | 5 years |
| Lab Equipment | 10 years |
| Vehicles | 8 years |



For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets and the useful lives for these assets is same as the useful lives as prescribed under Part-C of Schedule-II of the Companies Act, 2013. **(Refer note 3.4).**

4.8. Earnings Per Share (Ind AS-33)

| | <u>Year ended</u> <u>31st March, 2020</u> | <u>Year ended</u> <u>31st March, 2019</u> |
|-------------------------------------|---|---|
| Numerator | | |
| Net Profit/(Loss) | | |
| attributable to Equity shareholders | 2,14,85,917.43 | 32,57,875.89 |
| Denominator | | |
| Number of Equity shares | No.'s 12,60,000 | No.'s 12,60,000 |
| Nominal | | |
| Value per Equity share | 10 | 10 |
| Earnings per Equity share | | |
| - Basic and diluted | 17.05 | 6.21 |

4.9. Non-Current Investments:

- Equity shares have been stated at cost; provision for appreciation/diminution in the value of shares has not been made and no dividend was received during the year.

The provisions of Section 186 of the Companies Act, 2013 have been complied with.

4.10. Taxes

- The exact liability of CST/VAT, Service Tax, GST, Income Tax and other statutory dues is indeterminate pending finalisation of assessments and no disputed dues or amounts were outstanding or remaining unpaid as at 31st March, 2020.

-The current tax provision shown in the Balance Sheet is Rs. 65,92,273.58 after utilization of the advance tax and TDS of Rs. 12,85,637.

4.11. Segment Reporting

Since the Company primarily operates in one segment (i.e. Manufacturing of Oncology medicines), therefore segment reporting as required under Ind AS 108 is not applicable - there is no reportable geographical segment as the export sale of the company is less than 10% of the total sales made in India

4.12. Related Party Disclosures (Ind AS-24)

Related parties & their relationship and related parties transactions:

| S. No. | Related Party | Nature of Relationship | Nature of Transaction | Amount Involved During the year (') |
|--------|-----------------------|---------------------------------|----------------------------|-------------------------------------|
| 1. | Beta Drugs Limited | 100% Holding | Purchase of Goods | 18,96,893.39 |
| | Beta Drugs Limited | 100% Holding | Sale of Goods | 15,21,843.75 |
| | Beta Drugs Limited | 100% Holding | Receipt of Unsecured Loan | 1,32,20,000.00* |
| | Beta Drugs Limited | 100% Holding | Interest on Unsecured Loan | 1,65,379.00 |
| 2. | Adley Lab Limited | Common Subsidiary | Purchase of Goods | 1,11,63,550.00 |
| 3. | Rishi Herbal Products | Partnership Firm of Directors | Purchase of Goods | 5,50,560.00 |
| 4. | Rishi Herbal Products | Proprietorship Firm of Director | Purchase of Goods | 51,00,340.00 |



| | | | | |
|----|-------------------|-----------------|--------|----------------|
| 4. | Vijay Kumar Batra | Director | Salary | 1,20,00,000.00 |
| 5. | Ram Chander Jha | Common Director | Salary | 8,90,256.00 |

The above disclosure of the related party and the transactions entered have been made as per Ind AS-24. The transactions have been carried at arm's length price (ALP).

*The amount of Rs. 1,32,20,000.00 has been received from M/s Beta Drugs Limited for working capital requirement of the company. The rate of interest on this loan has been taken at yield method i.e. 9% as computed.

4.13. Impairment of Assets

During the year, the Company has undertaken a review of all the fixed assets in line with the requirements of Ind AS-36 on "Impairment of Assets" as notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, based on such review, no provision for impairment is required to be recognised for the year.

4.14. Fixed Assets:

- During the financial Year 2019-20 there was an addition of Rs. 13,92,753.00 under the head Intangible Asset.
 - During the financial Year 2019-20 there was an addition of Rs 2,36,000.00 under the head Building.
- During the financial year, there was addition of Rs. 46,99,614.01 made to Plant & Machinery, Furniture & Fixtures, Office Equipment, Vehicles & Computers

4.15. Deferred Tax Assets & Liabilities

During the FY 2019-20 the company has made Deferred Tax Asset. Details of Calculation is mentioned below:

| Calculation of Deferred Tax Asset / Liability | Amount (₹) |
|--|---------------------|
| Deferred Tax Asset on Depreciation | 6,27,760.40 |
| Deferred Tax Asset on Gratuity | 2,36,506.21 |
| Deferred tax on loss on Sale of Asset | 48,326.44 |
| Total Deferred Tax Asset Created for the financial year 2019-20 in Profit and Loss Account. | 9,12,593.04 |
| Add : Deferred Tax Asset as on 01.04.2019 (Opening) | 3,89,388.81 |
| Balance Deferred Tax Asset recognized in Balance Sheet | 13,01,981.85 |

4.16. Micro, Small & Medium Enterprises

Based on the information presently available, total outstanding as on 31.03.2020 is Rs. 50,38,946.78 to micro or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

4.17. Auditor's Remuneration



| (exclusive of service tax) | | |
|---|---|---|
| | <u>31st March, 2020</u> <u>AMOUNT</u> | <u>31st March, 2019</u> <u>AMOUNT</u> |
| -As Auditors | - | - |
| - Taxation Matters | - | - |
| - Certification | - | - |
| -Other Services | - | - |
| - Reimbursement of out of pocket expenses | - | - |
| TOTAL | - | - |

4.18 Other additional information

| | 31st March 2020 | 31st March 2019 |
|---|------------------------|------------------------|
| <u>Particulars</u> | <u>AMOUNT</u> | <u>AMOUNT</u> |
| "A" | | |
| Revenue from operations | | |
| (under broad heads) | | |
| Sales | | |
| -Sales With in India | 19,87,12,260.82 | 6,71,71,793.50 |
| -Export Sales | 4,70,76,073.20 | 1,16,32,039.98 |
| Total | 24,57,88,334.02 | 7,88,03,833.53 |
| "B" | | |
| Purchases | | |
| -Chemicals, Bulk Drugs & Packing Material | 11,36,62,554.68 | 6,10,08,751.21 |

4.19. Expenditure In Foreign Currency (On Accrual Basis):- Following Expenses were incurred by the company during the year 2019-20.

| | <u>31st March, 2020</u> <u>AMOUNT</u> | <u>31st March, 2019</u> <u>AMOUNT</u> |
|-----------------------------|---|---|
| - Import of Capital Goods | - | - |
| - Revenue Expenses (Travel) | 3,71,078.00 | - |
| TOTAL | 3,71,078.00 | - |

**4.20. Earning in Foreign Currency**

| Particulars | For The Year Ended (31.03.2020) | For the year Ended (31.03.2019) |
|---------------------|-------------------------------------|-------------------------------------|
| FOB Value of Export | 4,70,76,073.20* | 1,16,32,039.94* |

* This includes indirect export.

4.21 Balance confirmation has been sent to all the Debtors and Creditors by way of electronic mail. The major balances are confirmed by the counter parties.

4.22. Figures for previous year have been regrouped / rearranged where necessary to conform to the current year's presentation.

