



# Bal Pharma Limited

*Your Preferred Partner in Quality Health Care*



**31<sup>ST</sup>**

ANNUAL  
REPORT

**2017-18**

**BOARD OF DIRECTORS**

Mr. Shailesh Siroya	-	Managing Director
Mr. Shrenik Siroya*	-	Non executive Director
Dr. Subba Rao Prasanna	-	Executive Director
Dr. G.S.R Subba Rao	-	Independent Director
Mr. Pramod Kumar.S	-	Independent Director
Mrs. Sarika Bhandari	-	Independent Director

**STATUTORY AUDITORS**

Messrs NSVM & Associates  
Chartered Accountants

**INTERNAL AUDITORS**

Messrs Bharath & Associates  
Chartered Accountants

**SECRETARIAL AUDITORS**

Mr. Parameshwar G Bhat  
Practising Company Secretary

**COST AUDITORS**

Mr. M.R Krishna Murthy  
Cost Accountant

**REGISTRAR & TRANSFER AGENTS**

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

**PLANT LOCATIONS**

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

**BANKERS**

Canara Bank  
Punjab National Bank  
Yes Bank Limited  
Export Import Bank of India (EXIM Bank)  
Corporation Bank

\* Mr. Shrenik Siroya exited from the Board w.e.f 3.11.2017  
# Acquired this Company on 22.03.2018.

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**NOTICE IS HEREBY GIVEN THAT** the 31<sup>th</sup> (Thirty first) Annual General Meeting of the Members of Bal Pharma Limited will be held on the 22<sup>nd</sup> September, 2018 i.e on Saturday at 11.00 A.M at ESV Hall, Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560 001, to transact the following business:

**ORDINARY BUSINESS:-**

1. To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss for the financial year ended as on that date together with the Board's Report and Independent Auditors' Report thereon.
2. To declare Dividend.
3. To ratify the reappointment of the Statutory Auditors:  
And to consider and if thought fit to pass the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 139 (1) and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company hereby ratifies the reappointment of Messrs NSVM & Associates , Chartered Accountants ( Registration No. 010072S) as the Statutory Auditors of the Company up to the financial year ending 31<sup>st</sup> March 2019, who were appointed as Auditors of the Company in the 30<sup>th</sup> Annual General Meeting (AGM) of the Company held on 22<sup>nd</sup> September 2017 to hold office until the conclusion of the 35<sup>th</sup> Annual General Meeting , on such remuneration and out of pocket expenses as may be mutually agreed upon by the Board of Directors and the Auditors, in connection with the audit of financial statements of the Company”.

**SPECIAL BUSINESS:**

4. **To Increase the investments limits of NRI's and FPI's in the Share Capital of the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Foreign Exchange Management Act,1999, and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and all other applicable rules, & regulations, guidelines and laws (including any statutory modifications or re-enactment there of for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board of Directors of

the Company (hereinafter referred to as the “Board”, which term shall include a duly authorized committee of Directors for the time being exercising the powers conferred by the Board of Directors), consent of the Company be and is hereby accorded to permit Foreign Institutional Investors (the “FII”) registered with the SEBI to acquire and hold on their own account and on behalf of each of their SEBI approved sub-accounts or Foreign Portfolio Investors (FPIs) by whatever name called, to make investment in any manner in the equity shares of the Company upto an aggregate limit of 50% (Fifty percent) of the paid-up equity share capital of the Company and Non Resident Indians (NRI's) to invest up to the extent of 24%( Twenty Four percent) of the paid up capital of the Company on repatriation basis , provided however, that the shareholding of each FII/FPI /NRI's in its own account and on behalf of each of their SEBI approved sub-accounts in the Company shall not exceed such limits as are applicable or may be prescribed, from time to time, under applicable Acts, Laws, Rules and Regulations (including any statutory modifications or re-enactment thereof or the time being in force);

**FURTHER RESOLVED** that the Board of Directors (which shall include any Committee which the Board may constitute, or any Director/Officer authorised by the Board for this purpose) be and is hereby authorised to settle all matters arising out of and incidental to the above mentioned increase in FII/FPI limits and further take all actions as it may, in its absolute discretion, deem necessary to give effect to this Resolution.”

5. **To reappoint Dr. Subba Rao Prasanna ( DIN # 00084602) as the whole time Director of the Company.**

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

**RESOLVED THAT** pursuant to the provisions of Sections 2(94), 196, 197, 198, 203 and applicable provisions of Companies Act, 2013 ( hereinafter referred to as “the Act”), read with Schedule V of the Act and the Companies ( Appointment & Remuneration of Managerial Personnel ) Rules ,2014, as may be applicable ( including any statutory modification or re-enactment thereof for the time being in force ) and subject to the approval of the central government as may be required and subject to the applicable clauses of Articles of Association of the Company , approval of the members be and is hereby accorded to reappoint Dr. Subba Rao Prasanna ( DIN # 00084602 ) as Whole Time Director of the Company for a period of two(2) years with effect from 01-10-2018 to 30-10-2020.

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

**RESOLVED FURTHER THAT** the managerial remuneration payable to Dr.Subba Rao Prasanna, whole Time Director, as



recommended by the Nomination and Remuneration Committee and the Board is ₹ 2,80,000 (Rupees Two Lakhs Eighty Thousand only) per month for the period of 2 (two) years with effect from 01.10.2018, which is inclusive of salary and perquisites but exclusive of the following :

1. Contribution to Provident Fund, Superannuation Fund or annuity fund to the extent they singly or together are not taxable under Income Tax Act,1961.
2. Gratuity payable at a rate not exceeding half a months salary for each completed year of continuous service.
3. Encashment of leave at the end of his tenure as Director of the Company.

#### Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of his appointment, the entire applicable remuneration by way of salary and perquisites mentioned above shall be revised to be at par with the provisions prescribed under Schedule V of the Companies Act,2013.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to vary the terms and conditions of appointment of Dr. Subba Rao Prasanna as Whole Time Director, subject to the limits prescribed under Schedule V of the Companies Act,2013.

#### 6. To ratify the remuneration payable to Cost Auditor:

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act,2013 and the Companies (Audit and Auditors) Rules, 2014, Mr. M.R Krishna Murthy , Cost Accountant (Membership # 7568) appointed by the Board of Directors as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March 2019, be paid the remuneration as set out in the statement annexed to the notice convening this Meeting.

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

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

**Shailesh Siroya**  
Managing Director  
DIN : 00048109

#### NOTES:-

1. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll instead of himself / herself. A proxy need not be a member of the Company. Proxy, in order to be effective must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. Proxy Form is forwarded as detachable part of Annual Report.
2. Dividend, if any, that may be declared at the Meeting will be paid on or before 13.10.2018 to those Members entitled there to, whose names appear in the Register of Members of the Company at the close of business hours on 17th September 2018 and for those holding the Shares in demat mode, the dividend will be paid to the Members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners on that date and the bank particulars registered with the respective Depository Accounts will be used for this purpose.
3. Corporate Members intending to send their authorised representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. For convenience of the Members and for proper conduct of the Meeting, entry to the place of Meeting will be regulated by an attendance slip, which is forwarded as detachable part of the Annual Report. Members are requested to affix their signature at the place provided in the Attendance Slip and hand it over at the entrance.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 18.09.2018 to 22.09.2018 (both days inclusive).
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members, who hold shares in dematerialized form, are requested to bring in their Client ID and DP ID nos. for easier identification of attendance at the Meeting and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting.
8. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least 7 days prior to the Meeting, so that, the required information can be made available at the Meeting.
9. Members holding shares in physical form are requested to convert their equity shares into dematerialised form as the securities of the listed Companies can only be transferred in dematerialised form from 5th December 2018 ,as per the notification issued by SEBI.
10. Members holding more than one Share Certificate in different folios are requested to apply for consolidation of the folios and send the relative Share Certificates to the Company's Registrar and Share Transfer Agent, TSR Darashaw Limited, # 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011.

Place: Bangalore  
Date: 10/08/2018



- 11. Members are requested to bring the Annual Report 2017-18 along with them to the Annual General Meeting, since extra copies will not be supplied at the Meeting.
- 12. Electronic copy of the Annual Report 2017.18 is being sent to all the Shareholders, whose email ID's are registered with the Company/ D.P for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of Annual Report 2017-18 is being sent. Soft copy of the Annual Report along with the notice for the Meeting will also be available on the Company's website www.balpharma.com for them to download. Members who desire to get the printed version of the Annual Report may get the same at free of cost, upon making a request for the same.
- 13. Pursuant to Section 124 of the Companies Act, 2013 (Corresponding Section 205 A of the Companies Act, 1956, as amended), any money transferred to Unpaid Dividend Account and remaining unclaimed for a period of 7 (Seven) years from the date of such transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, and thereafter, the Shareholders shall not be able to claim any Unpaid Dividend amount from the Company. The Company has since transferred the amount lying in the credit of Unpaid Dividend Account for up to the financial year 2008-09, to Investor Education and Protection Fund as stipulated under Section 125 of the Companies Act, 2013 (Corresponding Section 205C of the Companies Act, 1956) read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. The members who have not en-cashed the Dividend Warrants for the financial years 2009-10 onwards are requested to write to the Company directly or to TSR Darashaw Limited, the Registrar and Share Transfer Agents of the Company.
- 14. The Members may now avail of the facility of nomination, by nominating in the prescribed form, a person to whom your shares in the Company shall vest in the event of death of the member. Interested members may write to the Company's Registrar & Share Transfer Agent for the prescribed form.
- 15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agents, TSR Darashaw Limited.
- 16. Voting through electronic means:  
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing to its members facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means through e-Voting Services provided by National Securities Depository Limited (NSDL).

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

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

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

Details on Step 1 is mentioned below:

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

Details on Step 1 is mentioned below:

<b>How to Log-in to NSDL e-Voting website?</b>	
1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section. 3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. <i>Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.</i> 4. Your User ID details are given below :	
<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



5. Your password details are given below:
a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
c) How to retrieve your 'initial password'?
(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
a) Click on " <b>Forgot User Details/Password?</b> "(If you are holding shares in your demat account with NSDL or CDSL) option available on <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> .
b) <b>Physical User Reset Password?</b> (If you are holding shares in physical mode) option available on <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> .
c) If you are still unable to get the password by aforesaid two options, you can send a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [perameshwar@vjkt.in](mailto:perameshwar@vjkt.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Other Instructions:**

- (i) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (ii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- (iii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- (iv) The e-voting period commences on 19<sup>th</sup> September, 2018 (9:00 am) and ends on 21<sup>st</sup> September, 2018 (5:00 pm). During this period, shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15<sup>th</sup> September, 2018, may cast their vote electronically.

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



- (v) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 15<sup>th</sup> September, 2018.
  - (vi) If the shareholder exercises his vote both electronically and physically, then the vote cast by him electronically will super cede.
  - (vii) Mr. Parameshwar G Bhat, Practising Company Secretary (Membership No. 8860) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - (viii) The Scrutinizer shall within a period not exceeding forty eight (48) hours from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Managing Director or designated Director of the Company.
  - (viii) The Results shall be declared within forty eight hours from the conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.balpharma.com and on the website of NSDL within two (2) working days of passing of the resolutions at the AGM of the Company and also be communicated to BSE and NSE.
- 17) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.
- 18) Members holding shares in electronic form may please note that as per the regulations of National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL), the Company is obliged to print the bank details on the dividend warrants as furnished by these Depositories to the Company and the Company cannot entertain any request for deletion/change of bank details already printed on dividend warrants as per information received from the concerned Depositories. In this regard, Members should contact their Depository Participant (DP) and furnish particulars of any changes desired by them.

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

**Shailesh Siroya**  
Managing Director  
DIN : 00048109

**Place: Bangalore**  
**Date: 10/08/2018**

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

##### **Item No.4:**

As per the applicable provisions of FEMA (Foreign Exchange Management Act), Foreign portfolio investor (FPI) investments in the Company is restricted up to 24% of the paid up capital of the Company and Non-resident Indian (NRI) investments up to 10% of the Capital, on repatriation basis. These limits can be increased by passing a resolution by the Board and shareholders at the general meeting. NRI investments in the Company has already breached 10% ceiling and is now at around 18%. As a result of which, Board has decided to enhance the NRI investment limits to 24% and FPI investment limits to 50% of the issued and paid up share capital of the Company, so that the Company is in compliance with the relevant provisions of FEMA and will also enable FPI's and NRI's to invest further in the Company.

None of the Directors, Key Managerial Personnel of the Company, and their relatives are concerned or interested in resolution set out at Item No. 5.

##### **Item No.5:**

Dr.Subba Rao Prasanna was reappointed as the Whole Time Director of the Company on 22/9/2016 for a term of 2 years starting from 01.10.2016 . His tenure of appointment will end on 30.09.2018. Since he has attained the age of 70 years, his reappointment has to be approved by the members through a special resolution as per the provisions of Section 196 of the Companies Act,2013.

Dr.Subba Rao Prasanna is heading the research and development (R&D) vertical of the Company and he is responsible for developing several commercially viable molecules during his tenure as Wholetime Director of the Company. His vast experience and in-depth knowledge in the field of R&D has helped the Company launching several formulations in the market.

As per the industry norms and remuneration paid to similar appointees in other Companies, the Nomination and Remuneration Committee and the Board of Directors of the Company has at their meeting held on 10.08.2018 recommend a remuneration of ₹ 2.80 Lakhs (Two Lakhs Eighty Thousands Only) per month payable with effect from 01.10.2018 and for a period of 2 years.

The above said remuneration may be revised to minimum remuneration in the event of loss or inadequacy of profits , as per Schedule V of the Companies Act,2013.

The Board recommends the resolution for approval of the members.

Non of the Directors other then Dr.Subba Rao Prasanna is concerned or interested in the above said resolution.

##### **Item No.6:**

The Board of Directors of the Company at its Meeting held on 29.05.2018 has appointed Mr. M. R Krishna Murthy, Cost Accountant (Membership No.7568) as Cost Auditor of the Company for the financial year 2017 - 18 and has fixed ₹ 40,000/- ( Rupees Forty Thousand Only) as consolidated remuneration payable to him for FY 2017-18.

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



None of the Directors, Key Managerial Personnel of the Company, and their relatives are concerned or interested in resolution set out at Item No. 6.

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

**Shailesh Siroya**  
Managing Director  
DIN : 00048109

**Place: Bangalore**  
**Date: 10/08/2018**

**Additional Information relevant to the reappointment Dr.Subba Rao Prasanna as Whole Time Director ( as per Schedule V of the Companies Act, 2013)**

General Information:

1	Name of the Industry	Pharmaceuticals
2	Date or expected date of commencement of commercial production	The Company was incorporated on 19.05.1987 as private limited Company and its commercial production started from 1992.
3	Financial performance based on given indicators.	For the FY ended 31.3.2018 (standalone) Turnover and other income : ₹ 211.48 Crores Profit before tax : ₹ 8.45 Cr Net Profit : ₹ 5.93 Cr
4	Export performance and net foreign exchange collaboration	The Company's export income for FY 2017.18 was ₹ 113.29 Crores and net foreign exchange earnings during the year was ₹ 55.85 Crores.
5	Foreign Investments or Collaborations, If any.	There is no foreign exchange collaboration.

**Information about Dr.Subba Rao Prasanna, whose proposed remuneration is under review.**

1.	Name of the Director	Dr.Subba Rao Prasanna
2.	Brief background	Dr. S. Prasanna has been associated with the Company from its inception. He has done Phd in organic Chemistry and has extensive exposure as a research scientist. He has been heading the R& D Centre of the Company.
3.	Immediate past remuneration	Rs 2,50,000/- was paid as salary and perquisites during FY 2017-18, which is in line with the provisions of schedule V of the Companies Act ,2013.
4.	Job profile and suitability	Dr. Prasanna is heading the R&D vertical of the Company. With his extensive experience and knowledge, he is the most appropriate person to guide the research and development initiatives of the Company.
5.	Remuneration proposed	Details of remuneration proposed have been given in the notice. Taking into consideration the size of the Company, profile of the appointee, responsibilities shouldered by them, the remuneration proposed is commensurate with the remuneration packages paid or is comparable to other companies in the industry.
6.	Pecuniary relationship with the managerial personnel, if any.	Dr. S. Prasanna, besides drawing the remuneration prescribed and holding 0.14% of the paid up equity share capital of the Company, does not have any pecuniary relationship neither with the Company nor with its managerial personnel.

**Route map for AGM Venue**



**Bharatiya Vidya Bhavan, High Grounds, Sampangi Rama Nagar, Bengaluru, Karnataka 560001.**





Your Directors are pleased to present the thirty first (31<sup>st</sup>) Annual report and the audited financial statements of the Company for the financial year ended 31.03.2018.

## FINANCIAL ANALYSIS

The following is the analysis of the standalone financial statements of the Company during the year under review.

(in ₹ Crores)

Particulars	F.Y 2017.18	F.Y 2016.17
Total income from operations	211.48	235.40
Profit from operations before interest, other income and exceptional items.	8.15	8.59
Tax Expense	2.51	3.27
Finance Cost	9.24	8.46
Profit after tax	5.94	5.31
Total Comprehensive Income	5.64	4.96
Earnings per share (In ₹)	3.98	3.50

### Appropriations:

Your Directors are pleased to recommend a dividend of ₹ 1/- per equity share of ₹ 10 each i.e 10% of the Equity Share Capital of the Company thereby appropriating an amount of ₹ 1.41 Crores towards Dividend for the F.Y 2017.18, which is exclusive of the dividend distribution tax of ₹ 28.85 Lakhs. The Company has not transferred any amount to General Reserves.