In terms of our attached report of even date.
For KALRA RAI AND ASSOCIATES
CHARTERED ACCOUNTANTS

F R No. – 008859
Sd/-

LAJPAT RAI KALRA
PARTNER
M No. -087438

Dated: 28.05.2020
Place: Chandigarh
UDIN:20087438AAAACE8971

For and on behalf of the Board of Directors

sd- sd/-

(Rahul Batra) (Varun Batra)
(DIN:02229234) (DIN: 02148383)



STANDALONE FINANCIAL STATEMENTS

OF

"ADLEY LAB LIMITED"

(WHOLLY-OWNED SUBSIDIARY)

FOR THE FINANCIAL YEAR

2019-20



KALRA RAI & ASSOCIATES
CHARTERED ACCOUNTANTS

Head Office: Kothi No. 667, 1st floor, Sector-43-A
Chandigarh-160022

Independent Auditors' Report
Members of Adley Lab Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind-AS financial statements of Adley Lab Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 Ind-AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind-AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the stand alone Ind-AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind-AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind-AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind-AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind-AS 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, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**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 subsection(11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid stand alone Ind-AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020, 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, refers 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 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 amounts available which is required to be transferred to the Investor Education and Protection Fund by the Company;

Place:- Chandigarh

Date: 28.05.2020

UDIN:20087438AAAACD7408

For KALRA RAI & ASSOCIATES

Chartered Accountants

Sd/-

(Lajpat Rai Kalra)

Partner

M. No- 087438

FRN: 008859N

**CARO**

Annexure 1 referred to in paragraph 1 of our report of even date

Re: Adley Lab Limited ('the Company')

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. All fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors/to a Company in which the director is interested to which, the provisions of Section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has made investments and given guarantees/provided security which is in compliance with the provisions of Section 186 of the Companies Act, 2013.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of Active Pharmaceutical Ingredients and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the Cost Audit Report.

vii. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a bank or government. There are no dues which are payable to financial institutions or debenture holders.

ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by



the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

xvi. According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

Place:- Chandigarh

Date: 28.05.2020

UDIN:20087438AAAACD7408

For KALRA RAI & ASSOCIATES

Chartered Accountants

Sd/-

(Lajpat Rai Kalra)

Partner

M. No- 087438

FRN: 008859N



"ANNEXURE-B" TO THE AUDITORS' REPORT

Referred to in Paragraph 7 of Our Report 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 **Adley Lab Limited** ("the Company") as of 31 March 2020 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 management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). 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 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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.

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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, 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.

Place:- Chandigarh

Date: 28.05.2020

UDIN:20087438AAAACD7408

For KALRA RAI & ASSOCIATES

Chartered Accountants

Sd/-

(Lajpat Rai Kalra)

Partner

M. No- 087438

FRN: 008859N



ADLEY LAB LIMITED

SCO-215, SECTOR-29-D, IRON MARKET CHANDIGARH 160029

CIN NUMBER U24231CH1992PLC012190

BALANCE SHEET AS AT 31 MARCH' 2020

| Particulars | Note No. | As at 31 March' 2020 | As at 31 March' 2019 |
|---|----------|----------------------|----------------------|
| | | Amount in Rs. | Amount in Rs. |
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 1 | 17,580,500.00 | 17,580,500.00 |
| (b) Reserves and surplus | 2 | -18,011,948.07 | -18,775,280.37 |
| (c) Money received against share warrants | | - | - |
| | | -431,448.07 | -1,194,780.37 |
| 2 Share application money pending allotment | | - | - |
| 3 Non-current liabilities | | | |
| (a) Long-term borrowings | 3 | 32,148,895.36 | 34,962,260.85 |
| (b) Deferred tax liabilities (net) | 4 | - | - |
| (c) Other long-term liabilities | | - | - |
| (d) Long-term provisions | 5 | 679,736.00 | - |
| | | 32,828,631.36 | 34,962,260.85 |
| 4 Current liabilities | | | |
| (a) Short-term borrowings | 6 | 9,180,725.94 | 10,977,335.82 |
| (b) Trade payables | 7 | 29,790,380.84 | 27,248,734.60 |
| (c) Other current liabilities | 8 | 17,344,465.61 | 10,538,977.15 |
| (d) Short-term provisions | | - | - |
| | | 56,315,572.39 | 48,765,047.57 |
| TOTAL | | 88,712,755.68 | 82,532,528.06 |
| B ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 9 | 43,194,096.13 | 49,366,208.45 |
| (ii) Intangible assets | | - | - |
| (iii) Capital work-in-progress | | - | - |
| (iv) Intangible assets under development | | - | - |
| (v) Fixed assets held for sale | | - | - |
| | | 43,194,096.13 | 49,366,208.45 |
| (b) Non-current investments | | - | - |
| (c) Deferred tax assets (net) | 4 | 688,334.63 | 405,978.57 |
| (d) Long-term loans and advances | 10 | 865,761.00 | 855,761.00 |
| (e) Other non-current assets | | - | - |
| | | 1,554,095.63 | 1,261,739.57 |
| 2 Current assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | 11 | 21,894,551.58 | 15,379,023.27 |
| (c) Trade receivables | 12 | 17,542,405.60 | 14,047,572.20 |
| (d) Cash and cash equivalents | 13 | 1,657,999.74 | 613,860.44 |
| (e) Short-term loans and advances | 14 | 544,704.00 | 594,220.94 |
| (f) Other current assets | 15 | 2,324,903.00 | 1,269,903.19 |
| | | 43,964,563.92 | 31,904,580.04 |
| TOTAL | | 88,712,755.68 | 82,532,528.06 |
| See accompanying notes forming part of the financial statements | | | |

In terms of our report attached.

For KALRA RAI AND ASSOCIATES

Chartered Accountants

(FRN: 008859N)

sd/-

LAJPAT RAI KALRA

Partner

MEMBERSHIP NO. 087438

UDIN: 20087438AAAACD7408

Place : Chandigarh

Date : 28.05.2020

For and on the behalf of the Board of Directors

sd/-

Rahul Batra
DIN: 02229234

sd/-

Jayant Kumar
DIN: 02172627



ADLEY LAB LIMITED

SCO-215, SECTOR-29-D, IRON MARKET CHANDIGARH 160029

CIN NUMBER U24231CH1992PLC012190

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH' 2020

| Particulars | Note No. | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|---|----------|---|---------------------------------------|
| A CONTINUING OPERATIONS | | | |
| 1 Revenue from operations (gross) | 16 | 112,159,773.73 | 79,772,150.80 |
| Less: Excise duty | | - | - |
| Revenue from operations (net) | | 112,159,773.73 | 79,772,150.80 |
| 2 Other income | 17 | 29,057.00 | 7,851.00 |
| 3 Total revenue (1+2) | | 112,188,830.73 | 79,780,001.80 |
| 4 Expenses | | | |
| (a) Cost of material consumed | 18 | 70,046,854.09 | 51,003,834.03 |
| (b) Purchases of stock-in-trade | | - | - |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 19 | -1,341,538.19 | -4,613,257.50 |
| (d) Other Manufacturing expense | 20 | 20,198,878.46 | 16,095,016.37 |
| (d) Employee benefits expense | 21 | 3,571,591.00 | 2,855,398.35 |
| (e) Finance costs | 22 | 5,123,735.20 | 4,632,387.02 |
| (f) Depreciation and amortisation expense | 9 | 6,843,031.37 | 8,017,675.03 |
| (g) Other expenses | 23 | 7,265,302.56 | 4,495,128.08 |
| Total expenses | | 111,707,854.49 | 82,486,181.38 |
| 5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4) | | 480,976.24 | -2,706,179.58 |
| 6 Exceptional items | | - | - |
| 7 Profit / (Loss) before extraordinary items and tax (5 ± 6) | | 480,976.24 | -2,706,179.58 |
| 8 Extraordinary items/Prior period items | | - | - |
| 9 Profit / (Loss) before tax (7 ± 8) | | 480,976.24 | -2,706,179.58 |
| 10 Tax expense: | | | |
| (a) Current tax expense for current year | | - | - |
| (b) (Less): MAT credit (where applicable) | | - | - |
| (c) Current tax expense relating to prior years | | - | - |
| (d) Net current tax expense | | - | - |
| (e) Deferred tax | | -282,356.05 | -199,397.57 |
| | | -282,356.05 | -199,397.57 |
| 11 Profit / (Loss) from continuing operations (9 ± 10) | | 763,332.29 | -2,506,782.01 |
| B DISCONTINUING OPERATIONS | | | |
| 12 Profit / (Loss) from discontinuing operations (B.i ± B.ii ± B.iii) | | - | - |
| C TOTAL OPERATIONS | | 763,332.29 | -2,506,782.01 |
| 13 Profit / (Loss) for the year (11 ± 12) | | 763,332.29 | -2,506,782.01 |
| 14 Earnings per share (of Rs. 10/- each): | | | |
| (a) Basic | | | |
| (i) Continuing operations | | 0.43 | -1.43 |
| (ii) Total operations | | 0.43 | -1.43 |
| (b) Diluted | | | |
| (i) Continuing operations | | 0.43 | -1.43 |
| (ii) Total operations | | 0.43 | -1.43 |
| In terms of our report attached. | | | |
| For KALRA RAI AND ASSOCIATES | | For and on the behalf of the Board of Directors | |
| Chartered Accountants | | | |
| (FRN: 008859N) | | | |
| sd/ | | sd/- | |
| LAJPAT RAI KALRA | | Rahul Batra | |
| Partner | | DIN: 02229234 | |
| MEMBERSHIP NO. 087438 | | sd/- | |
| UDIN: 20087438AAAACD7408 | | Jayant Kumar | |
| Place : Chandigarh | | DIN: 02172627 | |
| Date : 28.05.2020 | | | |



| ADLEY LAB LIMITED SCO-215, SECTOR-29-D, IRON MARKET CHANDIGARH 160029 CIN NUMBER U24231CH1992PLC012190 CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH' 2020 | | | |
|--|---|--|------------------------|
| Particulars | | As at 31 March' 2020 | As at 31 March' 2019 |
| | | Amount in Rs. | Amount in Rs. |
| A | CASHFLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit before tax and extraordinary items (as per Statement of Profit & Loss) | 763,332.29 | -2,506,782.01 |
| | Adjustments for non Cash/Non trade items: | | |
| | Depreciation & Amortization Expenses | 6,843,031.37 | 8,017,675.03 |
| | Finance Cost | 5,123,735.20 | 4,632,387.02 |
| | Interest received | (29,057.00) | (7,851.00) |
| | Other inflows/(outflows) of cash | 397,379.95 | (199,397.57) |
| | Operating profits before Working Capital Changes | 13,098,421.81 | 9,936,031.48 |
| | Adjusted For: | | |
| | (Increase)/Decrease in trade receivables | (3,494,833.40) | (6,252,140.20) |
| | Increase/(Decrease) in trade payables | 2,541,646.24 | 11,527,521.07 |
| | (Increase)/Decrease in inventories | (6,515,528.32) | (6,780,821.05) |
| | Increase/(Decrease) in other current liabilities | 6,805,488.46 | 2,967,700.15 |
| | (Increase)/Decrease in short term loans and advances | 49,516.94 | (491,380.85) |
| | (Increase)/Decrease in other current assets | (1,054,999.81) | (719,334.14) |
| | Working Capital Changes | -1,668,709.89 | 251,544.98 |
| | Net cashflow from Operating Activities (A) | 11,429,711.92 | 10,187,576.46 |
| B | CASHFLOW FROM INVESTING ACTIVITIES | | |
| | Purchase of tangible assets | (670,919.05) | (259,479.95) |
| | Interest received | 29,057.00 | 7,851.00 |
| | Cash advances and loans made to other parties | (10,000.00) | - |
| | Net cash used in Investing Activities (B) | (651,862.05) | (251,628.95) |
| C | CASHFLOW FROM FINANCING ACTIVITIES | | |
| | Finance Cost | (5,123,735.20) | (4,632,387.02) |
| | Increase/(Decrease) in short term borrowings | (1,796,609.88) | 1,673,971.67 |
| | Increase in/(Repayment) of Long term Borrowings | (2,813,365.49) | (7,240,938.15) |
| | Increase in/(Repayment) of Other Long term Liabilities | - | - |
| | Increase/ (Decrease) in share capital | - | - |
| | Other Inflows/ (Outflows) of cash | - | - |
| | Net cash used in Financing Activities (C) | (9,733,710.57) | (10,199,353.50) |
| D | Net Increase/(Decrease) in cash & cash equivalents (A+B+C) | 1,044,139.30 | (263,406.00) |
| E | Cash & Cash equivalents at beginning of period | 613,860.44 | 877,266.44 |
| F | Cash & Cash equivalents at end of period | 1,657,999.74 | 613,860.44 |
| G | Net Increase/(Decrease) in cash & cash equivalents (F-E) | 1,044,139.30 | (263,406.00) |
| In terms of our report attached. | | | |
| For KALRA RAI AND ASSOCIATES Chartered Accountants (FRN: 008859N) sd/- LAJPAT RAI KALRA Partner MEMBERSHIP NO. 087438 UDIN: 20087438AAAACD7408 Place : Chandigarh Date : 28.05.2020 | | For and on the behalf of the Board of Directors <div> <div>sd/-</div> <div>Rahul Batra</div> <div>DIN: 02229234</div> </div> <div> <div>sd/-</div> <div>Jayant Kumar</div> <div>DIN: 02172627</div> </div> | |



ADLEY LAB LIMITED

Notes forming part of the financial statements

Note 1 Share capital

Amount In Rupees

| Particulars | As at 31 March' 2020 | | As at 31 March' 2019 | |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | Number of shares | Amount in Rs. | Number of shares | Amount in Rs. |
| (a) Authorised | 3,000,000.00 | 30,000,000.00 | 3,000,000.00 | 30,000,000.00 |
| - Equity shares of Rs. 10 each | - | - | - | - |
| (b) Issued | | | | |
| - Equity shares of Rs. 10 each | 1,758,050.00 | 17,580,500.00 | 1,758,050.00 | 17,580,500.00 |
| | 1,758,050.00 | 17,580,500.00 | 1,758,050.00 | 17,580,500.00 |
| (c) Subscribed and fully paid up | | | | |
| - Equity shares of Rs.10 each | 1,758,050.00 | 17,580,500.00 | 1,758,050.00 | 17,580,500.00 |
| | 1,758,050.00 | 17,580,500.00 | 1,758,050.00 | 17,580,500.00 |
| (d) Subscribed but not fully paid up | - | - | - | - |
| | - | - | - | - |
| Total | 1,758,050.00 | 17,580,500.00 | 1,758,050.00 | 17,580,500.00 |