The register of members and share transfer books of the Company shall remain closed from 18<sup>th</sup> September 2018 to 22<sup>nd</sup> September 2018 (both days inclusive) for the purpose of payment of dividend for the F.Y 2017-18 and for the 31<sup>st</sup> Annual General Meeting scheduled to be held on 22.09.2018.

### Share capital:

During the financial year under review, ₹ 14,17,23,720/- comprising of 1,41,72,372 equity shares of ₹ 10 each continues to be the issued and paid up capital of the Company.

During the financial year 2017.18, the Company has not issued any Equity Shares with differential voting rights, granted stock options nor issued sweat Equity Shares.

## MANAGEMENT DISCUSSION AND BUSINESS ANALYSIS.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immuno Deficiency Syndrome) are supplied by Indian pharmaceutical firms. India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK.

## Market Size

The Indian pharmaceutical sector was valued at US\$ 33 billion in 2017. The country's pharmaceutical industry is expected to expand at a CAGR of 22.4 per cent over 2015–2020 to reach US\$ 55 billion. India's pharmaceutical exports stood at US\$ 17.27 billion in 2017-18 and are expected to reach US\$ 20 billion by 2020.

Indian companies received 304 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2017. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025. Biopharma, comprising vaccines, therapeutics and diagnostics, is the largest sub-sector contributing nearly 62 per cent of the total revenues at ₹ 12,600 crore (US\$ 1.89 billion).

## Investments

The Union Cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices, subject to certain conditions.

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 15.59 billion between April 2000 and December 2017, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Some of the recent developments/investments in the Indian pharmaceutical sector are as follows:

- During 2017-18, Indian pharmaceutical sector witnessed 46 merger & acquisition (M&A) deals worth US\$ 1.47 billion.
- The exports of Indian pharmaceutical industry to the US will get a boost, as branded drugs worth US\$ 55 billion will become off-patent during 2017-2019.

## Government Initiatives

Some of the important initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- The National Health Protection Scheme is largest government funded healthcare programme in the world, which is expected to benefit 100 million poor families in the country by providing a cover of up to ₹ 5 lakh (US\$ 7,723.2) per family per year for secondary and tertiary care hospitalisation. The programme was announced in Union Budget 2018-19.
- In March 2018, the Drug Controller General of India (DCGI) announced its plans to start a single-window facility to provide consents, approvals and other information. The move is aimed at giving a push to the Make in India initiative.



- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy, in order to stop any misuse due to easy availability.
- The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.
- The government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

#### Road Ahead

Healthcare spending in India is expected to increase at 9-12 per cent CAGR between 2018-22 to US\$ 50-55 billion, driven by increasing consumer spending, rapid urbanisation, and raising healthcare insurance among others.

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

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the Indian pharmaceutical companies.

#### BUSINESS OPERATIONS:

##### Turnover and Net profit:

Your company has registered a total revenue of ₹ 211.48 Crores for the financial year ended 31.03.2018 as against ₹ 235.40 Crores during the previous year. The drop in the turnover is due to the effect of implementation of GST during the financial year and also due to changes in the presentation of Profit & Loss Account as per IND AS.

₹ 8.15 Cr was the Profit before tax (PBT) of the Company for the financial year ended 31.3.2018.

The Company has registered a net profit of ₹ 5.93 Crores for the year ended 31.03.2018 as against the net profit of ₹ 5.31 Crores during the previous year.

The company has recorded an EPS of ₹ 3.98 per equity share of ₹ 10 each as against ₹ 3.50 during the previous year.

##### Formulations Business:

The formulations business of the Company has contributed a revenue of ₹ 103.10 Crores during FY 2017.18 as against the revenue of ₹ 106.31 Crores during FY 2016.17.

Turnover from the export of formulations during FY 2017.18 is at ₹ 52.97 Crores as against ₹ 61.43 crores during FY 16.17.

Domestic sales of formulations mainly constituting branded formulations has contributed a revenue of ₹ 50.12 Crores during FY 2017.18 as against a revenue of ₹ 44.88 Crores during FY 2016.17.

#### Bulk Drugs Business:

As against the total revenue of ₹ 120.49 Crores from the bulk drugs business during FY 2016.17, the company has recorded a sales revenue of ₹ 103.17 Crores from bulk drugs for the financial year 2017.18.

Revenue from export of API products has resulted in a turnover of ₹ 60.33 Crores and domestic sales of the said products has yield a revenue of ₹ 42.85 Crores.

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

#### Export Business:

The Company has recorded export sales of ₹ 113.29 Crores as against ₹ 121.67 Crores recorded during the previous financial year.

#### Domestic Business:

The Company has recorded a revenue of ₹ 92.97 Crores from its domestic business for the financial year 2017.18 as against the domestic revenue of ₹ 105.13 crores during 2016.17.

#### NEW PROJECTS:

During the year under review, Bal Pharma Ltd has acquired 100% stake and management control of Golden Drugs Private Ltd, an Udaipur, Rajasthan based private limited Company involved in the manufacture of bulk drugs and intermediates. The total cost of acquisition is ₹ 14 Crores which involves purchase of 100% shareholding of the Company with a purchase consideration of ₹ 20.66/- per shares and also towards repayment of all the past liabilities of the Company. With this acquisition, Bal Pharma Ltd aims to increase its production capacity by at least 20% and also enter into unexplored API markets, both domestic and international.

In addition to this, the Company assesses the future infrastructure requirements and continuously invests in the same on need basis.

#### AUDIT COMMITTEE:

Audit Committee, a subcommittee of the Board consists of Mr.Pramod Kumar.S, Dr.G.S.R Subba Rao, Mrs. Sarika Bhandari, Independent Directors of the Company.

Audit Committee of the Company continues to discharge its duties as per the provisions of Section 177 of the Companies Act, 2013 and also SEBI (LODR) Regulations, 2015.

#### AUDITORS AND AUDITORS REPORT:

##### a) Statutory Auditors:

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

There are no qualifications or adverse remarks or observations by the Statutory Auditors in their report issued for the financial year 2017.18.



b) Cost Auditors:

Mr.M.R Krishna Murthy , Cost accountant,(FCMA # 7568) was reappointed as the Cost Auditor of the Company for the financial year 2018-19, to conduct cost audit of the cost records maintained by the Company.

c) Secretarial Auditors:

Mr.Parameshwar G Bhat, Practising Company Secretary ( CP # 11004) were appointed as the Secretarial Auditor of the Company for the financial year 2017.18. No adverse comments or remarks were made by the auditor in his report for the FY 2017.18, which is annexed to this report.

d) Internal Auditors:

Messers Bharath & Co, Chartered Accountants, (MRN # 240163) were appointed as the Internal Auditors of the Company for the FY 2017.18 and the internal audit reports issued by them were periodically reviewed by the Audit Committee and the management of the Company is appraised about the observations of the internal auditor and on corrective actions, if any, that needs to be taken.

**Risk Management:**

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

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

**Internal Control System and its Adequacy:**

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

**Directors responsibility statement.**

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

- a) That in preparing the annual accounts, all the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that

are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit and loss of the Company for that period.

- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing / detecting fraud and other irregularities.
- d) That the Directors had prepared the annual accounts on a going concern basis.
- e) That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- f) That the Company had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**Related party Transactions:**

All contracts /arrangements / transactions entered by the Company during the financial year with related parties were in ordinary course of business and at arms length basis. During the year, the Company has not entered into any contract/arrangement/transaction with the related parties that could be considered material, as per the policy of the Company on materiality of related party transactions.

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

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

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

**Subsidiary, Joint Venture and Associate Companies:**

During the year under review, the following Companies listed below continues to be the subsidiaries, joint ventures or associates of Bal Pharma Ltd. A report on the financial performance of each of the subsidiaries, joint ventures or associate companies as per section 129(3) of the Companies Act, 2013 is provided in Annexure 1 to the Board's report and hence not repeated here for the sake of brevity.

SI No	Name of the Company/LLP	Nature of Business	% of stake with Bal Pharma, as on 31.03.2018
01	Lifezen Healthcare Private Limited	Marketing of OTC products	50.50%
02	Bal Research Foundation	Research and Development	80%
03	Balance Clinics LLP	Diabetic care clinics.	80%
04	Golden Drugs Private Limited	Manufacturing of API's	100%



**Secretarial Standards:**

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

**Directors and Key Managerial Personnel (KMP's):**

The Nomination and Remuneration Committee has recommended for reappointing Dr.Subba Rao Prasanna as whole time Director of the Company for a further period of 2 years. His reappointment is being considered at the ensuing Annual General Meeting by a special resolution.

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

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

The Company has also in place a Policy for nomination and remuneration of KMP's, Senior Management personnel and Directors of the Company, which is in compliance with Section 178 of the Companies Act, 2013.

The Company has devised a policy for performance evaluation of the Board, committees and Individual directors. The evaluation process *inter alia* considers attendance of Directors at Board and Committee meetings, acquaintance with business, communication within Board members, effective participation, domain knowledge, compliance with the internal code of conduct, vision and strategy.

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

Report on performance evaluation of the individual Directors was reviewed by the Chairman and feedback was given to the Directors. Details of Board and Committee Meetings held during the year is disclosed in the Corporate Governance Report.

**Vigil Mechanism:**

The vigil mechanism of the Company which also incorporates Whistle Blower Policy as prescribed by SEBI(LODR) Regulations, 2015 includes compliance task force comprising of senior executives of the Company. The policy of whistle blower is available on our website.

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

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

**Corporate Governance:**

The Company is committed to maintaining highest standards of Corporate Governance requirements set out by the Securities and Exchange Board of India. A detailed report on the corporate governance

system and practises of the Company along with a certificate from the practising Company secretary confirming to the compliance with the corporate governance requirements, are given in a separate section of this report.

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

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

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

There have been no material changes or commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business or constitution of the Company.

**Extract of the Annual Return:**

In accordance with Section 134 (3) (a) of the Companies Act, 2013, an extract of the Annual return of the Company for the financial year 2017-18 in Form MGT-9 is annexed to this report as Annexure-5.

**Corporate Social Responsibility:**

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

- 1.Dr.G.S.R Subba Rao – Chairman
- 2.Mr.Pramod Kumar.S - Member
- 3.Dr.S.Prasanna - Member
- 4.Mr.Shailesh Siroya - Member

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

**Human Resources:**

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

**Board Evaluation:**

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



**Listing with Stock Exchanges:**

The Equity Shares of the Company continued to be listed on BSE Limited, Mumbai and National Stock Exchange of India Ltd, Mumbai and the Company has paid the annual listing fees for FY 2018-19 to the exchanges.

**CEO & CFO certification:**

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

**Insurance Coverage:**

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

**Credit Rating:**

The discipline with which the Company conducts its financial transactions is reflected in the BBB(stable) rating given by the credit rating agency ICRA for the financial year 2017-18. The Management of the Company aims at further improving its credit rating during the current financial year.

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

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

The following is the summery of the Complaints regarding sexual harassment, received and redressed during the financial year 2017-18.

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

**Particulars of Employees:**

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

**General Information:**

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

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

**Appreciation:**

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



## Annexure's to Board's Report

## Annexure-I

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

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

In ₹

Particulars	Lifezen Healthcare Pvt Ltd.	Bal Research Foundation.	Balance Clinics LLP.	Golden Drugs Private Ltd.
Paid up Share Capital	2,00,00,000	10,00,000	10,00,000	3,59,00,000
Reserves & Surplus	(12,78,68,248)	(3,81,860)	(1,40,38,209)	(16,950)
Total Assets	18,04,93,929	9,17,790	45,17,181	9,13,12,250
Total Liabilities	28,83,62,177	2,99,650	1,73,55,389	5,65,77,953
Investments	0	0	0	0
Turnover	1,79,02,066	0	35,96,532	0
Profit before taxation	(5,33,46,283)	(2,51,302)	(21,18,449)	0
Provision for taxation	(5,831)	0	(92,267)	0
Profit after tax	(5,33,40,452)	(2,51,302)	(20,26,182)	0
Proposed Dividend	Nil	Nil	Nil	Nil
Share Holding	Bal Pharma Ltd= 50.50 % Bennett, Coleman & Co Ltd=49% Shailesh Siroya=0.5 %	Bal Pharma Ltd=80% Shailesh Siroya=20%.	Bal Pharma Ltd= 80% Shailesh Siroya=20%.	Bal Pharma Ltd = 100%

~ Bal Pharma Ltd has acquired Golden Drugs Private Ltd on 22.3.2018.

## Annexure -2

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

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

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018.

To  
The Members,  
Bal Pharma Limited  
Bangalore

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2018 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;



- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The Industry specific laws applicable to the Company are as follows:
  - a) Pharmacy Act, 1948
  - b) Drugs and Cosmetics Act, 1940
  - c) Homoeopathy Central Council Act, 1973
  - d) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
  - e) Narcotic Drugs and Psychotropic Substances Act, 1985
  - f) Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974
  - g) The Medicinal & Toilet Preparations (Excise Duties) Act, 1955
  - h) Petroleum Act, 1934
  - i) Poisons Act, 1919
  - j) Food Safety and Standards Act, 2006
  - k) Insecticides Act, 1968
  - l) Biological Diversity Act, 2002
  - m) The Indian Copyright Act, 1957
  - n) The Patents Act, 1970
  - o) The Trade Marks Act, 1999
- (vii) The other general laws as may be applicable to the Company including the following:
  - (1) Employer/Employee Related Laws & Rules:**
    - i. Industries (Development & Regulation) Act, 1951
    - ii. The Factories Act, 1948
    - iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
    - iv. The Apprentices Act, 1961
    - v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
    - vi. The Employees State Insurance Act, 1948
    - vii. The Workmen's Compensation Act, 1923
    - viii. The Maternity Benefits Act, 1961
    - ix. The Payment of Gratuity Act, 1972.
    - x. The Payment of Bonus Act, 1965.
    - xi. The Industrial Disputes Act, 1947.



- xii. The Trade Unions Act, 1926.
  - xiii. The Payment of Wages Act, 1936.
  - xiv. The Minimum Wages Act, 1948 .
  - xv. The Child Labour (Regulation & Abolition) Act, 1970.
  - xvi. The Contract Labour (Regulation & Abolition) Act, 1970.
  - xvii. The Industrial Employment (Standing Orders) Act, 1946.
  - xviii. Equal Remuneration Act, 1976.
  - xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979 .
  - xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013.
  - xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996.
  - xxii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013
  - xxiii. Dangerous Machines (Regulation) Act, 1983
  - xxiv. Indian Boilers Act, 1923
  - xxv. The Karnataka Shops & Establishments Act, 1961
  - xxvi. The Industrial Establishments (National and Festival Holidays) Act, 1963
  - xxvii. The Labour Welfare Fund Act, 1965
  - xxviii. The Karnataka Daily Wage Employees Welfare Act, 2012
  - xxix. For majority of Central Labour Laws the State has introduced Rules [names of each of the Rules is not included here]
- (2) Environment Related Acts & Rules:
- i. The Environment Protection Act, 1986
  - ii. The Water (Prevention & Control of Pollution) Act, 1974
  - iii. The Air (Prevention & Control of Pollution) Act, 1981
  - iv. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
  - v. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999
- 3) Economic/Commercial Laws & Rules:
- i. The Competition Act, 2002
  - ii. The Indian Contract Act, 1872
  - iii. The Sales of Goods Act, 1930
  - iv. The Forward Contracts (Regulation) Act, 1952
  - v. The Indian Stamp Act, 1899
  - vi. The Transfer of Property Act, 1882

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

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

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

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





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

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

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

Place: Bangalore  
Date: 23.07.2018

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

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

## Annexure

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise Act, Customs Act, Central and State Sales Tax Act.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore  
Date: 23.07.2018

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



### Annexure 3

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

##### a) Conservation of Energy:

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

##### b) Consumption per unit of production.

	Standards * (if any)	2014-15	2013-14
i. Electricity			
ii. Furnace Unit	NA	NA	NA
iii. Coal			
iv. Others			

*	Owing to the range of products manufactured and the ever changing product mix, it is not possible to establish standards relating to consumption of energy per unit of production;
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##### c) Technology absorption & Adaptation:

The personnel in the R&D division of Bal Pharma have continued to be actively engaged in the introduction of new drugs by thorough standardization of the synthetic process involved in assembling them.

Thus, over the past year, methods for a number of novel medicinal products possessing varied therapeutic activity have been developed. These new chemical entities offered by Bal Pharma have elicited considerable interest from consumers in the international market.

The new drugs can be classified broadly as belonging to the therapeutic category of antiprotozoals, injectable grade antipsychotics, detrusor muscle relaxants, pulmonary hypertension controllers, intrathecal treatment products for spinal cord injury, spinal spasticity reducers etc.

A new chemical entity for topical treatment of psoriasis is being tested for its activity in a joint venture with Akaal Pharma Pty Ltd, which is based in Melbourne, Australia. The venture will be funded by Bal

Pharma and the first therapeutic application will be in the veterinary field. The drug will initially be used to treat atopic dermatitis in dogs, a type of skin inflammation.

Many of the new drugs that have been worked on are chiral in nature. That is, they possess three dimensional spatial arrangements of different kinds which also result in changes in their bioactivity. The isolation of the right component possessing the right activity needs skill and specialization which Bal Pharma R&D personnel have honed well over the years.