(iv) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As at 31 March' 2020 | | As at 31 March' 2019 | |
|---------------------------------------|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Mr. Vijay Kumar Batra | 1 | 0.00 | 745,800 | 42.42 |
| Mr. Varun Batra | 1 | 0.00 | 75,000 | 4.27 |
| Mr. Rahul Batra | 1 | 0.00 | 80,000 | 4.55 |
| Mrs. Neeraj Batra | 1 | 0.00 | 97,000 | 5.52 |
| Mrs. Heena Batra | 1 | 0.00 | 50 | 0.00 |
| Mr. Aman Bajaj | - | - | 420,100 | 23.90 |
| Mr. Tarun Bajaj | - | - | 340,100 | 19.35 |
| Mr. Balwant Singh | 1 | 0.00 | - | - |
| Beta Drugs Limited | 1,758,044 | 100.00 | - | - |
| Total | 1,758,050 | 100.00 | 1,758,050 | 100.00 |

**ADLEY LAB LIMITED****Notes forming part of the financial statements****Note 2 Reserves and surplus**

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|---|---------------------------------------|---------------------------------------|
| (a) Capital reserve | | |
| Opening balance | - | - |
| Closing balance | - | - |
| (b) Securities premium account | | |
| Opening balance | - | - |
| Closing balance | - | - |
| (c) Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening balance | -18,775,280.37 | -16,268,498.36 |
| | -18,775,280.37 | - |
| Add: Profit / (Loss) for the year | 763,332.29 | -2,506,782.01 |
| Closing balance | -18,011,948.07 | -18,775,280.37 |
| Total | -18,011,948.07 | -18,775,280.37 |

Note 3 Long-term borrowings

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|--|---------------------------------------|---------------------------------------|
| Term loans | | |
| From banks | | |
| Secured | | |
| SIDBI (Secured) | 9,363,000.00 | 13,815,000.00 |
| SIDBI Smile (Secured) | 731,000.00 | 1,055,000.00 |
| HDB Bank (Secured) | 9,312,517.36 | 11,262,260.85 |
| | 19,406,517.36 | 26,132,260.85 |
| From other parties | | |
| Secured | | |
| Unsecured (From Related Parties) | | |
| Mr. Balbir Singh | - | 500,000.00 |
| Mr. Vijay Kumar Batra | - | 1,805,000.00 |
| Mr. Tarun Bajaj | - | 3,875,000.00 |
| Mr. Aman Bajaj | - | 2,650,000.00 |
| M/s Beta Drugs Limited | 12,742,378.00 | - |
| Total - A | 12,742,378.00 | 8,830,000.00 |
| Unsecured (From Related Parties) | - | - |
| Total - B | - | - |
| | 12,742,378.00 | 8,830,000.00 |
| The Above Amount Includes | - | - |
| Secured Borrowings | 19,406,517.36 | 26,132,260.85 |
| Unsecured Borrowings | 12,742,378.00 | 8,830,000.00 |
| Total | 32,148,895.36 | 34,962,260.85 |



ADLEY LAB LIMITED

Notes forming part of the financial statements

Notes: Long-term borrowings

| Particulars | As at 31 March' 2020 | | | As at 31 March' 2019 | | |
|--|----------------------|---------------------|----------------------|----------------------|---------------------|----------------------|
| | Amount in Rs. | | | Amount in Rs. | | |
| | Non- Current | Current Maturities | Total | Non- Current | Current Maturities | Total |
| Term loans | | | | | | |
| From banks | | | | | | |
| Secured | | | | | | |
| SIDBI (Secured) | 9,363,000.00 | 4,452,000.00 | 13,815,000.00 | 13,815,000.00 | 4,452,000.00 | 18,267,000.00 |
| SIDBI Smile (Secured) | 731,000.00 | 324,000.00 | 1,055,000.00 | 1,055,000.00 | 324,000.00 | 1,379,000.00 |
| HDB Bank (Secured) | 9,312,517.36 | 1,949,746.75 | 11,262,264.11 | 11,262,260.85 | 1,764,938.15 | 13,027,199.00 |
| | 19,406,517.36 | 6,725,746.75 | 26,132,264.11 | 26,132,260.85 | 6,540,938.15 | 32,673,199.00 |
| From other parties | | | | | | |
| Secured | - | - | - | - | - | - |
| Unsecured (From Related Parties) | | | | | | |
| Mr. Balbir Singh | - | - | - | 500,000.00 | - | 500,000.00 |
| Mr. Vijay Kumar Batra | - | - | - | 1,805,000.00 | - | 1,805,000.00 |
| Mr. Tarun Bajaj | - | - | - | 3,875,000.00 | - | 3,875,000.00 |
| Mr. Aman Bajaj | - | - | - | 2,650,000.00 | - | 2,650,000.00 |
| M/s Beta Drugs Limited | 12,742,378.00 | - | 12,742,378.00 | - | - | - |
| Total - A | 12,742,378.00 | - | 12,742,378.00 | 8,830,000.00 | - | 8,830,000.00 |
| Unsecured (From Unrelated Parties) | - | - | - | - | - | - |
| Total - B | - | - | - | - | - | - |
| | | | | | | |
| | 12,742,378.00 | - | 12,742,378.00 | 8,830,000.00 | - | 8,830,000.00 |
| The Above Amount Includes | | | | | | |
| Secured Borrowings | 19,406,517.36 | 6,725,746.75 | 26,132,264.11 | 26,132,260.85 | 6,540,938.15 | 32,673,199.00 |
| Unsecured Borrowings | 12,742,378.00 | - | 12,742,378.00 | 8,830,000.00 | - | 8,830,000.00 |
| Amount disclosed under "Other Current Liabilities" | | (6,725,746.75) | (6,725,746.75) | | (6,540,938.15) | (6,540,938.15) |
| Total | 32,148,895.36 | - | 32,148,895.36 | 34,962,260.85 | - | 34,962,260.85 |

**ADLEY LAB LIMITED****Note 4 Deferred Tax**

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|---------------------------------|---------------------------------------|---------------------------------------|
| Deferred tax assets | | |
| Deferred tax on depreciation | 282,356.05 | 199,397.57 |
| Add: Deferred tax asset opening | 405,978.57 | 206,581.00 |
| Net Deferred assets | 688,334.63 | 405,978.57 |

Note 5 Long-term provisions

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|--------------------------------|---------------------------------------|---------------------------------------|
| (a) Provision for Gratuity | 679,736.00 | - |
| (b) Other Long term provisions | - | - |
| Total | 679,736.00 | - |

Note 6 Short-term borrowings

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Other loans and advances | | |
| Secured | | |
| - From Vijaya Bank CC Limit Secured | 9,180,725.94 | 10,977,335.82 |
| Unsecured | - | - |
| Total | 9,180,725.94 | 10,977,335.82 |

Note 7 Trade payables

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|-----------------|---------------------------------------|---------------------------------------|
| Trade payables: | | |
| MSME | 1,135,825.00 | 11,121,467.00 |
| Others | 28,654,555.84 | 16,127,267.60 |
| Total | 29,790,380.84 | 27,248,734.60 |

**Note 8 Other current liabilities**

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|--|---------------------------------------|---------------------------------------|
| Other payables | 1,737,744.92 | 919,706.00 |
| (i) Current Maturities of Long Term Debt (Note No. 3) | 6,725,746.75 | 6,540,938.15 |
| (ii) Payables on purchase of fixed assets | 3,272,982.94 | - |
| (iii) Contractually reimbursable expenses | - | - |
| (iv) Interest accrued on trade payables | - | - |
| (v) Interest accrued on others | - | - |
| (vi) Trade / security deposits received | - | - |
| (vii) Others (specify nature) | - | - |
| Cheques issued but not yet presented | 5,600,841.00 | 3,064,146.00 |
| Advances From Customers | 7,150.00 | 14,187.00 |
| Total | 17,344,465.61 | 10,538,977.15 |

Note 8(a) Other current liabilities

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|------------------------------|---------------------------------------|---------------------------------------|
| PF Payable | 66,368.00 | 41,852.00 |
| ESI payable | 15,137.00 | 24,746.00 |
| TDS payable | 113,546.00 | 4,165.00 |
| Interest Accrued But Not Due | 289,487.92 | 209,635.00 |
| Salary & wages Payable | 823,975.00 | 510,392.00 |
| Welfare Payable | 10,776.00 | 8,700.00 |
| Audit Fee Payable | 118,000.00 | 118,000.00 |
| Expenses payable | 300,455.00 | 2,216.00 |
| GST payable | - | - |
| Total | 1,737,744.92 | 919,706.00 |



15TH ANNUAL REPORT

BETA DRUGS LIMITED ("BDL")

Note 9 Fixed assets

| Assets | | | Gross Block | | | | | Accumulated Depreciation/ Amortisation | | | | Net Block | |
|-----------------------------------|------------------------|--------|------------------------------|---------------------------|---|--------------------------|-------------------------------|--|--------------------------|--|-------------------------------|-------------------------------|-------------------------------|
| | Useful Life (In Years) | Shift | Balance as at 1st April 2019 | Additions during the year | Addition on account of business acquisition | Deletion during the year | Balance as at 31st March 2020 | Balance as at 1st April 2019 | Provided during the year | Deletion / adjustments during the year | Balance as at 31st March 2020 | Balance as at 31st March 2020 | Balance as at 31st March 2019 |
| A Tangible assets | | | | | | | | | | | | | |
| Own Assets | | | | | | | | | | | | | |
| LAND | | Single | 605,253.50 | | | | 605,253.50 | | | | | 605,253.50 | 605,253.50 |
| BUILDING | 30 | Single | 33,364,568.05 | 94,180.00 | | | 33,458,748.05 | 8,273,693.34 | 2,436,414.63 | | 10,710,107.97 | 22,748,640.08 | 25,090,874.71 |
| PLANT AND MACHINERY | 15 | Single | 38,717,382.70 | 395,000.00 | | | 39,112,382.70 | 15,678,102.02 | 4,147,114.49 | | 19,825,216.51 | 19,287,166.19 | 23,039,280.68 |
| FURNITURE AND FIXTURES | 10 | Single | 427,355.85 | - | | | 427,355.85 | 342,251.28 | 18,289.87 | | 360,541.15 | 66,814.70 | 85,104.57 |
| COMPUTER | 3 | Single | 34,294.92 | 126,711.86 | | | 161,006.78 | 27,159.66 | 67,077.52 | | 94,237.17 | 66,769.61 | 7,135.26 |
| OFFICE EQUIPMENTS | 5 | Single | 1,025,151.89 | - | | | 1,025,151.89 | 806,229.64 | 88,971.16 | | 895,200.80 | 129,951.09 | 218,922.25 |
| LAB EQUIPMENTS | 10 | Single | 533,360.00 | 55,027.19 | | | 588,387.19 | 213,722.53 | 85,163.70 | | 298,886.23 | 289,500.96 | 319,637.47 |
| Total (A) | | | 74,707,366.91 | 670,919.05 | | | 75,378,285.96 | 25,341,158.46 | 6,843,031.37 | - | 32,184,189.83 | 43,194,096.13 | 49,366,208.45 |
| P.Y Total | | | 74,447,887.04 | 259,479.87 | | | 74,707,366.91 | 17,323,483.43 | 8,017,675.03 | | 25,341,158.46 | 49,366,208.45 | 57,124,403.61 |
| B Capital work in progress | | | | | | | | | | | | | |
| P.Y Total | | | - | - | | | - | | | | - | - | - |
| Current Year Total (A) | | | 74,707,366.91 | 670,919.05 | - | - | 75,378,285.96 | 25,341,158.46 | 6,843,031.37 | - | 32,184,189.83 | 43,194,096.13 | 49,366,208.45 |
| Previous Year Total | | | 74,447,887.04 | 259,479.87 | - | - | 74,707,366.91 | 17,323,483.43 | 8,017,675.03 | - | 25,341,158.46 | 49,366,208.45 | 57,124,403.61 |



15TH ANNUAL REPORT

BETA DRUGS LIMITED ("BDL")

ADLEY LAB LIMITED

Note 10 Long-term loans and advances

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|---|---------------------------------------|---------------------------------------|
| Security Deposit | | |
| Secured, considered good | 865,761.00 | 855,761.00 |
| MAT Credit Entitlement | - | - |
| Provision for subsidy deposit taken | - | - |
| loan and advances to related parties | | |
| Unsecured, considered good | - | - |
| Total | 865,761.00 | 855,761.00 |

Note 11 Inventories

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|--|---------------------------------------|---------------------------------------|
| (Valued at cost or NRV unless otherwise stated) | | |
| (a) Finished goods (other than those acquired for trading) | 8,960,335.69 | 10,254,487.50 |
| (b) Raw Material | 9,422,845.90 | 5,124,535.77 |
| (c) WIP | 2,635,690.00 | - |
| (d) Others | 875,680.00 | - |
| Total | 21,894,551.58 | 15,379,023.27 |

Note 12 Trade receivables

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|--------------------------|---------------------------------------|---------------------------------------|
| Exceeding six months- | | |
| Secured, considered good | - | - |
| Total | - | - |
| Less than six months- | | |
| Secured, considered good | 17,542,405.60 | 14,047,572.20 |
| Total | 17,542,405.60 | 14,047,572.20 |
| Total | 17,542,405.60 | 14,047,572.20 |

**ADLEY LAB LIMITED****Note 13 Cash and cash equivalents**

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|--|---------------------------------------|---------------------------------------|
| CASH IN HAND | | |
| (a) Cash in hand | 952,935.54 | 192,224.37 |
| (b) Imprest A/c | 24,329.08 | 70,752.50 |
| Total | 977,264.62 | 262,976.87 |
| (b) Balances with banks | | |
| (i) In current accounts | | |
| IDBI Bank | 14,437.00 | 14,437.00 |
| Vijaya Bank | 66,298.12 | 27,055.57 |
| (iv) In earmarked accounts | | |
| - Unpaid dividend accounts | | |
| - Unpaid matured deposits | | |
| - Unpaid matured debentures | | |
| - Share application money received for allotment of | | |
| - Balances held as margin money or security against | | |
| - Other earmarked accounts (specify) (Refer Note (ii) below) | | |
| (c) Others (specify nature) | | |
| FDR against BG | 600,000.00 | 309,391.00 |
| FDR With Vijaya Bank | - | - |
| Total | 680,735.12 | 350,883.57 |
| Total | 1,657,999.74 | 613,860.44 |

Note 14 Short-term loans and advances

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|---|---------------------------------------|---------------------------------------|
| (a) Loans and advances to related parties | | |
| (b) Loans and advances others | | |
| Advances To Supplier | 522,386.00 | 513,220.94 |
| Advances To Supplier (Machinery) | - | - |
| Other Advances | 22,318.00 | 81,000.00 |
| Total | 544,704.00 | 594,220.94 |