The R&D has now introduced new drugs in the field of antihistamines, a segment in which Bal Pharma has already been strong on.

Plans are afoot for making a foray into relatively simple peptide compounds which possess significant medicinal properties. Peptides obtained from unnatural amino acids possess unique medicinal properties and these will be the subject of study.

##### d) Expenditure on R&D during the financial year ended 31-03-2018:

i) Capital	1,20,656/-
ii) Recurring	1,64,46,427/-
iii) Total	1,65,67,083/-
iv) Total R&D expenditure as a percentage of total turnover.	0.78%

#### 4. Foreign Exchange earnings and outflow:

	2017-18	2016-17
Total Foreign Exchange Earnings	₹ 98,72,99,193/-	₹ 115,44,87,742/-
Total Foreign Exchange outflow	₹ 43,17,39,541/-	₹ 60,48,21,805/-
a) Towards purchase of raw materials	₹ 41,23,12,533/-	₹ 58,50,76,884/-
b) Towards purchase of capital goods.	29,12,941	₹ 41,12,866/-
c) Towards other foreign currency payments	-	-
i) Travelling expenses	₹ 44,43,012/-	₹ 32,64,345/-
ii) Export Promotion Expenses.	₹ 1,07,88,931/-	₹ 79,49,401/-
iii) Commission on export sales	₹ 8,78,075/-	₹ 49,57,231/-
iv) Registration fees	₹ 4,04,049/-	₹ 29,61,078/-



## Annexure -4

Particulars of Employees:

Information as per Rule 5(1) of Companies (Appointment and remuneration of managerial personnel) Rules, 2014.

a) The Nomination and Remuneration Committee of the Company fixes the remuneration of whole time Directors and key managerial personnel and is as per the remuneration policy of the Company.

b

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

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

d) Number of permanent employees on the rolls of the Company: 1,200.

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

Average increase in the remuneration of the employees for the financial year 2017-18 was 5% against NO increase in the % of managerial remuneration of Directors & KMP's. The percentile increase in the median remuneration and that of managerial personnel does not require any justification.



## Annexure 5

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended 31.03.2018**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of Companies (Management and Administration) Rules, 2014

**I REGISTRATION AND OTHER DETAILS**

- i) **CIN** : L85110KA1987PLC008368  
 ii) **Registration Date** : 19/05/1987  
 iii) **Name of the Company**: Bal Pharma Limited  
 iv) **Category / Sub Category of the Company**: Public Company / Limited by shares  
 v) **Registered Office Address** : # 21&22, Bommasandra Industrial Area, Bangalore-92.  
 vi) **Whether Listed Company**: YES  
 vii) **Name of address of Registrar and Transfer Agents** :  
 TSR Darashaw Limited  
 # 6-10, Haji Moosa Patrawala Industrial Estate  
 20, Dr.E.Moses Road, Mahalaxmi  
 Mumbai - 400 011.  
 Phone : 022 66568484  
 email : csg-unit@tsrdarashaw.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

SI No	Name and description of the main products /services	NIC code of the product/ service	% of total turnover of the Company
1	Manufacture of Pharmaceuticals and medical chemicals	2423	100%

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SI No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable section
1	Lifezen Healthcare Private Ltd , 5th Floor,Lakshmi Narayana Complex, Palace Road,Bangalore-52	U24230KA2014PTC077114	Subsidiary	50.50	2(87)
2	Golden Drugs Private Limited, # C-155,Mewar Industrial Area, Madri, Udapur - 313002, Rajasthan	U24232RJ2012PTC039907	Subsidiary	100	2(87)
3	Bal Research Foundation, # 21 & 22, Bommasandra Industrial Area, Bangalore-99	U73100KA2014NPL076995	Subsidiary	80	2(87)
4	Balance Clinics LLP , # 18, Ground Floor, 2nd Cross, 8th Main, Vasanth Nagar, Bangalore-53.	AAC-3012	Subsidiary	80	2(87)

**IV SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)****i) Category-wise Share Holding**

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year .i.e 01.04.2017				No. of Shares held at the end of the year .i.e 31.03.2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	<b>A. Promoters</b>									
(a)	Individuals / Hindu Undivided Family	4,319,779	0	4,319,779	30.48	4,350,459	0	4,350,459	31	0
(b)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0	0



Category Code	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2017				No. of Shares held at the end of the year i.e 31.03.2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c)	Bodies Corporate	1,310,836	0	1,310,836	9.25	1,310,836	0	1,310,836	9	0
(d)	Financial Institutions / Banks	0	0		0.00	0	0		0	0
(e)	Any Other (Specify)	0	0		0.00	0	0		0	0
	<b>Sub-Total (A) (1)</b>	<b>5,630,615</b>	<b>0</b>	<b>5,630,615</b>	<b>39.73</b>	<b>5,661,295</b>	<b>0</b>	<b>5,661,295</b>	<b>40</b>	<b>0</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	655,187	0	655,187	4.62	655,187	0	655,187	5	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0		0	0.00
(c)	Institutions	0	0	0	0.00	0	0		0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0		0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0		0.00	0.00
	<b>Sub-Total (A) (2)</b>	<b>655,187</b>	<b>0</b>	<b>655,187</b>	<b>4.62</b>	<b>655,187</b>	<b>0</b>	<b>655,187</b>	<b>4.62</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>62,85,802</b>	<b>0</b>	<b>62,85,802</b>	<b>48.83</b>	<b>62,85,802</b>	<b>0</b>	<b>62,85,802</b>	<b>44.35</b>	<b>-4.48</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds / UTI	0	200	200	0.00	0	200	200	0.00	0.00
(b)	Financial Institutions / Banks	17,753	1,800	19,553	0.14	7,244	1,800	9,044	0.06	-0.07
(c)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)									
	<b>Sub-Total (B) (1)</b>	<b>17,753</b>	<b>2,000</b>	<b>19,753</b>	<b>0.14</b>	<b>7,244</b>	<b>2,000</b>	<b>9,244</b>	<b>0.07</b>	<b>-0.07</b>
<b>(2)</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate									
i	Indian	378,804	6,058	384,862	3	504,112	6,058	510,170	4	0.88
ii	Overseas	0	0	0	0	0	0	0	0	0.00
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,182,296	254,454	3,436,750	24	3,159,576	256,244	3,415,820	24	0
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4,045,205	0	4,045,205	29	3,920,656	0	3,920,656	28	-1
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0
(d)	Any Other									
i	Trust	0	0	0	0.00	0	0	0	0	0.00
	<b>Sub-total (B) (2)</b>	<b>7,606,305</b>	<b>260,512</b>	<b>7,866,817</b>	<b>55.51</b>	<b>7,584,344</b>	<b>262,302</b>	<b>7,846,646</b>	<b>55.37</b>	<b>-0.14</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>7,624,058</b>	<b>262,512</b>	<b>7,886,570</b>	<b>55.65</b>	<b>7,591,588</b>	<b>264,302</b>	<b>7,855,890</b>	<b>55.43</b>	<b>-0.22</b>
	<b>TOTAL (A)+(B)</b>	<b>13,909,860</b>	<b>262,512</b>	<b>14,172,372</b>	<b>100.00</b>	<b>13,908,070</b>	<b>264,302</b>	<b>14,172,372</b>	<b>100.00</b>	<b>0.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>13,909,860</b>	<b>262,512</b>	<b>14,172,372</b>	<b>100.00</b>	<b>13,908,070</b>	<b>264,302</b>	<b>14,172,372</b>	<b>100.00</b>	<b>0.00</b>



ii) Shareholding of Promoters

Sl. No.	Name of the Shareholder Messrs	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% change in shareholding during the year
		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	
1	Micro Labs Limited	1,310,836	9.25	0.00	1,310,836	9.25	0.00	0.00
2	Shailesh Siroya	1,270,759	8.97	0.00	1,645,459	11.61	0.00	2.64
3	Anita Siroya	1,018,540	7.19	0.00	1,049,220	7.40	0.00	0.22
4	Anand Surana	525,686	3.71	0.00	525,686	3.71	0.00	0.00
5	Chandraprakash Dheerajmal Siroya	486,420	3.43	0.00	486,420	3.43	0.00	0.00
6	Dilip Surana	474,994	3.35	0.00	474,994	3.35	0.00	0.00
7	Shrenik D Siroya	374,700	2.64	0.00	0	0.00	0.00	-2.64
8	Archana Surana	284,996	2.01	0.00	284,996	2.01	0.00	0.00
9	Monica Surana	179,909	1.27	0.00	179,909	1.27	0.00	0.00
10	Dilip Surana (HUF)	169,995	1.20	0.00	169,995	1.20	0.00	0.00
11	Anita Chandraprakash Siroya	122,687	0.87	0.00	122,687	0.87	0.00	0.00
12	Jivi Dheerajmal Siroya	46,080	0.33	0.00	46,080	0.33	0.00	0.00
13	Subbarao Prasanna	20,200	0.14	0.00	20,200	0.14	0.00	0.00

iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sl. No	Name of the Shareholder Messrs	Shareholding at the beginning of the year as on 01.04.2017		Date	Reason	Purchase of Shares/ Decrease in Shareholding		Cumulative Shares during the year	
		No. of Shares	% of total shares of the company			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	Micro Labs Limited	1,310,836	9.25	-	No Change	-	0.00	1,310,836	9.25
				31.03.2018	At the end of the year	-	-	1,310,836	9.25
2	Shailesh D. Siroya	1,270,759	8.97	08.12.2017	Increase	374,700	0.00	1,270,759	8.97
				31.03.2018	At the end of the year	-	-	1,645,459	11.61
3	Anita Siroya	1,018,540	7.19	21-04-2017	Increase	7,269	0.05	1,025,809	7.24
				23-06-2017	Increase	3,427	0.02	1,029,236	7.26
				30-06-2017	Increase	1,186	0.01	1,030,422	7.27
				07-07-2017	Increase	18,795	0.13	1,049,217	7.40
				14-07-2017	Increase	1	0.00	1,049,218	7.40
				21-07-2017	Increase	2	0.00	1,049,220	7.40
				06-10-2017	Decrease	-3,616	-0.03	1,045,604	7.38
				22-12-2017	Increase	3,616	0.03	1,049,220	7.40
					At the end of the year	-	-	1,049,220	7.40
4	Anand Surana	525,686	3.71	-	No Change	-	0.00	525,686	3.71
				31.03.2018	At the end of the year	-	-	525,686	3.71
5	Chandraprakash Dheerajmal Siroya	486,420	3.43	-	No Change	-	0.00	486,420	3.43
				31.03.2018	At the end of the year	-	-	486,420	3.43



Sl. No	Name of the Shareholder Messrs	Shareholding at the beginning of the year as on 01.04.2017		Date	Reason	Purchase of Shares/ Decrease in Shareholding		Cumulative Shares during the year	
		No. of Shares	% of total shares of the company			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
6	Dilip Surana	474994	3.35					474,994	3.35
				-	No Change	-	0.00	474,994	3.35
				31.03.2018	At the end of the year	-	-	474,994	3.35
7	Archana Surana	284996	2.01					284,996	2.01
				-	No Change	-	0.00	284,996	2.01
				31.03.2018	At the end of the year	-	-	284,996	2.01
8	Monica Surana	179909	1.27					179,909	1.27
				-	No Change	-	0.00	179,909	1.27
				31.03.2018	At the end of the year	-	-	179,909	1.27
9	Dilip Surana (HUF)	169995	1.20					169,995	1.20
				-	No Change	-	0.00	169,995	1.20
				31.03.2018	At the end of the year	-	-	169,995	1.20
10	Anita Chandraprakash Siroya	122687	0.87					122,687	0.87
				-	No Change	-	0.00	122,687	0.87
				31.03.2018	At the end of the year	-	-	122,687	0.87
11	Jivi Dheerajmal Siroya	46080	0.33					46,080	0.33
				-	No Change	-	0.00	46,080	0.33
				31.03.2018	At the end of the year	-	-	46,080	0.33
12	Subbarao Prasanna	20200	0.14					20,200	0.14
				-	No Change	-	0.00	20,200	0.14
				31.03.2018	At the end of the year	-	-	20,200	0.14
13	Shrenik D Siroya	374700	2.64					374,700	2.64
				08.12.2018	Decrease	-374,700	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00

iv) Shareholding Pattern of Top 10 Shareholders (Other than Director, Promoters and Holders of GDRS and ADRs):

Sl. No	Name of the Shareholder Messrs	Shareholding at the beginning of the year as on 01.04.2017		Date	Reason	Purchase of Shares/ Decrease in Shareholding		Cumulative Shares during the year	
		No. of Shares	% of total shares of the company			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	Ram Keshav Murthy	584,000	4.12		At the beginning of the year			584,000	4.12
				-	No Change	-	0.00	584,000	4.12
				31.03.2018	At the end of the year	-	-	584,000	4.12
2	Prakash Chandra Jain	581,270	4.10		At the beginning of the year			581,270	4.10
				-	No Change	-	0.00	581,270	4.10
				31.03.2018	At the end of the year	-	-	581,270	4.10
3	Vipul Kumat	400,000	2.82		At the beginning of the year			400,000	2.82
				-	No Change	-	0.00	400,000	2.82
				31.03.2018	At the end of the year	-	-	400,000	2.82
4	Jitendra Tejraj Lunia	300,900	2.12		At the beginning of the year			300,900	2.12
				09-Feb-2018	Increase	300,900	2.12	601,800	4.25
				09-Feb-2018	Decrease	-300,900	-2.12	300,900	2.12
				31.03.2018	At the end of the year	-	-	300,900	2.12
5	Naresh D P	300,000	2.12		At the beginning of the year			300,000	2.12
				-	No Change	-	0.00	300,000	2.12
				31.03.2018	At the end of the year	-	-	300,000	2.12
6	Asha Tapidas Dodhia	300,000	2.12		At the beginning of the year			300,000	2.12
				-	No Change	-	0.00	300,000	2.12
				31.03.2018	At the end of the year	-	-	300,000	2.12
7	Gautam Chand Mehta	220,000	1.55		At the beginning of the year			220,000	1.55
				09-Feb-2018	Increase	1,000	0.01	221,000	1.56
				14-Apr-2017	Increase	10,000	0.07	231,000	1.63
				31.03.2018	At the end of the year	-	-	231,000	1.63



Sl. No	Name of the Shareholder Messrs	Shareholding at the beginning of the year as on 01.04.2017		Date	Reason	Purchase of Shares/ Decrease in Shareholding		Cumulative Shares during the year	
		No. of Shares	% of total shares of the company			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
8	Leena Gautam Chand Mehta	40000	0.31		At the beginning of the year			40,000	0.28
				14-Apr-2017	Increase	40,000	0.28	80,000	0.56
				12-May-2017	Increase	10,000	0.07	90,000	0.64
				19-May-2017	Increase	20,000	0.14	110,000	0.78
				02-Jun-2017	Increase	20,000	0.14	130,000	0.92
				31.03.2018	At the end of the year	-	-	130,000	0.92
9	Chhaganbhai Parsotambhai Patel Huf .	53,104	0.49		At the beginning of the year			53,104	0.37
				01-Sep-2017	Increase	10,000	0.07	63,104	0.45
				15-Sep-2017	Increase	16,000	0.11	79,104	0.56
				22-Sep-2017	Increase	350	0.00	79,454	0.56
				02-Feb-2018	Increase	1,500	0.01	80,954	0.57
				31.03.2018	At the end of the year	-	-	80,954	0.57
10	Hasumati Pravin Siroya	69189	0.49		At the beginning of the year			69,189	0.49
				-	No Change	-	0.00	69,189	0.49
				31.03.2018	At the end of the year	-	-	69,189	0.49

**V) SHAREHOLDING OF DIRECTORS AND KEY MANEGERIAL PERSONNEL :**

Sl. No	PAN No.	Name of the Shareholder	Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
					No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	AWIPS5665B	Mr. Shailesh D. Siroya		At the beginning of the year	0	0.00	1,270,759	8.97
			-	Increase	374,700	2.64	1,645,459	11.61
			31/03/2018	At the End of the year	-	-	1,645,459	11.61
2	ABLPP7396J	Dr. S. Prasanna		At the beginning of the year	0	0.00	20,200	0.14
			-	No Change	0	0.00	20,200	0.14
			31/03/2018	At the End of the year	-	-	20,200	0.14
3	ABPPS0413H	Dr. G. S. R. Subba Rao		At the beginning of the year	0	0.00	0	0.00
			-	No Change	0	0.00	0	0.00
			31/03/2018	At the End of the year	-	-	0	0.00
4	AFKPS0248F	Mr. Pramod Kumar. S		At the beginning of the year	0	0.00	0	0.00
			-	No Change	0	0.00	0	0.00
			31/03/2018	At the End of the year	-	-	0	0.00
5	AQRPS3273L	Sarika Bhandari		At the beginning of the year	0	0.00	0	0.00
			-	No Change	0	0.00	0	0.00
			31/03/2018	At the End of the year	-	-	0	0.00





**VI) INDEBTEDNESS**

(Amount in ₹ crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the year</b>	73.68	1.22	Nil	74.90
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total</b>	<b>73.68</b>	<b>1.22</b>	<b>Nil</b>	<b>74.90</b>
<b>Change in indebtedness during the financial year</b>	13.71	3.38	Nil	17.09
• Addition				
• Reduction				
<b>Net Change</b>	<b>13.71</b>	<b>3.38</b>	<b>Nil</b>	<b>17.09</b>
<b>Indebtedness at the end of the financial year</b>	87.39	4.50	Nil	91.99

**VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-Time Director:**

(Amount in ₹)

SI No	Particulars of Remuneration	Mr. Shailesh D Siroya Managing Director	Dr. Subba Rao Prasanna Whole-Time Director	Total
1	<b>Gross Salary</b>			
	a) Salary as per the provisions contained in section 17(1) of Income-Tax Act, 1961.	78,00,000	30,00,000	1,08,00,000
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission- as % of Profit	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>78,00,000</b>	<b>30,00,000</b>	<b>1,08,00,000</b>
	Ceiling as per Central Government / Shareholders approval	78,00,000	30,00,000	1,08,00,000

**B. Remuneration to other directors:**

(Amount in ₹)

SI No	Particulars of Remuneration	Dr. G.S.R. Subbarao	Mr. Pramod Kumar S	Mr. Sarika Bhandari	Total
1	<b>Independent Directors</b>				
	• Fee for attending board and committee meetings	4000	8000	8000	20,000
	• Commission	-	-	-	-
	• others	-	-	-	-
	<b>Total (1)</b>	<b>4000</b>	<b>8000</b>	<b>8000</b>	<b>20,000</b>
2	<b>Other Non-executive Directors</b>				
	• Fee for attending Board Committee meetings				
	• Commission				
	• Others				
	<b>Total (2)</b>	Nil	Nil	Nil	Nil
	<b>Total (B)=(1+2)</b>				
	<b>Total managerial Remuneration</b>	<b>4000</b>	<b>8000</b>	<b>8000</b>	<b>20,000</b>
	<b>Overall ceiling as per the Act</b>	<b>Sitting fees of upto ₹ 1 Lakh/meeting</b>			

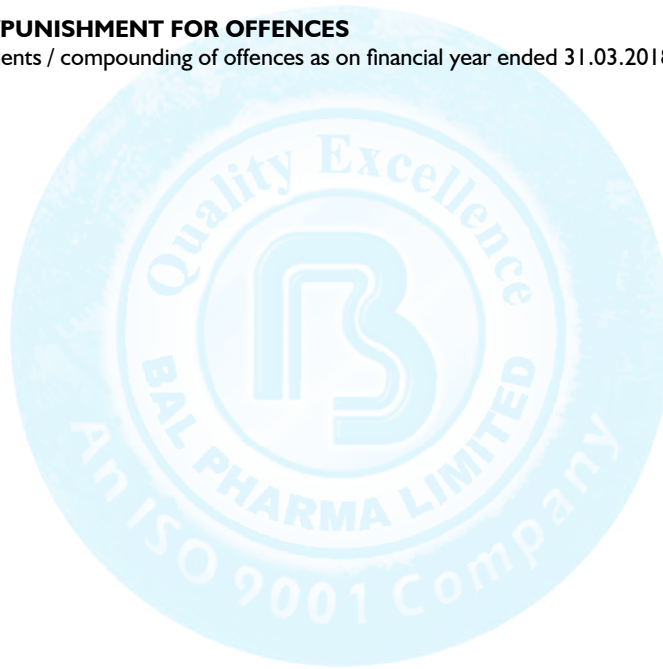
**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL**

(Amount in ₹)

SI No	Particulars of Remuneration	CFO & CS	TOTAL
1	<b>Gross Salary</b>		
	(a) Salary as per provisions of Section 17(1) of 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		
3	Sweat Equity		
4	Commission – as % of profit		
5	Others, Please specify		
	<b>Total (A)</b>	<b>Nil</b>	<b>Nil</b>

**VIII COMPOUNDING/PENALTIES/PUNISHMENT FOR OFFENCES**

There were no penalties /punishments / compounding of offences as on financial year ended 31.03.2018.





## CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2017-18

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

### 2. BOARD OF DIRECTORS:

#### 2.1 Composition:

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

Composition of the Board is as follows:

Sl. No.	Name of the Director	Directors Identification Number	Designation
1.	Mr. Shailesh Siroya	00048109	Managing Director
2.	Dr. S. Prasanna	00084602	Whole-Time Director
3.	Dr. G.S.R Subba Rao	00048126	Independent Director
4.	Mr. Pramod Kumar S	00719828	Independent Director
5.	Mrs. Sarika Bhandari	07140112	Independent Director

Mr. Shrenik D Siroya , non executive Director has resigned from the Board of the Company w.e.f 3.11.2017.

All Independent Directors possess the requisite qualifications and are experienced in their own fields. None of the Directors are the members of more than ten committees or Chairman of more than five committees in public listed companies in which they are Directors. Necessary disclosures have been obtained from all the Directors regarding their Directorship's and have been taken on record by the Board.

#### 2.2 Board Meetings:

During the financial year under review, 8 (Eight ) Board Meetings were held on 02-5-2017, 30-05-2017, 10-08-2017, 11-09-2017, 03-10-2017, 11-12-2017, 14-02-2018 and 22-03-2018. Compositions of the Board, attendance of the members of the Board at the Board meetings and Annual General Meeting along with their Chairmanship/Membership on Boards/Committees as on 31.3.2018, are as furnished below:

Sl. No.	Name of the Director	Category	Attendance at		Total Number of Directorships in Boards of Public Limited Companies as on the date of this report	Total Number of memberships in Committees of Public Limited Companies on the date of this report	
			Board Meetings	Last AGM held on 22.09.2017		As Chairman	As Member
1.	Mr. Shailesh Siroya	Executive Director	8	YES	2	0	2
2.	Dr. S. Prasanna	Executive Director	8	YES	1	0	1
3.	Dr. G.S.R Subba Rao	Independent Director	2	YES	1	1	4
4.	Mr. Pramod Kumar. S	Independent Director	8	YES	2	2	0
5.	Mrs. Sarika Bhandari	Independent Director	8	NO	1	0	2

Notes:

- Other directorships excludes Foreign Companies, Private Limited Companies and alternate Directorships.
- Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee memberships.

#### 2.3 TRANSACTIONS OF THE BOARD

Board Meetings are governed by structured agenda. The Board, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to make informed decisions.



Agenda papers and all the supporting information are circulated at least seven working days prior to the Board meeting date among the Board members.

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

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

#### 2.4 BOARD COMMITTEES:

Currently, the Board has 5 (five) Committees namely (1) Audit Committee (2) Nomination and Remuneration Committee (3) Stakeholders' Relationship Committee (4) Corporate Social Responsibility Committee and (5) Banking Transaction Committee (Non Statutory Committee). The Board decides the terms of reference of these Committees and the assignment of its Members thereof.

#### 3. AUDIT COMMITTEE:

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

The terms of reference broadly include:

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



The Audit Committee comprises of the following Directors for the year ended 31st March, 2018:

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

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

The Company Secretary acts as the Secretary to the Committee.

The composition of the Audit Committee is as per the SEBI (LODR) Regulations, 2015. Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company held on 22nd September, 2017.

The Audit Committee met four (4) times during the year on 30-05-2017, 11-09-2017, 11-12-2017 and 14-02-2018. The details are as follows:

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

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

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

##### 4.1 Brief description of terms of reference:

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

##### 4.2 Composition of the Committee and attendance of the members:

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

\*Resigned with effect from 03.11.2017

##### 4.3 Remuneration Policy:

The Company has framed detailed Remuneration Policy as per the requirement of Companies Act, 2013. The policy is available on the website of the Company ([www.balpharma.com/pdf/Nomination\\_and\\_Remuneration%20Policy.pdf](http://www.balpharma.com/pdf/Nomination_and_Remuneration%20Policy.pdf)).



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

4.5 The Remuneration paid to Mr. Shailesh Siroya (Managing Director), Dr. S. Prasanna, (Whole Time Director) and sitting fee paid to Non-executive Director and Independent Directors, during the year 2017-18 are as under:

Sl. No.	Particulars	Mr. Shailesh Siroya	Dr. S. Prasanna	Dr. G.S.R. Subba Rao	Mr. Pramod Kumar.S	Mrs. Sarika Bhandari
1.	Salary and Perquisites	78,00,000	30,00,000	N.A.	N.A.	N.A.
2.	Sitting Fees	N.A.	N.A.	4000	8000	8000
	TOTAL	78,00,000	30,00,000	4000	8000	8000

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

4.6 There were no pecuniary relationships or transactions of the Non-executive Directors vis-a-vis the Company during the Financial Year ended 31<sup>st</sup> March, 2018.

4.7 **Details of Equity Shares held by Non- executive Directors as on 31.03.2018:**

Sl. No.	Director	No. of Equity Shares held
1.	Dr. G.S.R Subba Rao, Member	Nil
2.	Mr. Pramod Kumar.S, Chairman	140
3.	Mrs. Sarika Bhandari, Member	Nil

5. **STAKE HOLDER'S RELATIONSHIP COMMITTEE:**

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

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

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

5.3 **Investor Complaints handled:**

Year	Outstanding as on 31.03.2017	Received during the FY 2017-18	Resolved during the FY 2017-18	Pending as on 31.03.2018
2017-18	NIL	4	4	NIL

6. **OTHER COMMITTEES:**

6.1 **Banking Transactions Committee.**

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

- To review periodically the banking transactions of the Company;
- To open new bank accounts for the business purposes of the Company, wherever required;
- To close bank accounts of the Company, where required
- To change signatories to the bank accounts of the Company, where required;
- To borrow funds from various Banks and financial institutions, within the limits prescribed towards working capital and for purchase of movable and immovable assets and to create charge of these assets.

The Committee comprises of Mr. Shailesh Siroya, Managing Director, Dr. S Prasanna, Whole time Director and Dr. G S R Subbarao, Independent Director.

7. **MEETING OF INDEPENDENT DIRECTORS:**

The Independent Directors of the Company had met on 14.02.2018, to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairperson of the Company and has accessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.



The Company has also during the year conducted familiarization programmes for Independent Directors of the Company and the details of such familiarization programmes was disseminated on the websites of the Company ([www.balpharma.com/pdf/Familiarization\\_program\\_for\\_Director's.pdf](http://www.balpharma.com/pdf/Familiarization_program_for_Director's.pdf)).

## 8. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Location
2014-15	22-09-2015	11:30 AM	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru-560001.
2015-16	22-09-2016	10:30 AM	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru-560001.
2016-17	22-09-2017	11:00 AM	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru-560001.

### 8.2 The Special Resolutions passed by the Company in its 28th, 29th and 30th AGM(s) are as under:

Date of AGM	AGM No.	Business Transacted by Special Resolution
22-09-2015	28 <sup>th</sup>	1. To enhance the borrowing limits of the Company.
22-09-2016	29 <sup>th</sup>	1. To reappoint Dr. Subba Rao Prasanna as the whole time Director of the Company.
22-09-2017	30 <sup>th</sup>	1. To revise the managerial remuneration payable to Mr. Shailesh Siroya, Managing Director. 2. To renew contract with M/s Desa Marketing International.

### 8.3 e-Voting:

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

### 8.4 Postal Ballot:

The Company has not passed any resolution by way of Postal Ballot during the Financial year 2017-18.

## 9. SUBSIDIARY /ASSOCIATE COMPANIES:

During the year under review, Lifezen Healthcare Private Limited, Bal Research Foundation and Balance Clinics LLP and continue to be the Subsidiaries/ Associates of the Company. The Company has acquired 100% shareholding and management control of Golden Drugs Private Ltd, during the year. Bal Pharma Ltd in its foray into veterinary medicines, has floated a joint venture Company i.e AB Vet Pharma Pty Ltd in Melbourne, Australia with Australia based pharmaceutical company i.e Akaal Pharma Pty Ltd.

## 10. WHISTLE BLOWER POLICY:

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

## 11. DISCLOSURES:

### 11.1 Related Party Transactions:

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

The Company has also formulated a policy for determining the material Related Party Transactions and detail of such policies for dealing with related party and the related party transactions are disseminated in the website of the Company, ([www.balpharma.com/pdf/Policy\\_on\\_dealing\\_with\\_Related\\_Party\\_Transactions.pdf](http://www.balpharma.com/pdf/Policy_on_dealing_with_Related_Party_Transactions.pdf))

### 11.2. Compliances:

There have been no instances of any non-compliance by the Company during the year on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the stock exchanges or SEBI or any other statutory authority on such matters.

### 11.3. Demat suspense Account:

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



**11.4: Transfer of shares to IEPF Suspense Account:**

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

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

**12. MEANS OF COMMUNICATIONS:**

- a) The Un-audited quarterly results of the Company are published in newspapers such as Financial Express, Bengaluru & Mumbai editions and Sanjevani newspapers. The financial results are uploaded on the website on periodic intervals for the benefit of our shareholders.
- b) The financial result and other information about the Company were disseminated to the stock exchanges for its up-dation on their respective websites.
- c) Pursuant to the Listing Regulations, all data related to quarterly financial results, shareholding pattern, etc are filed in NEAPS within the time frame prescribed in this regard.
- d) No presentations have been made to institutional investors or to analysts.

**13. RISK MANAGEMENT:**

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

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

**14. GENERAL INFORMATION TO SHAREHOLDERS:**

**a) Annual General Meeting:**

Date of Incorporation	May 19, 1987.
CIN	L85110KA1987PLC008368
Date and time of the 31 <sup>th</sup> Annual General meeting.	22-09-2018 at 11:00 AM
Venue of Annual General Meeting	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru - 560001.
Date of Book Closure	18.09.2018 to 22.09.2018 (both days inclusive)
Financial Year	1st April, 2017 - 31st March, 2018

**b) Financial Calendar 2018-19(tentative):**

Financial reporting for the first quarter ended on 30-06-2018	10 <sup>th</sup> August 2018
Financial reporting for the second quarter ended on 30-09-2018	12 <sup>th</sup> November 2018
Financial reporting for the third quarter ended 31-12-2018	On or before 14 <sup>th</sup> February 2019.
Financial reporting for the quarter & year ended on 31-03-2019	On or before 30 <sup>th</sup> May 2019.

**c) Particulars of payment of Dividend for the year ended 31.03.2018:**

Date of Declaration (if approved at the General Meeting)	22.09.2018
Rate of Dividend (proposed)	₹ 1 per equity share of ₹ 10/- each i.e 10%.
Book Closure Date	18.09.2018 to 22.09.2018 (Both days inclusive)
Date of payment of dividend (subject to approval at the general meeting)	13.10.2018
Amount of dividend to be paid	₹ 1,41,72,372/-
Share Capital	₹14,17,23,720/-

**d) Listing of Shares:**

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



e) **Market Price Data:**

Monthly high and low quotations as well as the volume of shares traded at National Stock Exchange of India Limited during FY 2017-18 are as under:

Month	Month's High Price ₹	Month's Low Price ₹	Total volume of shares traded
April 2017	115.50	86.70	23,48,410
May 2017	104.60	88.00	9,35,691
June 2017	109.00	88.10	15,00,819
July 2017	115.40	90.90	31,54,094
August 2017	111.90	90.00	6,88,941
September 2017	104.45	90.50	11,53,098
October 2017	101.90	90.65	14,87,719
November 2017	101.90	92.00	17,03,892
December 2017	124.20	94.00	41,53,159
January 2018	128.20	97.95	36,53,510
February 2018	103.65	82.95	7,29,432
March 2018	96.00	76.15	3,98,016

Monthly high and low quotations as well as the volume of shares traded at BSE Limited, during 2017-18 are as under:

Month	Month's High Price ₹	Month's Low Price ₹	Total volume of shares traded
April 2017	117.00	88.00	4,94,539
May 2017	104.45	85.05	1,81,166
June 2017	108.50	88.60	2,42,184
July 2017	115.95	87.45	5,99,409
August 2017	111.45	90.80	1,86,985
September 2017	106.15	90.85	2,01,775
October 2017	101.50	90.65	1,54,929
November 2017	102.00	91.75	1,61,623
December 2017	123.90	94.50	5,73,440
January 2018	128.00	98.15	5,90,164
February 2018	103.05	84.45	1,01,046
March 2018	96.00	75.25	1,12,259

f) **Distribution of Shareholding as on 31.03.2018:**

Range Start	Range End	Total Number of Shares	Percentage of Capital	Total Number of shareholders	% of total Security holders
1	5,000	12,61,215	8.90	9,946	87.36
5,001	10,000	6,08,817	4.30	741	6.51
10,001	20,000	4,91,019	3.46	314	2.76
20,001	30,000	2,92,133	2.06	114	1.00
30,001	40,000	2,05,392	1.45	57	0.50
40,001	50,000	2,60,575	1.84	56	0.49
50,001	1,00,000	5,42,512	3.83	71	0.62
1,00,001	9,99,99,99,999	1,05,10,709	74.16	86	0.76
Total		1,41,72,372	100.00	11,385	100.00

g) **Categories of Shareholders as on 31.03.2018:**

Sl No.	Category	No of Shareholders	No of shares held	% of shareholding.
1.	Financial Institutions/ Banks	4	9,044	0.06
2.	Mutual Fund	1	200	0.00
3.	Body Corporates	96	2,04,333	1.44
4.	Promoters, Directors & Relatives	13	63,16,482	44.57
5.	Indian Public	11,271	76,42,313	53.92
	Total	11,385	1,41,72,372	100

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

Name of the Depository	Number of share holders	Number of shares held	% to total capital
NSDL	5,751	96,04,658	67.77
CDSL	4,071	43,03,412	30.37
Physical	1,563	2,64,302	1.86
Total	11,385	1,41,72,372	100.00

**i) Share Transfer System:**

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

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

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

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

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

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

Year	Amount in ₹
2012-13	1,64,282
2013-14	2,23,284
2014-15	2,25,258
2015-16	2,48,059
2016-17	2,33,659
<b>Total</b>	<b>10,94,542</b>

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

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

**k) Request to Investors:**

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

- Shareholders are requested to convert their physical holding of share certificates into demat/electronic form through any of the DP's ( Depository Participants) to avoid any possibility of the loss, mutilation etc, of physical share certificates and also to ensure safe and speedy transaction in securities. As per the notification of SEBI , transfer of physical shares lodged for transfer will not be processed by the R&T agents from 5<sup>th</sup> December 2018 onwards. Hence , the shareholders are advised to convert their shareholding into electronic form before 5<sup>th</sup> December 2018 in order to avoid any possible hurdles in the transfer process.
- Shareholders holding shares in physical form should communicate the change of address, if any, directly to the Registrar and Share Transfer Agent of the Company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the Nomination Form SH-13. Those holding shares in electronic form are advised to contact their DP's.