Note 15 Other current assets

| Particulars | As at 31 March' 2020 Amount in Rs. | As at 31 March' 2019 Amount in Rs. |
|----------------------------------|---------------------------------------|---------------------------------------|
| Cheques deposited not yet clear | 1,250,810.00 | 500,448.00 |
| Advance Tax | 200,000.00 | - |
| TDS | - | 2,216.00 |
| Prepaid Expenses | 109,343.00 | 83,160.00 |
| Income Tax refund due AY 2018-19 | - | 51,104.00 |
| GST Recoverable | 764,750.00 | 632,975.19 |
| Total | 2,324,903.00 | 1,269,903.19 |



ADLEY LAB LIMITED

Note 16 Revenue from operations

| | For the period ended 31 March' 2020 | For the period ended 31 March' 2019 |
|-------------------------|--|--|
| Particulars | Amount in Rs. | Amount in Rs. |
| Sale Of Products | | |
| Sales | 112,159,773.73 | 79,772,150.80 |
| Total | 112,159,773.73 | 79,772,150.80 |

Note 17 Other income

| | For the period ended 31 March' 2020 | For the period ended 31 March' 2019 |
|------------------------------------|--|--|
| Particulars | Amount in Rs. | Amount in Rs. |
| (a) Interest Income | 29,057.00 | 7,851.00 |
| (b) Other non-operating income | - | - |
| (c) Foreign Currency Exchange Gain | | |
| Total | 29,057.00 | 7,851.00 |

Note 18 Cost of materials consumed

| | For the period ended 31 March' 2020 | For the period ended 31 March' 2019 |
|---|--|--|
| Particulars | Amount in Rs. | Amount in Rs. |
| Opening stock | 5,124,535.77 | 2,956,972.22 |
| Add: Other items (Direct Expenses) to services provided : | - | - |
| Purchases | 75,220,844.22 | 53,171,397.57 |
| Total | 80,345,379.99 | 56,128,369.79 |
| Less: Closing stock | 10,298,525.90 | 5,124,535.77 |
| Cost of material consumed | 70,046,854.09 | 51,003,834.03 |
| Total | 70,046,854.09 | 51,003,834.03 |

Note 19 Changes in inventories of finished goods, work-in-progress and stock-in-trade

| | For the period ended 31 March' 2020 | For the period ended 31 March' 2019 |
|--|--|--|
| Particulars | Amount in Rs. | Amount in Rs. |
| Inventories at the end of the year: | | |
| Finished goods | 8,960,335.69 | 10,254,487.50 |
| Work In Progress | 2,635,690.00 | - |
| | 11,596,025.69 | 10,254,487.50 |
| Inventories at the beginning of the year: | | |
| Finished goods | 10,254,487.50 | 3,966,230.00 |
| Work In Progress | - | 1,675,000.00 |
| | 10,254,487.50 | 5,641,230.00 |
| (Increase)/ decrease in Inventory | | |
| Finished goods | 1,294,151.81 | -6,288,257.50 |
| Work In Progress | -2,635,690.00 | 1,675,000.00 |
| | -1,341,538.19 | -4,613,257.50 |

**ADLEY LAB LIMITED****Note 20 Other Manufacturing expense**

| Particulars | For the period ended 31 March' 2020 Amount in Rs. | For the period ended 31 March' 2019 Amount in Rs. |
|-------------------------------------|--|--|
| Consumeable Stores | 5,790,799.90 | 3,963,014.38 |
| Direct Labour | 7,708,559.00 | 7,082,531.00 |
| Factory Expenses | 157,497.85 | 108,457.00 |
| Freight Inward | 170,673.92 | 256,129.29 |
| Generator Running Expenses | 586,282.00 | 308,136.00 |
| Packing & Farwading Expenses | 306,741.37 | 369,921.00 |
| Power & Fuel | 3,882,384.00 | 2,203,493.00 |
| Repair & maintenance (Building) | 66,445.46 | 834,653.50 |
| Repair & maintenance (Electricity) | 130,886.00 | 347,134.00 |
| Repair & maintenance (Machinery) | 511,612.59 | 233,878.20 |
| Testing Charges | 886,996.37 | 387,669.00 |
| Total | 20,198,878.46 | 16,095,016.37 |

Note 21 Employee benefits expense

| Particulars | For the period ended 31 March' 2020 Amount in Rs. | For the period ended 31 March' 2019 Amount in Rs. |
|------------------------|--|--|
| Salaries and wages | | |
| Director | - | 600,000.00 |
| Employees | 2,096,082.00 | 1,396,340.00 |
| Employer Share of ESI | 152,429.00 | 188,457.00 |
| Employer Share of PF | 322,561.00 | 231,737.00 |
| Welfare Fund | 8,620.00 | 6,960.00 |
| Staff welfare expenses | 205,563.00 | 356,604.35 |
| Gratuity | 679,736.00 | - |
| Bonus | 106,600.00 | 75,300.00 |
| Total | 3,571,591.00 | 2,855,398.35 |

Note 22 Finance costs

| Particulars | For the period ended 31 March' 2020 Amount in Rs. | For the period ended 31 March' 2019 Amount in Rs. |
|---|--|--|
| (a) Interest expense on: | | |
| (i) Borrowings | | |
| Interest on CC | 884,138.00 | 901,699.00 |
| Interest on Term Loan | 3,186,556.03 | 3,525,910.00 |
| Interest on Term Loan (Vehicle) | - | - |
| (ii) Others | - | - |
| (iii) Interest on income tax | - | - |
| (iv) Interest on Loan (Holding Co.) | 970,421.00 | - |
| (b) Other borrowing costs (Processing Fees) | | |
| Bank charges | 82,620.17 | 204,778.02 |
| Processing fee for renewal | | |
| Total | 5,123,735.20 | 4,632,387.02 |



ADLEY LAB LIMITED

Note 23 Other expenses

| Particulars | For the period ended 31 March' 2020 Amount in Rs. | For the period ended 31 March' 2019 Amount in Rs. |
|---------------------------------|---|---|
| Advertisement Expenses | 108,000.00 | 54,000.00 |
| Audit Fee | - | 59,000.00 |
| Business Promotion | - | 2,530,000.00 |
| Commission Paid | 207,039.00 | 76,815.00 |
| Conveyance Expenses | 55,540.00 | 31,360.00 |
| Diwali Expenses | - | 52,891.28 |
| Freight Outward | 69,758.00 | 25,234.00 |
| Foreign Exchange Loss | 174,195.98 | 9,748.50 |
| Insurance Apportion Cost | 186,228.00 | 77,587.00 |
| Legal & Professional Expenses | 5,877,000.00 | 81,000.00 |
| Misc. Expenses | 175,484.00 | 125,426.00 |
| Office Expenses | 26,300.00 | 153,200.00 |
| Printing & Stationary | 54,158.00 | 54,011.60 |
| Rate Fee & taxes | 193,520.60 | 169,300.60 |
| Repair & maintenance (Vehicle) | 24,815.00 | 4,370.00 |
| Round Off | -47.74 | 2.15 |
| Small Balance Written Off | - | 4,610.73 |
| Software Expenses | 18,000.00 | 15,000.00 |
| Telephone & Postage | 45,354.00 | 43,751.00 |
| Trade Discount Expenses | 18,890.34 | 30,627.00 |
| Travelling Expenses | 31,067.38 | 897,193.22 |
| Total | 7,265,302.56 | 4,495,128.08 |



NOTES TO ACCOUNTS OF STANDALONE FINANCIALS OF M/S ADLEY LAB LIMITED
NOTE '3' : SIGNIFICANT ACCOUNTING POLICIES**(Forming part of Accounts)****FOR THE YEAR ENDED 31ST MARCH, 2020****3.1. Basis of Accounting**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical convention on accrual basis. These financial statements have been prepared to comply, in all material aspects, with the Indian accounting standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the presentation requirements as prescribed by the Schedule III of the Companies Act, 2013 to the extent applicable.

3.2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires that management makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balance of assets and liabilities and the disclosure relating to contingent liabilities as at the date of the financial statements. These estimates are based upon management's best knowledge of current events and actions. The difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

3.3. Fixed Assets**-Tangible Assets**

Tangible Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment of assets, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. The company has a policy of physical verification of all the assets once in a year, the last verification was done on 15th February 2020 and no discrepancies were noticed during such verification.

-Capital Work-in-Progress

Expenses incurred during construction/installation period are included under capital work-in-progress and allocated to relevant fixed assets in the ratio of cost of the respective assets on completion of construction/installation. There is no work in progress for the financial year ending 31-March-2020.

3.4. Depreciation/Amortisation

- Depreciation on tangible assets is provided, on Written Down Value method, over the useful life of assets estimated by the management in accordance with Schedule-II of the Companies Act, 2013. **(Refer note 4.5).**
- Residual value of assets has been considered at 5% of the original cost of the assets.
- Depreciation on additions to fixed assets is calculated on date of put to use as certified by the management.
- Depreciation on assets sold & scrapped, during the year, is provided upto the date on which such fixed assets are sold or scrapped.

3.5. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

3.6. Valuation of Inventories

- Raw Material Chemicals & Salts
- Packing Material
- Finished Goods products comprises of Active Pharmaceutical Ingredients and Pharmaceutical Formulation Intermediates
- Work In Progress (Semi Finished Goods)
- The value of raw material and packing material has been taken at cost. Finished goods and Work in Progress has been taken on allocation of overhead cost.
- The company has a policy of physical verification of the entire available inventory once every month, no material discrepancies were noticed during such verification

**3.7. Revenue Recognition**

- Revenue from sale of goods is recognised when risk and rewards of ownership are transferred to the customers.
- Revenue from services is recognised when services are rendered and related costs are incurred.
- Other income is recognised on accrual basis unless otherwise stated.
- Insurance and other claims are accounted for on settlement of claims/on receipt.
- Revenue from sales/services are shown net of taxes, as applicable.

3.8. Employee Benefits**b) Short-term Employee Benefits:**

- Leave Encashment, on the basis of actual computation, is accounted for on accrual basis, during the tenure of employment the payment in respect thereof is made by the Company from its own funds as per the past practice consistently followed by the Company.
- Payment of Bonus – This year the company has paid Rs. 1,06,600.00 as per The Payment of Bonus Act, 1965.

c) Post-Employment Benefits**(i) Defined Contribution Plans :**

Contributions as required under the Statute/Rule are made to Employees State Insurance & Provident Fund and charged to the Statement of Profit & Loss of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plans :

Gratuity is accounted for on accrual basis.

Provision for Gratuity Liability for the financial year 2019-20 of Rs. 6,79,736.00 is created as per the Payment of Gratuity Act, however actuarial valuation is not done.

d) Termination Benefits: Termination benefits are recognised as an expense as and when incurred.**3.9. Foreign Currency Transactions**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. The difference in the rate of exchange, if any, is accounted at the time of realisation or settlement and is recognized in the Statement of Profit and Loss. Net amount of Rs. 1,74,195.98 is recognized as revenue expense for the year.

3.10. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets to the extent that they relate to the period till such assets are ready to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit & Loss.

3.11. Investments

- Current Investments are carried at cost or fair value whichever is lower.
- Non-Current Investments are carried at cost. Provision for diminution in value of non-current investments is made only, if a decline is other than temporary.

3.12. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit & Loss on monthly due basis.

3.13. Taxes on Income

- Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.
- Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities.
- Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will be in a position to avail of such credit under the provisions of the Income Tax Act, 1961.

**3.14. Earnings Per Share (EPS)**

- Annualised basic earnings per equity share is arrived at based on net profit/(loss) attributable to equity shareholders to the basic weighted average number of equity shares outstanding.
- Annualised diluted earnings per equity share is arrived at based on adjusted net profit/(loss) attributable to equity shareholders to the adjusted weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares; except where the results are anti-dilutive. At present the Company does not have any dilutive potential equity shares.

3.15. Cash Flow Statement:

- The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.
- Cash and cash equivalents presented in the Cash Flow Statement consists of balance in current accounts and cash balances.

3.16. Contingencies and Provisions

A provision is recognised when the Company has a present obligation as a result of past events. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

3.17 Internal Control Policy and BCP Management: The Company has firm internal control measures that are sufficient according to the volume and the type of business. The management assesses the operating effectiveness of these controls on regular basis. There are pre-drafted plans to deal with the disasters and ensure the continuity of its business operations with the minimum disruptions. All the required security checks i.e. physical security of the company premises and its database are properly installed, daily backup is being done for all the accounting and related data. The company has recently engaged Tata Consultancy Services to provide a cloud based ERP in which the data will remain safe on the cloud and can be accessed and updated on real time basis from anywhere.

3.18 Impact of Covid-19: The plant and office was closed w.e.f. March 22, 2020 due to COVID-19 pandemic, the Company had restarted all of its operations during the month of May 2020 adhering to the safety norms prescribed by Central Government and by the local authorities and worked with 70% production capacity for the initial two months as it was facing labour migration issue and then restored to its full capacity. The Company is taking proper measures to prevent the Covid-19 spread like temperature scanning of every individual entering the office/factory, use of hand sanitizers and face masks during the course of work, Sanitizing the premises and maintaining social distancing at all the workplaces. The Company's capital and financial resources remain intact as the company had enough unutilized working capital limit. The Company has been paying all its statutory dues and other commitments on a timely basis. The company's vendor base is also being supported with payments at regular intervals. The company has witnessed slight drop in demand for its products & services, otherwise there is no major impact on the business of the company, as of now.



NOTE 4 : OTHER NOTES TO ACCOUNTS
(Forming part of Accounts)
FOR THE YEAR ENDED 31ST MARCH, 2020

4.1. Issued, Subscribed & Paid up Capital:

Issued, Subscribed and paid up capital of the company is Rs. 1,75,80,500.00 (divided into 17,58,050 shares of Rs, 10 each)
 There has been a major change in the ownership of the company. 99.99% shares have been acquired by M/s Beta Drugs Limited i.e. the Holding Company during the year. One Equity Share each with similar voting rights on behalf of M/s Beta Drugs Limited have been allotted to six individual directors

4.2. Reserves & Surplus:

- The amount shown in the Reserve & Surplus represents accumulated losses net of surplus generated during the year. Total amount of Reserves & Surplus outstanding as on 31.03.2020 is (-) Rs. 1,80,11,948.07.