- As required by SEBI, it is advised that the shareholder furnish details of their bank account and name address of their bank for incorporating the same in the dividend warrants. This would avoid credits being given to the unauthorized persons.

**l) Reconciliation of Share Capital Audit:**

Quarterly audit was conducted by a Practising Company Secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificate were submitted to the Stock Exchange within the prescribed time limit. As on 31st March, 2018 there was no difference between the issued capital and the listed capital and the aggregate of shares held by investors in both physical and electronic form with the depositories. 1,39,08,070 Equity Shares of the Company representing 98.13% of the Paid Up Equity Capital have been dematerialized as on 31st March, 2018.

**m) Locations of manufacturing Units:**

**1) Unit 1 (Formulations)**

# 21 & 22, Bommasandra Industrial Area  
Bangalore-560092.

**2) Unit 2 ( API & Intermediates)**

# 61/B, Bommasandra Industrial Area  
Bangalore-560092.

**3) Unit 3 (Parenterals)**

# 732/735, Off National Highway No.4  
Village Kenjal-412217,  
Dist Bhor. Maharashtra.

**4) Unit 4 ( Formulations)**

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

**5) Unit 5 (API's and Intermediates)**

Thabadewadi Post, Kavatha Mahankal  
Sangli-416405  
Mahatashtra.

**6) Unit 6 ( API and Intermediates)**

(Golden Drugs Private Ltd)  
#C-155, Mewar Industrial Area  
Madri, Udaipur-313001.  
Rajasthan

**n) Address for Correspondence:**

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

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



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

- i. TSR Darashaw Limited, 503, Barton Centre, 84, MG Road, Bengaluru – 560 001, Tel: 080-25580019/25320321, Fax: 080-25580019, Email: tsrdlbgang@tsrdarashaw.com.
- ii. TSR Darashaw Limited, Bungalow No: I E Road, Northern Town, Bistupur, Jamshedpur – 831001, Tel: 0657-2426616, Fax: 0657-2426937, Email: tsrdljsr@tsrdarashaw.com.
- iii. TSR Darashaw Limited, Tata Centre, I st floor, 43, Jawaharlal Nehru Road, Kolkata 700071. Tel: 033- 22883087, Fax: 033-22883062, Email: tsrdlcal@tsrdarashaw.com.
- iv. TSR Darashaw Limited, Plot No: 2/42, Sant Vihar, Ansari Road, Darya Ganj, Fax: 011-23271802, Email: tsrdldel@tsrdarashaw.com.
- v. Agent: Shah Consultancy Services Pvt. Ltd, 3 Sumatinath Complex, 2nd Dhal Pritam Nagar, Ellisbridge, Ashram Road, Ahmedabad – 380006, Telefax: 079 – 26576038, Email ID shahconsultancy8154@gmail.com.

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

To,  
The Members  
Bal Pharma Limited  
Bangalore.

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2018.

Place: Bengaluru  
Date: 29.05.2018

Shailesh Siroya  
Managing Director

**CEO & CFO certification**

To,  
The Board of Directors  
Bal Pharma Limited  
Bangalore.

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

- A. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2018 and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee,
  - (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

s/d  
Chief Executive Officer /MD  
Dated : 29.05.2018

s/d  
Chief Financial Officer/Head of Finance



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

To  
The Members  
Bal Pharma Limited  
Bangalore

I have examined all the relevant records of Bal Pharma Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company for the year ended 31st March, 2018 as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

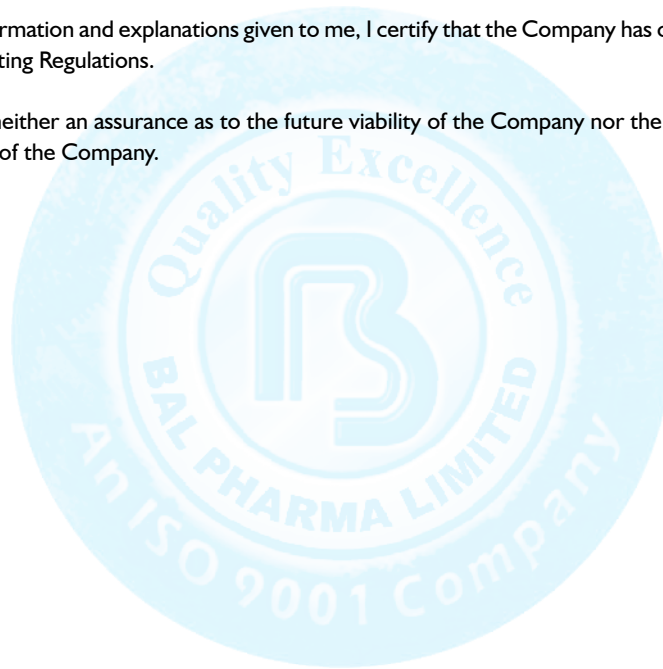
The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression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

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

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

Place: Bangalore  
Date: 29<sup>th</sup> May, 2018

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



**TO THE MEMBERS OF BAL PHARMA LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **BAL PHARMA LIMITED** ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**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 and the Order issued under Section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing, issued by Institute of Chartered Accountants of India 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 the 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 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 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 the 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 these 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 aforesaid 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, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Other Matter**

The comparative financial information for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 prepared in accordance with Ind AS included in these standalone financial statements, are based on the previously issued statutory financial statements for the year ended 31st March, 2017 and 31st March, 2016 respectively prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor whose reports dated 30th May, 2017 and 25th May, 2016 respectively expressed unmodified opinion on those standalone financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

- I. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash



Flows dealt with by this Report are in agreement with the books of account.

- (d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A, and
  - (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer 31 to the standalone Ind AS financial statements.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and
    - iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **N S V M & Associates**  
Chartered Accountants  
Firm registration number: 0100725

**G.C.S Mani**  
Partner  
Membership No: 036508

Bengaluru  
29<sup>th</sup> May, 2018

#### **Annexure-A to the Independent Auditor's Report**

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

**Report on the Internal Financial Controls under Clause (i) of**

#### **Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Bal Pharma Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

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

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of



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

#### Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

In our opinion, to the best of information and according to the explanations given to us, the Company has in all material aspects, an adequate internal financial control system over financial reporting as at March 31, 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **N S V M & Associates**  
Chartered Accountants  
Firm registration number: 0100725

**G.C.S Mani**  
Partner  
Membership No: 036508

Bengaluru  
29<sup>th</sup> May, 2018

#### Annexure B to the Independent Auditor's Report

The Annexure B referred to in the Independent Auditor's Report to the Members of Bal Pharma Limited ("The Company") for the year ended 31 March 2018, Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and

other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that,

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and Situation of Fixed assets.
- b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years which, In our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- c. The title deeds of immovable properties (which are included under the head 'Property, Plant and Equipment') are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.
- (iii) The Company has not granted loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) In respect of loans, investments and guarantees, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under and the directions issued by the RBI are applicable. Hence paragraph 3(v) of CARO is not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, as amended, specified by the Central Government under Section 148(1) of the Companies Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
  - a. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31 March 2018 for a period of more than six months from the date they became payable





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

Name of the statute	Nature of dues	₹	Period to which the amount relates	Forum where dispute is pending
Chapter V of Finance Act, 1994	Service Tax and equivalent penalty	31,70,397	Nov 2007 to March 2012	Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	2,88,356	January to October 2010	Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	24,91,506	April to Oct 2006, January 2007 to December 2009	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	85,01,823	Nov 2007 to July 2011	CESTAT
The Central Excise Act, 1944	Central Excise Duty and Penalty	1,91,590	March -June 2012	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	11,59,254	July 2012 to January 2013	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	21,82,891	FY 2010-11, 2011-12 & 2012-13	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	2,67,151	FY 2013-14	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	3,06,151	FY 2013-14 & 2014-15	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	2,73,898	FY 2014-15	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	1,53,283	FY 2013-14 & 2014-15	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Central Excise Duty and Penalty	1,17,741	FY 2013-14 & 2014-15	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Penalty Imposed	1,87,609	FY 2016-17	Commissioner Appeals-I
The Central Excise Act, 1944	Penalty Imposed	1,52,527	FY 2013-14 to 2015-16	Commissioner Appeals-I
The Central Excise Act, 1944	Central Excise duty	9,85,543	FY 2016-17 & FY 2017-18	Assistant Commissioner of Central Excise
Income tax Act, 1961	Income Tax	9,63,682	FY 2005-06	Honourable High court of Karnataka

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its any banks and financial institutions.
- (ix) According to the information and explanations given to us, the term loans were applied for the purposes for which those are raised. The Company has not raised any money by way of public issue or further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information & explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with schedule V to the act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) All transactions with the related parties are in compliance with Section 188 and 177 (where applicable) of Companies Act, 2013 and the details thereof have been disclosed in the standalone financial statements as required by the Accounting standards and Companies Act, 2013.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**G.C.S Mani**  
Partner  
Membership No: 036508

Bengaluru  
29<sup>th</sup> May, 2018



BALANCE SHEET AS AT 31ST MARCH, 2018

₹ in Lakhs

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	3	5,381.60	5,505.78	5,129.20
Capital work-in-progress		21.08	170.44	382.60
Goodwill		-	-	-
Intangible Assets	4	446.87	466.41	462.29
Intangible assets under development		-	-	-
Investment property		-	-	-
Investment property under development		-	-	-
Financial assets		-	-	-
- Investments	5	651.59	1.50	1.50
- Loans	6	237.27	210.11	225.42
- Other financial assets	7	54.84	32.74	53.22
Deferred tax assets (Net)		-	-	-
Other non-current assets	8	214.99	462.29	540.64
		<b>7,008.24</b>	<b>6,849.28</b>	<b>6,794.87</b>
<b>Current assets</b>				
Inventories	9	6,616.66	5,436.63	4,161.15
Financial assets		-	-	-
- Investments		-	-	-
- Trade receivable	10	6,007.16	6,100.50	5,685.39
- Loans	11	201.19	59.65	6.95
- Cash and cash equivalents	12	257.95	206.52	159.12
- Other bank balances	13	144.54	254.95	287.23
- Other financial assets		-	-	-
Current tax assets (Net)		-	-	-
Other current assets	14	4,040.40	2,976.91	2,460.20
		<b>17,267.91</b>	<b>15,035.16</b>	<b>12,760.04</b>
		<b>24,276.15</b>	<b>21,884.44</b>	<b>19,554.91</b>



## BALANCE SHEET AS AT 31ST MARCH, 2018

₹ in Lakhs

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	15	1,417.24	1,417.24	1,287.24
Other equity	16	5,806.16	5,241.42	4,441.11
		<b>7,223.39</b>	<b>6,658.65</b>	<b>5,728.35</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	17	3,502.71	1,780.27	1,593.66
- Other financial liabilities	18	127.09	104.59	89.59
Provisions	19	250.84	334.83	263.72
Deferred tax liabilities (Net)	20	755.90	773.86	695.77
Other non-current liabilities				
		<b>4,636.54</b>	<b>2,993.55</b>	<b>2,642.75</b>
Financial liabilities				
- Borrowings	21	4,928.74	5,205.13	5,009.15
- Trade payables	22	4,521.73	5,355.34	5,008.43
- Other financial liabilities	23	682.46	437.99	379.18
Other current liabilities	24	2,046.33	1,104.47	732.49
Provisions	25	37.37	19.32	16.04
Current tax liabilities (Net)	26	199.60	109.98	38.52
		<b>12,416.21</b>	<b>12,232.23</b>	<b>11,183.82</b>
		<b>24,276.15</b>	<b>21,884.44</b>	<b>19,554.91</b>

Summary of significant accounting policies and other notes on accounts 1 & 2

The accompanying notes are an integral part of these financial statements

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

for **NSVM and Associates**

Chartered Accountants

Firm's registration number: 010072S

**G.C.S Mani**

Partner

Membership number: 036508

for and on behalf of the board of directors of

**Bal Pharma Limited**

**Shailesh Siroya**

Managing Director

DIN: 00048109

**Dr S Prasanna**

Director

DIN: 00084602

Place: Bengaluru

Date: 29<sup>th</sup> May 2018



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lakhs

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Income</b>			
Revenue from operations	27	20,984.74	23,201.45
Other income	28	163.92	339.02
<b>Total Income</b>		<b>21,148.66</b>	<b>23,540.47</b>
<b>Expenses</b>			
Cost of materials consumed	29	10,272.42	11,546.76
Excise Duty	30	219.21	604.96
Purchase of traded goods	31	694.10	668.06
(Increase)/decrease in inventories of finished goods and work-in-progress	32	(1,123.61)	(612.86)
Employee Benefit expense	33	4,462.91	4,134.85
Other expenses	34	4,181.04	4,847.80
Depreciation and amortisation	3 & 4	672.80	645.58
Finance costs	35	924.32	846.27
<b>Total expenses</b>		<b>20,303.20</b>	<b>22,681.42</b>
Profit before exceptional and tax		845.46	859.05
<b>Profit before tax</b>		<b>845.46</b>	<b>859.05</b>
Tax expense:			
Current tax	20	255.23	217.72
Tax adjustments relating to previous year		-	14.57
Deferred tax charge/ (credit)	20	(3.60)	95.38
<b>Profit (Loss) for the period from continuing operations</b>		<b>593.83</b>	<b>531.38</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		(43.46)	(52.29)
(ii) Income tax relating to items that will not be reclassified to profit or loss		14.37	17.29
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>(29.09)</b>	<b>(35.00)</b>
<b>Total Comprehensive Income for the period</b>		<b>564.74</b>	<b>496.38</b>
<b>Earning per share (equity shares, par value ₹ 10 each)</b>			
- Basic		3.98	3.50
- Diluted		3.98	3.50

Summary of significant accounting policies and other notes on accounts | &amp; 2

The accompanying notes are an integral part of these financial statements

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

for **NSVM and Associates**Chartered Accountants  
Firm's registration number: 010072S**G.C.S Mani**  
Partner  
Membership number: 036508Place: Bengaluru  
Date: 29<sup>th</sup> May 2018

for and on behalf of the board of directors of

**Bal Pharma Limited****Shailesh Siroya**  
Managing Director  
DIN: 00048109**Dr S Prasanna**  
Director  
DIN: 00084602