4.3. Long-term Borrowings

Secured :

Term Loan:

| Lender | Nature of Facility | Loan | Amount outstanding as at 31 March'2020 | Rate of Interest | Repayment Terms |
|---------------|----------------------------------|-----------------|--|------------------|--|
| Vijaya Bank | Working Capital of Rs. 100 lakhs | Working Capital | 91.80 Lakhs | 8.70% | 1. First charge by way of hypothecation of whole of the current assets, of the borrower ,both present and future and including but not limiting to ,all stocks of raw material, work in progress, semi finished goods, finished goods, packing material, stores, etc. 2. First charge by way of hypothecation of all the present and future book-debts and other actionable claims arising out of genuine trade transactions. 3. First charge by the way of hypothecation in the favour of SIDBI of all the borrower movable, including the movables, plant, machinery, machinery spares ,tools & accessories, office equipment, computers, furniture & fixtures both present and future. 4.First charge by way of mortgage of leasehold rights in favour of SIDBI of all immovable properties of the borrower ,both present and future , situated at plot no D-27, Industrial Area, Focal point, Derabassi, Punjab measuring 2500 sq.yards, including |
| SIDBI | Term Loan of Rs 268 Lakhs | Term Loan | 138.15 Lakhs | 9.70% (Floating) | |
| SIDBI (SMILE) | Term Loan of Rs 20 Lakhs | Term Loan | 10.55 lakhs | 9.35% (Floating) | |



BETA DRUGS LIMITED (“BDL”)

| | | | | | |
|-----|---------------------------|-----------|-----------------|------------------|--|
| | | | | | building and structure thereon. 5. Total 71 Installments of Rs 3.98 Lakhs p.m. (plus interest) and last installment of Rs. 5.42 Lakhs (plus interest). |
| HDB | Term Loan of Rs 150 Lakhs | Term Loan | Rs 112.62 Lakhs | 9.81% (Floating) | Total Installments of Rs 2.49 Lakhs P.M. divided into 84 Equated monthly installment. First Installment Commenced from 04 January, 2018. |

4.4. In the opinion of the Directors, “Current Assets” and “Loans & Advances” are approximately of the value stated in the Balance Sheet, if realized in the ordinary course of business and to the best of their knowledge provisions for all the known liabilities have been made and, as certified, all the contractual and statutory obligations have been duly complied with.

4.5. **Depreciation/Amortisation**

- The management estimates the remaining useful life of existing fixed assets as on 01st April, 2019 as follows:-

| | |
|----------------------|----------|
| Building | 30 years |
| Furniture & Fixtures | 10 years |
| Machinery | 15 years |
| Equipment | 5 years |
| Lab Equipment | 10 years |

For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. The useful lives for these assets are same as prescribed under Part-C of Schedule-II of the Companies Act, 2013. (Refer note 3.4)

4.6. **Earnings Per Share (AS-20)**

| | <u>Year ended</u> <u>31st March, 2020</u> | <u>Year ended</u> <u>31st March, 2019</u> |
|---|---|---|
| Numerator | | |
| Net Profit/(Loss) attributable to Equity shareholders | 7,63,332.29 | -25,06,782.01 |
| Denominator | | |
| Number of Equity shares | No.'s 17,58,050 | No.'s 17,58,050 |
| Nominal Value per Equity share | 10 | 10 |
| Earnings per Equity share | | |
| - Basic and diluted | 0.43 | -1.43 |

**4.7. Segment Reporting**

Since the Company primarily operates in one segment (i.e. Manufacturing of API/PFI), therefore segment reporting as required under Ind AS - 108 is not applicable - there is no reportable geographical segment as the export sale of the company is less than 10% of the total sales made in India

4.8. Related Party Disclosures (Ind AS-24)

Related parties & their relationship and related parties transactions.

| S. No. | Related Party | Nature of Relationship | Nature of Transaction | Amount Involved During the year (₹) |
|--------|----------------------------|------------------------|----------------------------|-------------------------------------|
| 1. | Beta Drugs Limited | 100% Holding | Finished Goods Sold | 7,57,19,750.00 |
| | Beta Drugs Limited | 100% Holding | Receipt of Unsecured Loan | 1,18,69,000.00* |
| | Beta Drugs Limited | 100% Holding | Interest on Unsecured Loan | 8,73,378.00 |
| 2. | Adley Formulations Pvt Ltd | Common Subsidiary | Sale of Goods | 1,11,63,550.00 |

The above disclosure of the related party and the transactions entered has been made as per Ind AS-24. The transactions have been carried at arm's length price (ALP).

*The amount of Rs. 1,18,69,000.00 has been received from M/s Beta Drugs Limited for working capital requirement of the company. The rate of interest on this loan has been taken at yield method i.e. 9% as computed.

4.9 Fixed Assets:

- During the financial Year 2019-20 there was no addition under the head Land.
 - During the financial Year 2019-20 there was an addition of Rs 94,180.00 under the head Building.
- During the financial year, there was addition of Rs. 5,76,739.05 made to Plant & Machinery, Furniture & Fixtures, Office Equipment, Vehicles & Computers.

4.10. Deferred Tax Assets & Liabilities

During the FY 2019-20 the company has made Deferred Tax Asset. Details of Calculation mentioned below.

| Calculation of Deferred Tax Asset / Liability | Amount (₹) |
|--|--------------------|
| Deferred Tax Asset on depreciation/gratuity/bonus | 2,82,356.05 |
| Total Deferred Tax Asset Created for the financial year 2019-20 in Profit and Loss Account. | 2,82,356.05 |
| Add : Deferred Tax Asset as on 01.04.2019 (Opening) | 4,05,978.57 |
| Net Deferred Tax Asset | 6,88,334.63 |



Form No. MGT-12 Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

| Name of the Company: Beta Drugs Limited Registered Office: Village Nandpur, Lodhimajra Road, Baddi Distt Solan, H.P. 174101 CIN: L24230HP2005PLC028969 | | |
|---|--|--------------|
| BALLOT PAPER FOR 15TH ANNUAL GENERAL MEETING HELD ON 30TH SEPTEMBER, 2020 | | |
| Sr. No. | Particulars | Details |
| 1. | Name of the First Named Shareholder (in block letters) | |
| 2. | Postal address | |
| 3. | Registered Folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form) | |
| 4. | Class of Share | Equity Share |

I hereby exercise my vote in respect of Ordinary/ Special resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

| Sr. No. | Resolution | No. of shares held by me | I assent to the resolution | I dissent from the resolution |
|---------|---|--------------------------|----------------------------|-------------------------------|
| | ORDINARY BUSINESS | | | |
| 1. | Adoption of Financial Statements (I) Audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2020 and the Reports of the Board of Directors and Auditors thereon; and (II) Audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2020, together with the Report of the Auditors thereon | | | |
| 2. | To appoint a Director in place of Mr. Rahul Batra (DIN: 02229234), who retires by rotation and being eligible, offers himself for re appointment. | | | |
| | SPECIAL BUSINESS | | | |
| 3. | Remuneration to Cost Auditor for the Financial Year ended 31st March, 2021. | | | |

Place:

Date:

(Signature of Shareholder)



BDL ONCOLOGY
(Beta Drugs Limited)

We team of BETA DRUGS LTD.,
wants to thank you from bottom
of our hearts for supporting us
in achieving this newer heights.

**THANK
YOU!**



Beta Drugs Limited:-
Village Nandpur, LodhimaJra Road
Baddi, Distt Solan, H.P. 174101
Tel No. 01795-236196,

Email: cs@betadrugslimited.com,
Website: www.betadrugslimited.com