**STATEMENT OF CHANGES IN EQUITY AS ON MARCH 31, 2018**

₹ in Lakhs

Particulars	Equity share capital	Other Equity					Total Other Equity	Total Equity	
		Reserves & Surplus			OCI				
		Securities premium reserve	General Reserve	Capital Reserves	Money Received against Share Warrants	Retained earnings			Remeasurements of the net defined benefit plans
<b>Balance as at 1 April 2016</b>	1,287.24	1,731.66	245.15	44.06	201.50	2,218.74	-	4,441.11	5,728.35
<b>Reconciliation for the period ended 31 March 2017</b>	130.00	-	-	-	(201.50)	-	-	(201.50)	(71.50)
Issue of equity shares to holders of share warrants	-	676.00	-	-	-	-	-	676.00	676.00
Premium on issue of equity shares for preferential share warrants	-	-	-	-	-	531.38	-	531.38	531.38
Profit for the year	-	-	-	-	-	(170.58)	-	(170.58)	(170.58)
Appropriations for dividend and tax on same	-	-	-	-	-	-	-	-	-
Other Comprehensive income	-	-	-	-	-	-	(35.00)	(35.00)	(35.00)
<b>Balance as on 31.03.2017</b>	<b>1,417.24</b>	<b>2,407.66</b>	<b>245.15</b>	<b>44.06</b>	<b>-</b>	<b>2,579.55</b>	<b>(35.00)</b>	<b>5,241.42</b>	<b>6,658.65</b>
<b>Reconciliation for the period ended 31 March 2018</b>	-	-	-	-	-	-	-	-	-
Changes in equity share capital during the year	-	-	-	-	-	-	-	-	-
Premium on issue of equity shares	-	-	-	-	-	593.83	-	593.83	593.83
Profit for the year	-	-	-	-	-	-	(29.09)	(29.09)	(29.09)
Other Comprehensive income	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March, 2018</b>	<b>1,417.24</b>	<b>2,407.66</b>	<b>245.15</b>	<b>44.06</b>	<b>-</b>	<b>3,173.38</b>	<b>(64.09)</b>	<b>5,806.16</b>	<b>7,223.39</b>

for and on behalf of the board of directors of

**Bal Pharma Limited**

for **NSVM and Associates**

Chartered Accountants  
Firm's registration number: 010072S

**G.C.S Mani**  
Partner  
Membership number: 036508

Place: Bengaluru  
Date: 29th May 2018

**Dr S Prasanna**  
Director  
DIN: 00084602

**Shailesh Siroya**  
Managing Director  
DIN: 00048109



**Bal Pharma Limited**



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Cash flow from operating activities:</b>		
<b>Profit before tax</b>	845.46	859.05
<b>Add/(Less): Non cash adjustments to reconcile profit before tax to net cash flows</b>		
- Depreciation and Amortization	672.80	645.58
- Finance cost	924.32	846.27
- Interest income	(21.87)	(18.35)
- (Gain)/ Loss on sale of Fixed assets	-	(0.03)
<b>Operating cash flow before working capital changes</b>	<b>2,420.72</b>	<b>2,332.52</b>
<b>Add/(Less): Working Capital changes</b>		
- Decrease/(Increase) in Inventories	(1,180.04)	(1,275.47)
- Decrease/(Increase) in Trade receivables	93.34	(415.11)
- Decrease/(Increase) in Short-term and long-term loans and advances	(168.70)	(37.40)
- Decrease/(Increase) in Other Assets (Current and Non current)	(838.29)	(417.88)
- Increase/ (Decrease) in Trade payables	(833.61)	346.91
- Increase/ (Decrease) in Other liabilities	1,298.16	168.58
- Increase/ (Decrease) in Provisions	(71.18)	74.38
<b>Cash (used in)/ generated from operations</b>	<b>720.39</b>	<b>776.52</b>
Income taxes (paid)/ refund	(126.51)	(140.40)
<b>Net cash generated (used in) operating activities (A)</b>	<b>593.89</b>	<b>636.12</b>
<b>Cash flow from investing activities:</b>		
Purchase of fixed assets including intangible assets and capital work-in-progress	(378.26)	(815.59)
Investment in Subsidiaries	(650.09)	-
Proceeds from sale of fixed assets	-	1.50
Interest received	21.87	18.35
<b>Net cash (used in) investing activities</b>	<b>(1,006.48)</b>	<b>(795.74)</b>
<b>Cash flow from financing activities:</b>		
Money Received on Conversion of Share warrant	-	806.00
Proceeds from / (repayment) of borrowings	1,446.04	382.59
Dividend Paid including dividend distribution tax	(168.39)	(168.07)
Finance Cost	(924.32)	(846.27)
<b>Net cash generated from/ (Used in ) financing activities</b>	<b>353.33</b>	<b>174.25</b>
Net (decrease)/ increase in cash and cash equivalents	(59.27)	14.63
Cash and cash equivalents at the beginning of the year	461.47	446.35
<b>Cash and cash equivalents at the end of the year</b>	<b>402.20</b>	<b>460.98</b>
<b>Cash and cash equivalents comprise of:</b>		
- Cash and cash equivalents	257.95	206.52
- Other bank balances	144.54	254.95
	<b>402.49</b>	<b>461.47</b>

Summary of significant accounting policies and other notes on accounts  
The accompanying notes are an integral part of these financial statements  
This is the Cash Flow Statement referred to in our report of even date

for **NSVM and Associates**

Chartered Accountants  
Firm's registration number: 010072S

**G.C.S Mani**

Partner  
Membership number: 036508

Place: Bengaluru  
Date: 29<sup>th</sup> May 2018

I & 2

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

**Shailesh Siroya**  
Managing Director  
DIN: 00048109

**Dr S Prasanna**  
Director  
DIN: 00084602



## SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2018

### Company Overview

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

### 1. Basis of Preparation of Financial Statements

#### a) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31 March 2018 are the first the Company has prepared in accordance with Ind AS. Refer to note 51 for information on how the Company adopted Ind AS.

#### b) Historical Cost Convention

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

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

#### c) Functional and Presentational Currency

The financial statements are presented in INR which is the functional currency for the Company. All amounts disclosed in the financial statements and notes have been rounded to the nearest lakhs.

#### d) Use of Estimates and Judgments

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

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

### Critical accounting estimates and assumptions

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

#### Judgments

- 1) Recognition of Deferred Income Taxes
- 2) Recognition Research and Developments Costs (Note no 37)

#### Estimates

- 1) Useful lives of various of Property, Plant and Equipment (Note 3 & 4)
- 2) Fair Value of Financial Instruments (Note No 48)
- 3) Accounting for Defined Benefit Plan (Note No 43)
- 4) Expected Credit Losses

#### e) Current vs Non-Current Classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

### 2. Significant Accounting Policies

#### a) Fair Value Measurement

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



## SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2018

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

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

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

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

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

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

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

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

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

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

### b) Revenue Recognition

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

#### **Sale of Goods:**

Revenue from the sale of goods is recognised on dispatch of goods which coincides with the transfer of significant risks and rewards of ownership of the goods to the buyer, based on the applicable incoterms. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, goods and service tax, value added taxes and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and the revenue recognition criteria have been complied.

Other Operating revenue is recognised on accrual basis.

#### **Rendering of Services**

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

#### **Interest Income**

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

#### **Dividend Income**

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

#### **Export Incentives**

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





## SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2018

### c) **Property, Plant and Equipment**

#### **Recognition and Measurement**

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

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

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

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

#### **Subsequent Measurement**

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

#### **Capital Work-in-Progress**

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

#### **Transition to Ind AS**

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

### d) **Intangible Asset**

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

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

### e) **Research and Development**

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

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

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

### f) **Depreciation**

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

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Premium on leasehold lands are amortised over the period of lease. Building constructed on leasehold land is depreciated



## SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2018

based on the useful life specified in schedule II to the companies Act, 2013.

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

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

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

### h) **Borrowing Costs**

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

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

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

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

### i) **Inventories**

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

#### **Raw materials and accessories:**

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

#### **Finished goods and work in progress:**

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

#### **Trading Goods:**

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

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

### j) **Employee Benefits**

#### **Short Term Employee Benefits**

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

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

#### **Post-Employment Benefits**

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

##### i) *Provident Fund & Employee State Insurance:*

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

##### ii) *Gratuity Fund:*

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

##### iii) *Leave Encashment*

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



## SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2018

sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary.

### k) Financial Instruments

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

#### a. Financial Assets

##### *Initial recognition and measurement*

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

##### *Classifications*

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

##### *Business model assessment*

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

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

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

##### *Derecognition*

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

#### b. Financial Liability

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

- Financial Liabilities are classified as 'Financial Liability at fair value through profit or loss', if they are held for trading or if they are designated as financial liabilities at fair value through profit or loss. These are initially at fair

value with subsequent changes recognized in profit or loss.

- Other financial liabilities, are initially measured at fair value, net of directly attributable transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

### l) Trade Receivable

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

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

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

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

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

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

### m) Foreign Currency Transaction

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

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



## SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2018

### n) Leases

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

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

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

### o) Earnings Per Share

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

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

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

### p) Income Tax

#### a. Current Tax

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

#### b. Deferred Tax

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

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

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

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



## SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2018

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

### q) Provisions and Contingencies

#### A. Provisions

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

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

#### B. Contingent Liabilities and Contingent Assets

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

### r) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition),

highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### s) Standards issued but not yet effective

#### **Amendment to Ind AS 21**

The Amendment to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

#### **Amendment to Ind AS 12**

The amendment to Ind AS clarifies that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps and the carrying amount of an asset is relevant only to determine temporary differences. The carrying amount of an asset does not limit the estimation of probable inflow of taxable economic benefits that results from recovering an asset. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

#### **Notification of new standard Ind AS 115**

The new standard replaces existing revenue recognition standards Ind AS 11, 'Construction Contracts', Ind AS 18, 'Revenue' and revised guidance note of the Institute of Chartered Accountants of India on Accounting for Real Estate Transactions for Ind AS entities issued in 2016. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Company is evaluating the requirements of the amendment and its effect on the financial statements



NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

Description	3. Tangible, Owned							4. Intangible, Owned		Total Intangible assets		
	Freehold land	Leasehold land	Building	Plant and machinery	Utilities	Furniture and fixtures	Office equipment	Motor vehicles	Total Tangible assets		Com-puter software	R&D Expenses
Deemed Cost as at 1 April 2016	521.82	123.12	1,659.36	1,274.64	1,272.62	35.48	104.53	141.54	5,133.11	3.08	459.21	462.29
Ind AS Adjustment	(3.90)	-	-	-	-	-	-	-	(3.90)	-	-	-
Deemed Cost as at 1 April 2016	517.91	123.12	1,659.36	1,274.64	1,272.62	35.48	104.53	141.54	5,129.20	3.08	459.21	462.29
<b>Year ended 31 March 2017</b>												
<b>Gross Carrying amount</b>												
Deemed Cost at 1 April 2016	521.82	123.12	1,659.36	1,274.64	1,272.62	35.48	104.53	141.54	5,133.11	3.08	459.21	462.29
Additions	-	-	255.49	257.88	206.26	35.06	26.32	49.58	830.60	5.90	191.26	197.15
Disposals	-	-	-	-	-	-	-	(4.98)	(4.98)	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Gross Carrying amount</b>	<b>521.82</b>	<b>123.12</b>	<b>1,914.85</b>	<b>1,532.52</b>	<b>1,478.88</b>	<b>70.54</b>	<b>130.85</b>	<b>186.14</b>	<b>5,958.72</b>	<b>8.98</b>	<b>650.46</b>	<b>659.44</b>
<b>Accumulated Depreciation</b>												
Depreciation Charge for the year	-	4.82	81.18	158.01	137.66	12.13	25.86	32.88	452.54	1.78	191.26	193.04
Disposals	-	-	-	-	-	-	-	(3.51)	(3.51)	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>4.82</b>	<b>81.18</b>	<b>158.01</b>	<b>137.66</b>	<b>12.13</b>	<b>25.86</b>	<b>29.37</b>	<b>449.03</b>	<b>1.78</b>	<b>191.26</b>	<b>193.04</b>
<b>Net Carrying Amount as at 31 March 2017</b>	<b>517.91</b>	<b>118.30</b>	<b>1,833.67</b>	<b>1,374.51</b>	<b>1,341.22</b>	<b>58.41</b>	<b>104.99</b>	<b>156.77</b>	<b>5,505.78</b>	<b>7.20</b>	<b>459.21</b>	<b>466.41</b>
<b>Year ended 31 March 2018</b>												
<b>Gross Carrying amount</b>												
Opening Gross Carrying amount	521.82	123.12	1,914.85	1,532.52	1,478.88	70.54	130.85	186.14	5,958.72	8.98	650.46	659.44
Additions	-	-	50.48	194.07	86.55	14.92	14.12	-	360.12	3.04	164.46	167.50
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Gross Carrying amount</b>	<b>521.82</b>	<b>123.12</b>	<b>1,965.33</b>	<b>1,726.59</b>	<b>1,565.43</b>	<b>85.46</b>	<b>144.96</b>	<b>186.14</b>	<b>6,318.84</b>	<b>12.02</b>	<b>814.93</b>	<b>826.95</b>
<b>Accumulated Depreciation</b>												
Opening Accumulated Depreciation	-	4.82	81.18	158.01	137.66	12.13	25.86	29.37	449.03	1.78	191.26	193.04
Depreciation Charge for the year	-	1.05	94.00	176.54	153.09	12.19	17.12	30.33	484.31	2.37	186.12	188.49
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>5.87</b>	<b>175.18</b>	<b>334.55</b>	<b>290.75</b>	<b>24.32</b>	<b>42.98</b>	<b>59.70</b>	<b>933.34</b>	<b>4.15</b>	<b>377.37</b>	<b>381.53</b>
<b>Net Carrying Amount as at 31 March 2018</b>	<b>517.91</b>	<b>117.25</b>	<b>1,790.15</b>	<b>1,392.04</b>	<b>1,274.68</b>	<b>61.14</b>	<b>101.99</b>	<b>126.44</b>	<b>5,381.60</b>	<b>7.86</b>	<b>437.55</b>	<b>445.42</b>

Capital Work in Progress : ₹ 21,07,620 ( 31 March 2017 : ₹ 170.44 Lakhs : 1 April 2016 : 382.60 Lakhs )



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## Non-current financial assets

## 5 Investments

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Investment in equity instruments - Quoted</b>			
<i>Equity Shares at FVTPL</i>			
10,000 (31 Mar 2017 : 10,000 , 1 Apr 2016 : 10,000) Equity shares of ₹ 10 each fully paid in Lamina Foundries Limited	-	-	-
73,600 (31 Mar 2017-73,600 : 1 Apr 2016-73,600) Equity shares of ₹ 10 each fully paid in Sri Jayalakshmi Autospin Limited	-	-	-
<b>Investment in equity instruments - Unquoted</b>			
<i>Equity Shares at Amortised Cost</i>			
4,000 (31 Mar 2017: 4,000 , 1 Apr 2016 : 4,000) Equity shares of ₹ 25 each fully paid in The saraswat cooperative Bank Limited	1.00	1.00	1.00
5,000 (31 Mar 2017: 5,000 , 1 Apr 2016 : 5,000) Equity shares of ₹ 10 each fully paid in The Shamrao vithal Co-operative Bank Ltd.	0.50	0.50	0.50
<b>Investments in Subsidiary Companies</b>			
10,10,000 (31 Mar 2017: 10,00,000 , 1 Apr 2016 : 10,00,000) Equity shares of ₹ 10 each fully paid in Lifezen Healthcare Pvt Ltd.	101.00	-	101.00
80,000 (31 Mar 2017: 80,000 , 1 Apr 2016 : 80,000) Equity shares of ₹ 10 each fully paid in Bal Research Foundation	8.00	8.00	8.00
80,000 (31 Mar 2017: 80,000 , 1 Apr 2016 : 80,000) Equity shares of 10 each fully paid in Balance Clinics LLP	8.00	8.00	8.00
80,000 (31 Mar 2017: Nil , 1 Apr 2016 : Nil) Equity shares of 10 each fully paid in Golden drugs Pvt Ltd	649.09	-	-
Less: Impairment in value of Investments	-	(116.00)	(116.00)
<b>Total</b>	<b>651.59</b>	<b>1.50</b>	<b>1.50</b>
Aggregate Amount of Quoted Investments and market value thereof	-	-	-
Aggregate Amount of Unquoted Investments	117.50	117.50	117.50
Aggregate Amount of Impairment in Value of Investments	(116.00)	(116.00)	(116.00)
<b>Details of Investment in LLP</b>			
<i>Name of Partners :</i>			
Bal Pharma	80%	80%	80%
Shailesh D Siroya	20%	20%	20%
Total Capital of the Firm	10	10	10



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## 6 Loans and advances

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a) Security deposit	237.27	210.11	225.42
From above :			
Secured, considered good	-	-	-
Unsecured, considered good	237.27	210.11	225.42
Doubtful	-	-	-
	<b>237.27</b>	<b>210.11</b>	<b>225.42</b>

## 7 Other financial assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank Deposits (maturity of more than 12 months)	51.41	28.40	31.94
<b>Others</b>			
Interest accrued but not due	3.44	4.34	21.28
	<b>54.84</b>	<b>32.74</b>	<b>53.22</b>

## Non-financial assets

## 8 Other non-current assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a) Capital Advances	176.35	432.74	425.51
b) Advances other than Capital Advances	-	-	-
i) Advance to Related Parties	-	-	-
ii) Balance with Statutory/Government Authorities	3.54	16.14	100.80
c) Prepayments	35.10	13.42	14.33
	<b>214.99</b>	<b>462.29</b>	<b>540.64</b>

## Current assets

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials	2,315.27	2,235.85	1,652.75
Packing material	557.68	559.35	500.99
Work-in progress	1,577.89	862.99	864.06
Finished goods	2,148.54	1,743.13	1,129.20
Stores and spares	17.29	35.31	14.15
<b>Total</b>	<b>6,616.66</b>	<b>5,436.63</b>	<b>4,161.15</b>





## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## Current financial assets

## 10 Trade receivables

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade Receivables			
- Related Parties	263.59	135.82	72.80
- Others	5,759.07	5,964.68	5,612.59
Less: Allowance for Doubtful Debts (Expected Credit Losses)	(15.51)	-	-
<b>Total Trade Receivables</b>	<b>6,007.16</b>	<b>6,100.50</b>	<b>5,685.39</b>
Current Portion	6,007.16	6,100.50	5,685.39
Non Current Portion	-	-	-
From Above, the following are security break up Details			
Secured, Considered good	-	-	-
Unsecured, Considered good	6,007.16	6,100.50	5,685.39
Doubtful	-	-	-
	<b>6,007.16</b>	<b>6,100.50</b>	<b>5,685.39</b>

## 11 Loans

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Unsecured-Considered good</b>			
Security deposit	158.17	51.49	-
Loans/advances to employees	43.02	8.16	6.95
	<b>201.19</b>	<b>59.65</b>	<b>6.95</b>

## 12 Cash and cash equivalents

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash on hand	10.97	8.45	3.72
Balance with bank	-		
On current Account	192.91	154.51	134.06
Deposits with original maturity of less than 3 months	54.08	43.55	21.34
	<b>257.95</b>	<b>206.52</b>	<b>159.12</b>

## 13 Bank balances other than Cash and Cash Equivalents

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank Deposits (maturity between 3 months and 12 months)	133.10	246.09	279.17
Balance earmarked for Unclaimed Dividends	11.44	8.86	8.06
<b>Total</b>	<b>144.54</b>	<b>254.95</b>	<b>287.23</b>

## 14 Other current assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balance with statutory/government authorities	2,099.07	1,730.05	1,627.67
Advances recoverable in Cash or Kind			
- From Related Parties (Refer Note No. 49)	789.51	548.53	180.37
- From Others	184.71	227.45	183.57
Others Loans And Advances			
- From Related Parties (Refer Note No. 49)	929.35	376.76	326.76
- From Others	6.74	10.46	17.62
Insurance claims	4.67	4.67	6.24
Prepayments	26.35	78.98	117.98
	<b>4,040.40</b>	<b>2,976.91</b>	<b>2,460.20</b>



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## 15 Equity

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Authorised capital</b> 1,50,00,000 equity shares of ₹ 10 each	1,500.00	1,500.00	1,500.00
<b>Issued, subscribed and paid-up</b> 1,41,72,372 equity shares of ₹ 10 each	1,417.24	1,417.24	1,287.24
	<b>1,417.24</b>	<b>1,417.24</b>	<b>1,287.24</b>

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

Name of the shareholder	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares	%	No. of shares	%	No. of shares	%
Shailesh Siroya	16,45,459	11.61%	1,270,759	9.87%	1,270,759	9.87%
Micro Labs Limited	13,10,836	9.25%	13,10,836	10.18%	1,310,836	10.18%
Anita Siroya	10,49,220	7.40%	1,018,540	7.91%	1,018,540	7.91%
	<b>36,00,135</b>	<b>25.40%</b>	<b>36,00,135</b>	<b>27.97%</b>	<b>36,00,135</b>	<b>27.97%</b>

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening Balance	14,172,372	12,872,372	12,872,372
Add : No. of Shares Issued during the year	-	1,300,000	-
<b>Closing Balance</b>	<b>14,172,372</b>	<b>14,172,372</b>	<b>12,872,372</b>

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

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

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

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

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

## 16 Other Equity

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>(i) Securities premium reserve</b>			
Balance as at beginning of the reporting period	2,407.66	1,731.66	1,731.66
Add: Additions on account of issue of shares reserved for preferential share warrants	-	676.00	-
	<b>2,407.66</b>	<b>2,407.66</b>	<b>1,731.66</b>
<b>(ii) Retained Earnings</b>			
Balance as at beginning of the reporting period	2,579.55	2,218.74	1,938.14
Surplus/(Deficit) in the statement of profit and loss	593.83	531.38	280.60
Less: dividend payable	-	(141.72)	-
Less: provision for DDT	-	(28.85)	-
	<b>3,173.38</b>	<b>2,579.55</b>	<b>2,218.74</b>



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>(iii) General reserve</b>			
Balance as at beginning of the reporting period	245.15	245.15	245.15
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-	-
	<b>245.15</b>	<b>245.15</b>	<b>245.15</b>
<b>(iv) Capital Reserve</b>			
Balance as at beginning of the reporting period	44.06	44.06	44.06
Add: Additions during the year - Capital Reserve	-	-	-
	<b>44.06</b>	<b>44.06</b>	<b>44.06</b>
<b>(v) Money received against share warrants</b>			
Balance as at beginning of the reporting period	-	-	201.50
Add: Additions during the year - Capital Reserve	-	-	-
	-	-	<b>201.50</b>
<b>(vi) Other comprehensive income</b>			
Others (actuarial gain/ Loss)	(64.09)	(35.00)	-
	<b>(64.09)</b>	<b>(35.00)</b>	-
	<b>5,806.16</b>	<b>5,241.42</b>	<b>4,441.11</b>

## Financial liabilities

## 17 Borrowings

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Terms loans			
- from banks	1,957.35	1,233.13	1,081.52
- From Other parties	1,400.00	487.19	443.43
Other Loans			
- Vehicle Loans	38.89	59.95	47.71
- Other Loans	106.46	-	21.00
The above amount includes			
Secured Borrowings	3,359.97	1,275.89	1,524.25
Unsecured Borrowings	142.73	504.38	69.41
	-	-	-
	<b>3,502.71</b>	<b>1,780.27</b>	<b>1,593.66</b>

**A) Details of securities, repayment and interest of term loans (including current maturities of long-term debt):****(a) Loan from Exim Bank outstanding as at 31 March 2018: ₹ 2.40 Cr (31 March 2017 : ₹ 3.60 Cr : 01 April 2016: ₹ 4.80 Cr)****Security**

i. The Loan is secured by first charge on the entire moveable property, Plant and equipment of the Company by way of hypothecation and pari passu first charge by way of equitable mortgage on all immovable property, Plant and equipment of Unit 1, 2, 3 and 4 of the Company.

**Repayment and interest**

ii. The loan was repayable in 20 equal quarterly installments of ₹ 0.30 crore each, starting from April 2015.  
 iii. Interest was payable on EXIM bank LTLMR plus 250 basis points which is currently at 12.70% per annum.

**(b) Loan from Corporation Bank outstanding as at 31 March 2018: ₹ 9.52 Cr (31 March 2017: ₹ 10.84 Cr : 01 April 2016: ₹ 6.85 Cr)****Security**

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



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

### **Repayment and interest**

- ii. The loan was repayable in 80 monthly installments starting from April 2017.
- iii. Interest was payable on LTLMR plus 5.60% which is currently at 13.75% per annum

**(c) Loan from Yes Bank outstanding as at 31 March 2018: ₹ 3.56 cr (31 March 2017 : ₹ 0.75 Cr : 01 April 2016: ₹ Nil)**

### **Security**

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

### **Repayment and interest**

- ii. The loan was repayable in 48 monthly installments starting from June 2017.
- iii. Interest was payable on at 10.75% per annum

**(d) Loan from Tata Capital outstanding as at 31 March 2018: ₹ 14.00 Cr (31 March 2017 : ₹ Nil : 01 April 2016: ₹ Nil)**

### **Security**

- i. The loan is secured by mortgage of the property of unit 6, Udaipur and personal guarantee of managing director.

### **Repayment and interest**

- ii. The loan was repayable in 48 monthly installments starting from June 2017.
- iii. Interest was payable on at 10.75% per annum

**(e) Loan from The South India Bank Limited outstanding as at 31 March 2018: ₹ 4.86 Cr (31 March 2017 : ₹ 5.16 Crores : 01 April 2016: ₹ Nil)**

### **Security**

- i. The loan is secured by mortgage of the Land at Vasanth Nagar

### **Repayment and interest**

- ii. The loan was repayable in 154 monthly installments starting from March 2018.
- iii. Interest was payable on at 10.65% per annum

**(f) Loan from The South India Bank Limited outstanding as at 31 March 2018: ₹ 3.39 Cr (31 March 2017: ₹ Nil : 01 April 2016: ₹ Nil)**

### **Security**

- i. The loan is secured by mortgage of the Land at Vasanth Nagar

### **Repayment and interest**

- ii. The loan was repayable in 180 monthly installments starting from April 2018.
- iii. Interest was payable on at 10.65% per annum

**(g) Loan from Kotak Mahindra Bank Limited (Unsecured) outstanding as at 31 March 2018: ₹ 0.17 Cr (31 March 2017: ₹ 0.63 Cr : 01 April 2016: ₹ 1.01 Cr)**

### **Repayment and interest**

- i. The loan was repayable in 36 monthly installments starting from July 2015.
- ii. Interest was payable on at 11.75% per annum

**(h) Loan from Kotak Mahindra Bank Limited (Unsecured) outstanding as at 31 March 2018: ₹ 0.59 Crores (31 March 2017: ₹ Nil 01 April 2016: ₹ Nil)**

### **Repayment and interest**

- i. The loan was repayable in 36 monthly installments starting from Aug 2017.
- ii. Interest was payable on at 16.50 % per annum

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

**(a) Loan from Magma Fincorp Limited (Unsecured) outstanding as at 31 March 2018: ₹ 0.53 Cr (31 March 2017: ₹ Nil : 01 April 2016: ₹ Nil)**

### **Repayment and interest**

- i. The loan was repayable in 24 monthly installments starting from Aug 2017.
- ii. Interest was payable on at 16.00% per annum

**(b) Loan from Tata Capital Financial Services Limited (Unsecured) outstanding as at 31 March 2018: ₹ 0.53 Cr (31 March 2017: ₹ Nil : 01 April 2016: ₹ Nil)**

### **Repayment and interest**

- i. The loan was repayable in 24 monthly installments starting from July 2017.
- ii. Interest was payable on at 15.94% per annum



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

(c) **Loan from Capital First Limited (Unsecured) outstanding as at 31 March 2018: ₹ 0.62 Cr (31 March 2017: ₹ Nil : 01 April 2016: ₹ Nil)**

**Repayment and interest**

- The loan was repayable in 24 monthly installments starting from Aug 2017.
- Interest was payable on at 15.00% per annum

(d) **Loan from Equitas Small Finance Bank Limited (Unsecured) outstanding as at 31 March 2018: ₹ 0.44 Cr (31 March 2017: ₹ Nil : 01 April 2016: ₹ Nil)**

**Repayment and interest**

- The loan was repayable in 36 monthly installments starting from November 2017.
- Interest was payable on at 16.50% per annum

(e) **Loan from Neo Growth Private Limited (Unsecured) outstanding as at 31 March 2018: ₹ 0.44 Cr (31 March 2017 : ₹ Nil : 01 April 2016: ₹ Nil)**

**Repayment and interest**

- The loan was repayable in 36 monthly installments starting from May 2018.
- Interest was payable on at 18.00% per annum

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

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

**18 Other financial liabilities**

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deposits received from customers	127.09	104.59	89.59
	<b>127.09</b>	<b>104.59</b>	<b>89.59</b>

**19 Provisions**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Provision for employee benefits</b>			
Gratuity	159.20	230.56	188.55
Leave benefits	42.60	46.10	34.34
Bonus Payable	49.04	58.17	40.82
	<b>250.84</b>	<b>334.83</b>	<b>263.72</b>

**20 Income tax****A. Amounts recognised in statement of profit and loss**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Current income tax:</b>		
Current income tax charge	255.23	217.72
Previous Year's Tax Adjustment	-	14.57
	<b>255.23</b>	<b>232.29</b>
<b>Deferred tax:</b>		
Attributable to -		
Origination and reversal of temporary differences	(3.60)	95.38
	<b>(3.60)</b>	<b>95.38</b>



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Minimum Alternate Tax credit entitlement</b>		
Excess of tax liability under Minimum Alternate Tax over Normal Provisions as per Income Tax Act, 1961	-	-
	-	-
<b>Income tax (credit) / expense reported in the statement of profit or loss</b>	4.98	7.44

**B. Income tax recognised in other comprehensive income**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net (gain)/loss on remeasurement of defined benefit liability/ (assets)	14.37	17.29
<b>Income tax charged to OCI</b>	<b>14.37</b>	<b>17.29</b>

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before income tax	845.46	859.05
Domestic tax rate *	33.063%	33.063%
Tax using the Company's domestic tax rate	280	284.03
Weighted Deductions and Exemptions	-123.07	-126.47
Impact of non-deductible expenses for tax purposes (Net)	29.65	77.38
Others	69.11	-17.22
<b>Income tax expense</b>	<b>255.23</b>	<b>218.72</b>
Effective Tax Rate	30.19%	25.46%

**D. Deferred Tax**

Deferred tax relates to the following:

Particulars	As at 31 March 2018	As at 31 March 2017
<b>Deferred Tax Liability</b>		
Property, Plant and Equipment	707.42	739.13
Weighted Deduction in Research and Development	144.67	151.83
<b>Deferred tax Asset</b>		
Employee benefits expenses	95.84	117.09
Others	0.35	-
<b>Deferred tax Liability Reflected in Balance Sheet</b>	<b>755.90</b>	<b>773.86</b>

**21 Borrowings**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Secured:</b>			
<b>Loans repayable on demand from Bank</b>			
- Cash Credit	2,997.06	3,001.27	2,235.89
- Packing Credit	766.92	612.41	1,033.76
- Buyers Credit	513.84	1,246.64	1,062.14
- Bills Discounting	650.90	344.81	677.36
	<b>4,928.74</b>	<b>5,205.13</b>	<b>5,009.15</b>

All secured loans payable on demand and secured short term loans from banks are secured by first charge by way of hypothecation of all the stocks, book debts and other current assets (both present and future) and carries interest rate @ 9.75% to 13.65%



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## 22 Trade Payables

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Due to Micro, Small and Medium Enterprises (Refer Note No. 39)	-	-	-
Due to Other than Micro, small and Medium Enterprises			
- Due to Related Parties (Refer Note No 49)	139.54	131.60	56.47
- Due to Others	4,382.19	5,223.74	4,951.96
	<b>4,521.73</b>	<b>5,355.34</b>	<b>5,008.43</b>

## 23 Other Financial Liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturities of long-term debt			
- from term loans (banks)	492.40	348.31	185.36
- from term loans (Others)	-	15.84	70.39
- from vehicle loans	21.64	32.26	31.98
- from others	148.88	27.17	83.44
Interest accrued but not due on borrowings			
- from banks	8.57	5.62	-
Other liabilities			
Unpaid dividend- current liability	10.97	8.79	8.01
	<b>682.46</b>	<b>437.99</b>	<b>379.18</b>

## 24 Other Current Liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Other Advances			
- Creditors for capital goods	215.74	99.71	135.19
- Received from Customers	259.19	500.96	278.28
Statutory dues	405.51	175.34	82.63
Security Deposits			
- Rental deposits from Related Party (Refer Note No. 49)	4.00	4.00	-
- Rental deposits from Others	0.50	0.50	-
Book Overdraft due to issue of cheques	669.79	115.03	61.62
Other current liabilities			
- Due to Related Parties (Refer Note No 49)	4.85	131.60	56.47
- Due to Others	486.75	77.34	118.30
	<b>2,046.33</b>	<b>1,104.47</b>	<b>732.49</b>

## 25 Provision

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits			
Gratuity	26.82	8.36	7.33
Leave Encashment	10.54	10.96	7.55
Provision for ED	-	-	1.16
	<b>37.37</b>	<b>19.32</b>	<b>16.04</b>



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## 26 Current Tax Liabilities (Net)

₹ in Lakhs

Particulars	As at 31 March 2018	Ind AS Balance as at 31 March 2017	As at 1 April 2016
Current Income Tax Liabilities (Net)	199.60	109.98	38.52
	<b>199.60</b>	<b>109.98</b>	<b>38.52</b>

## 27 Revenue from operations

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of Product	20,626.91	22,680.90
Sale of services	5.38	55.22
Other operating revenue	352.45	465.33
	<b>20,984.74</b>	<b>23,201.45</b>

## 28 Other income

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income		
- Others	3.48	35.11
- on fixed deposits with bank	18.39	18.35
Net gain on foreign currency translation and transactions	131.94	285.53
Other Non -Operating revenue	10.12	0.03
	<b>163.92</b>	<b>339.02</b>

## 29 Cost of materials consumed

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Raw materials		
Opening stock	2,235.85	1,652.75
Add: Purchases	9,300.47	10,898.36
Less: Closing stock	2,315.27	2,235.85
	<b>9,221.05</b>	<b>10,315.27</b>
Packing Materials		
Opening Stock	559.35	500.99
Add: Purchases - Packing Materials	1,049.69	1,289.85
Less: Closing stock	557.68	559.35
	<b>1,051.37</b>	<b>1,231.49</b>
	<b>10,272.42</b>	<b>11,546.76</b>





## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## 30 Excise Duty

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Excise Duty	219.21	604.96
	<b>219.21</b>	<b>604.96</b>

## 31 Purchases of traded goods

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Purchase of traded goods	694.10	668.06
	<b>694.10</b>	<b>668.06</b>

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Inventories at the end of the year</b>		
Work-in-progress	1,577.89	862.99
Finished goods	2,148.54	1,743.13
	<b>3,726.43</b>	<b>2,606.12</b>
<b>Inventories at the beginning of the year</b>		
Work-in-progress	862.99	864.06
Finished goods	1,739.84	1,129.20
	<b>2,602.83</b>	<b>1,993.26</b>
	<b>(1,123.61)</b>	<b>(612.86)</b>

## 33 Employee benefits expenses

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salary and wages	3,950.50	3,681.82
Contribution to provident and other funds	283.72	237.45
Staff welfare expenses	228.69	215.58
	<b>4,462.91</b>	<b>4,134.85</b>



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## 34 Other expenses

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Consumption of stores and spares	46.72	-
<b>Power and fuel</b>		
Fuel- OB	35.31	14.15
ADD: Fuel Purchases	243.46	106.00
Less: Closing Stock of Fuel	17.29	35.31
Cost of fuel consumption	261.48	84.84
Excise duty on Finished goods inventory	-	2.39
Power charges	307.55	500.56
Water Charges	20.53	16.85
Laboratory and Testing	164.15	147.29
Sub contracting expenses	287.62	431.17
Repairs & Maintenance		
Plant and machinery	86.67	144.63
Building	21.44	29.68
Others	141.19	140.71
Director Sitting fees	0.19	0.17
Registration fees	28.63	201.82
Liquidated damages	10.06	25.98
Donation	0.60	0.94
Electricity charges	16.70	14.97
Balances/Bad debts/Advances written off	(3.41)	58.71
Payment to Auditors (Refer Note No. 37)	9.00	8.50
Seminar, Conference & Exhibition Expenses	14.65	33.75
Commission on sales	458.26	405.25
Corporate social responsibility	1.00	-
Breakages & Expired goods	0.01	184.93
Travelling Expenses	694.22	713.85
Rates & Taxes	85.77	77.80
Communication Cost	59.89	90.11
Advertisement and selling expenses	362.50	486.09
Insurance	18.89	39.19
Legal and professional charges	212.53	151.56
Rent	195.52	152.62
Printing & Stationary	34.37	52.52
Subscription & Membership	26.17	19.51
Freight and forwarding charges	411.76	535.98
Security Charges	67.06	60.40
Vehicle operation & Maintainance	31.69	28.76
Other expenses	10.59	6.28
-Delayed payment of taxes	13.59	-
-Others	83.47	-
	<b>4,181.04</b>	<b>4,847.80</b>



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## 35 Finance Cost

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2016
Bank charges	90.75	182.12
Processing fees	8.33	2.67
Interest	825.25	661.47
	<b>924.32</b>	<b>846.27</b>

## 36 Contingent liabilities and commitments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Contingent liabilities</b>			
- Income tax	9.64	9.64	9.37
- Excise & Customs	172.59	175.17	162.88
- Service Tax	31.70	85.89	85.89
- Others (Letter of credit)	561.22	955.06	1,206.47
<b>Capital commitments</b>			
- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	117.58	65.66	53.91

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

## 37 Auditors' remuneration excluding tax

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
As auditor		
- for Statutory audit	7.00	6.50
- for Taxation matters	0.50	0.50
- for Limited Review	0.20	0.20
In other capacity		
Other services (certification fees)	0.80	0.80
Reimbursement of expenses	0.50	0.50
	-	-
	<b>9.00</b>	<b>8.50</b>

## 38 Profit per share

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net Profit for the year attributable to equity shareholders	564.74	496.38
Weighted average number of equity shares of ₹ 10 each used for calculation of basic earnings per share (adjusted for partly paid shares)	141.72	141.72
Earnings per share, basic and diluted*	3.98	3.50

\* The Company has no potentially dilutive equity shares and figures are in Rupees.

**NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018****39 Disclosure with respect to Micro, Small and Medium Enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act'). Accordingly, based on the information available with the Company, no amount is payable in respect of such entities as at 31 March 2018. (31 March 2017: Nil, 1 April, 2016: Nil)

**40 Confirmations**

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

**41 Unclaimed Dividends on Equity Shares**

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
2012-2013	1.64	1.66
2013-2014	2.25	2.25
2014-2015	2.26	2.35
2015-2016	2.48	2.50
2016-2017	2.34	-
	<b>10.97</b>	<b>8.76</b>

**42 Expenditure on Research and Development**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Capital Expenditure</b>			
Laboratory Equipment	-	1.95	-
Office Equipment (Computers)	0.30	-	-
Utilities	0.91	6.41	-
<b>Total Capital Expenditure (a)</b>	<b>1.21</b>	<b>8.36</b>	-
<b>Revenue Expenditure</b>			
Raw material consumed	0.86	22.71	8.40
Power and Fuel	-	36.11	34.33
Water Charges	-	2.90	2.92
Laboratory and testing	3.90	17.54	48.08
Employee benefit expense	158.10	105.17	93.71
Others	1.60	6.83	6.30
<b>Total Revenue Expenditure (b)</b>	<b>164.46</b>	<b>191.26</b>	<b>193.74</b>
	<b>165.67</b>	<b>199.61</b>	<b>193.74</b>

**43 Subsequent Events**

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



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## 44 Value of Imports calculated on CIF basis

₹ in Lakhs

Particulars	For the year ended	For the year ended
	31 March 2018	31 March 2017
Raw Materials	4,123.13	5,815.77
Capital goods (Including spares and components)	29.13	41.13
	<b>4,152.25</b>	<b>5,856.90</b>

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

Particulars	31 March 2018		31 March 2017	
	Value in ₹	% of total consumption	Value in ₹	% of total consumption
<b>Raw Material</b>				
Imported	3,815.98	41.38%	5,786.82	56.10%
Indegenious	5,405.07	58.62%	4,528.45	43.90%
	<b>9,221.05</b>	<b>100.00%</b>	<b>10,315.27</b>	<b>100.00%</b>
<b>Stores and Spares</b>				
Imported	-	-	-	-
Indegenious	29.13	100.00%	84.84	100.00%
	<b>29.13</b>		<b>84.84</b>	<b>100.00%</b>
	<b>9,250.18</b>		<b>10,400.11</b>	

## 46 A) Expenditure in Foreign Currency

Particulars	For the year ended	For the year ended
	31 March 2018	31 March 2017
Traveling expenditure	44.43	32.64
Registration fee	4.04	29.61
Commission on export sales	8.78	49.57
Sales promotion expenses	107.89	79.49
	<b>165.14</b>	<b>191.32</b>

## B) Earnings in Foreign Currency

Particulars	For the year ended	For the year ended
	31 March 2018	31 March 2017
FOB value of Exports	9,872.99	11,544.88
	<b>9,872.99</b>	<b>11,544.88</b>

## 47 Note on Suspended Activities in Unit located in Pune

The Management of the Company has decided to suspend the operations of its IV fluids and parenterals manufacturing facility at Pune as this unit has been consistently incurring operational losses due to various reasons such as higher costs of raw materials, escalation in production cost, employee cost, lack of adequate orders and thin margins on products manufactured. The above have led to a situation wherein any further efforts to restore the profitability of the unit will be futile. This decision was taken as part of the restructuring exercise undertaken by the Company to streamline its operations and to exit from its noncore businesses, so that further deterioration of its noncore business revenues can be plugged.



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## 48 Employee benefits

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

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

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
<b>Changes in present value of defined benefit obligations during the year</b>				
Present Value of Defined Benefits at the beginning of the year	238.92	195.88	57.06	41.90
Service cost	26.82	16.16	-	4.52
Past Service Cost	12.39	-	-	-
Interest on defined benefit obligation	13.57	15.67	3.84	3.35
Benefits settled	(138.70)	(29.13)	(18.19)	(3.90)
Actuarial (gain) / loss	33.02	40.34	10.44	11.19
	<b>186.02</b>	<b>238.92</b>	<b>53.14</b>	<b>57.06</b>
<b>Reconciliation of present value of the obligation and the fair value of the plan assets:</b>				
Present Value of Defined Benefits at the end of the year	186.02	238.92	(53.14)	(57.06)
Fair value of plan assets at the end of the year	-	-	-	-
	<b>(186.02)</b>	<b>(238.92)</b>	<b>(53.14)</b>	<b>(57.06)</b>
Net Liability - Current (Refer Note No. 25)	26.82	8.36	10.54	10.96
Net Liability - Non Current (Refer Note No. 19)	159.20	230.56	42.60	46.10
<b>Expenses recognised in Statement of Profit or Loss during the year</b>				
Current Service cost	26.82	16.16	-	4.52
Past Service Cost	12.39	-	-	-
Interest cost on defined benefit (net)	13.57	15.67	3.84	3.35
Expected return on plan assets	-	-	-	-
	<b>52.78</b>	<b>31.83</b>	<b>3.84</b>	<b>7.87</b>
<b>Recognised in other comprehensive income for the year</b>				
Remeasurements - Due to Demographic Assumptions	-	-	-	-
Remeasurements - Due to Financial Assumptions	(29.43)	-	10.44	11.19
Remeasurements - Due to Experience Adjustments	62.45	40.34	-	-
(Return) on Plan Assets (Excluding Interest Income)	-	-	-	-
(Return) on Reimbursement Rights	-	-	-	-
Changes in Asset Ceiling / Onerous Liability	-	-	-	-
	<b>33.02</b>	<b>40.34</b>	<b>10.44</b>	<b>11.19</b>



NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
<b>Maturity Profile of Defined Benefit Plan</b>				
Within the next 12 months	26.82	31.36	10.54	11.19
Between 2 and 5 years	65.57	78.77	29.49	41.18
Between 6 and 9 years	78.41	94.47	17.92	19.35
For 10 years and above	16.95	20.74	3.18	3.32
<b>Sensitiv Analysis for significant assumptions</b>				
Salary Escalation - Up by 1%	7.40%	8.10%	4.80%	4.80%
Salary Escalation - Down by 1%	-6.60%	7.10%	-4.50%	-4.40%
Attrition Rates - Up by 1%	1.90%	1.00%	0.50%	0.50%
Attrition Rates - Down by 1%	-2.10%	-1.10%	-0.50%	-0.50%
Discount Rates - Up by 1%	-6.50%	-7.20%	-4.00%	-3.90%
Discount Rates - Down by 1%	7.40%	8.30%	4.40%	4.30%
<b>Assumptions</b>				
Discount rate	8.00%	8.00%	8.00%	8.00%
Estimated rate of return on plan assets	0.00%	0.00%	0.00%	0.00%
Salary increase	4.00%	6.00%	6.00%	6.00%
Attrition Rate	5.33%	5.33%	5.33%	5.33%
Retirement age	58 years	58 years	58 years	58 years

49 Related party disclosures

**A. Subsidiaries**

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

**B. Enterprise owned by the Managing Director of the company**

Desa Marketing Internation

**C. Enterprise over which the Managing Director of the Company exercises joint control with other partners**

Siroya Construction  
Siroya Wellness

**D. Enterprise over which the Managing Director of the Company exercises joint control with other directors**

Siroya Properties & Holdings Private Limited  
  
Siroya Developers Private Limited  
Sanjay Gems Private Limited  
Legend Siroya Infrastructure Private Limited

**E. Significant Interest Entities**

Micro Labs Limited

**F. Key management personnel**

Shailesh D Siroya - Managerial Director  
S Prasanna - Independent Director



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## (ii) Particulars of Related Party Transactions

₹ in Lakhs

Particulars	Category	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Sales to</b>			
- Micro Labs Limited	E	478.83	55.03
- Lifezen Healthcare Private Limited	A	44.66	79.24
- Balance Clinics LLP	A	1.46	0.12
<b>Total</b>		<b>524.94</b>	<b>134.40</b>
<b>Rent Received from</b>			
- Lifezen Healthcare Private Limited	A	10.44	6.09
- Bal Research Foundation	A	2.40	0.60
<b>Total</b>		<b>12.84</b>	<b>6.69</b>
<b>Commission Paid to</b>			
- Desa Marketing International	B	57.09	202.77
<b>Expenses incurred on behalf of</b>			
- Siroya Constructions	C	3.79	5.25
- Siroya Wellness	C	0.98	0.03
- Siroya Properties & Holdings Private Limited	D	7.56	7.93
<b>Total</b>		<b>12.33</b>	<b>13.20</b>
<b>Expenses reimbursed by</b>			
- Siroya Constructions	C	3.57	4.60
- Siroya Properties & Holdings Private Limited	D	7.21	7.16
<b>Total</b>		<b>10.78</b>	<b>11.76</b>
<b>Advances</b>			
- Siroya Properties & Holdings Private Limited		-	50.00
- Lifezen Healthcare Private Limited	A	-	331.25
- Balance Clinics LLP	A	-	35.24
- Golden Drugs Private Limited	A	552.59	-
- Bal Research Foundation	A	-	0.22
<b>Total</b>		<b>552.59</b>	<b>416.72</b>
<b>Rent Deposits received from</b>			
- Lifezen Healthcare Private Limited	A	-	3.00
- Bal Research Foundation	A	-	1.00
<b>Total</b>		<b>-</b>	<b>4.00</b>
<b>Rent Paid to</b>			
- Shailesh D Siroya (Managing Director)		12.00	12.00





NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

Particulars	Category	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Interest received from</b>			
- Lifezen Healthcare Private Limited	A	-	24.35
- Balance Clinics LLP	A	-	10.73
- Bal Research Foundation	A	-	0.02
<b>Total</b>		-	<b>35.11</b>
<b>Investment in</b>			
- Golden Drugs Private Limited	A	649.09	-
<b>Total</b>		<b>649.09</b>	-
<b>Key Management Compensation</b>			
Shailesh D Siroya	F	78.00	78.00
Dr. S. Prasanna	F	30.00	30.00
<b>Total</b>		<b>108.00</b>	<b>108.00</b>

(iii) Amount outstanding as at the balance sheet date

Particulars	Category	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Trade Receivables</b>				
- Lifezen Healthcare Private Limited	A	143.15	83.22	4.34
- Siroya Wellness	C	-	30.75	30.75
- Balance Clinics LLP	A	2.48	-	-
- Micro Labs Limited	E	117.96	21.85	37.71
		<b>263.59</b>	<b>135.82</b>	<b>72.80</b>
<b>Trade Payables</b>				
- Desa Marketing International	B	139.54	131.60	56.47
		<b>139.54</b>	<b>131.60</b>	<b>56.47</b>
<b>Advances recoverable in Cash or Kind</b>				
- Lifezen Healthcare Private Limited	A	639.11	414.94	83.69
- Balance Clinics LLP	A	145.87	124.73	89.49
- Bal Research Foundation	A	0.41	0.41	0.19
		<b>785.40</b>	<b>540.08</b>	<b>173.36</b>
<b>Other Loans and Advances</b>				
- Golden Drugs Private Limited	A	552.59	-	-
- Siroya Properties & Holdings Private Limited	D	376.76	376.76	326.76
		<b>929.35</b>	<b>376.76</b>	<b>326.76</b>



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

Particulars	Category	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Other</b>				
- Siroya Constructions	C	2.02	1.95	1.30
- Siroya Wellness	C	0.98	5.73	5.70
- Siroya Properties & Holdings Private Limited	D	1.12	0.77	-
		<b>4.11</b>	<b>8.45</b>	<b>7.00</b>
<b>Rental Deposit</b>				
- Bal Research Foundation		1.00	1.00	-
- Lifezen Healthcare Private Limited		3.00	3.00	-
		<b>4.00</b>	<b>4.00</b>	-
<b>Other Current Liabilities</b>				
Shailesh D Siroya	F	4.85	131.60	56.47
		<b>4.85</b>	<b>131.60</b>	<b>56.47</b>

**50 Segment reporting**

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

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

**51 Export Benefits**

The Company has accounted an amount of ₹ 339.51 Lakhs (31 March 2017 : ₹ 402.30 Lakhs ) being the net amount of credit under various export incentive schemes as announced under Foreign trade Policy. The management has represented that the same will be either received in cash or utilized for off-setting customs duty on future imports. The accumulated amount outstanding on this account as on 31 March 2018 is ₹ 494.31 Lakhs (31 March 2017: ₹ 603.81 Lakhs) and the same is reflected under Balance with Government Authorities

**52 Leasing Arrangements**

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



NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

53 Fair Value Disclosure

₹ in Lakhs

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

	Note No	Carrying value	Fair value	Fair value		
				Level 1	Level 2	Level 3
<b>Financial Asset at Amortised Cost (Non-Current)</b>						
Investments	5	651.59	651.59	-	-	651.59
Loans	6	237.27	237.27	-	-	237.27
Other financial assets	7	54.84	54.84	-	-	54.84
<b>Financial Asset at Amortised Cost (Current)</b>						
Investments	-	-	-	-	-	-
Trade receivable	10	6,007.16	6,007.16	-	-	6,007.16
Loans	11	201.19	201.19	-	-	201.19
Cash and cash equivalents	12	257.95	257.95	-	-	257.95
Other bank balances	13	144.54	254.95	-	-	254.95
Other financial assets	-	-	-	-	-	-
<b>Total Financial Assets</b>		<b>7,554.55</b>	<b>7,664.96</b>	-	-	<b>7,664.96</b>
<b>Financial Liabilities at Amortised Cost (Non-Current)</b>						
Borrowings	17	3,502.71	3,502.71	-	-	3,502.71
Other financial liabilities	18	127.09	127.09	-	-	127.09
<b>Financial Liabilities at Amortised Cost (Current)</b>						
Borrowings	21	4,928.74	4,928.74	-	-	4,928.74
Trade payables	22	4,521.73	4,521.73	-	-	4,521.73
Other financial liabilities	23	682.46	682.46	-	-	682.46
<b>Total Financial Liabilities</b>		<b>13,762.73</b>	<b>13,762.73</b>	-	-	<b>13,762.73</b>
		<b>(6,208.18)</b>	<b>(6,097.77)</b>	-	-	<b>(6,097.77)</b>

The carrying value and fair value of financial instruments by categories for year ended 31 March, 2017 :

	Note No	Carrying value	Fair value	Fair value		
				Level 1	Level 2	Level 3
<b>Financial Asset at Amortised Cost (Non-Current)</b>						
Investments	5	1.50	1.50	-	-	1.50
Loans	6	210.11	210.11	-	-	210.11
Other financial assets	7	32.74	32.74	-	-	32.74
<b>Financial Asset at Amortised Cost (Current)</b>						
Investments	-	-	-	-	-	-
Trade receivable	10	6,100.50	6,100.50	-	-	6,100.50
Loans	11	59.65	59.65	-	-	59.65
Cash and cash equivalents	12	206.52	206.52	-	-	206.52
Other bank balances	13	254.95	254.95	-	-	254.95
Other financial assets	-	-	-	-	-	-
<b>Total Financial Assets</b>		<b>6,865.98</b>	<b>6,865.98</b>	-	-	<b>6,865.98</b>



NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

	Note No	Carrying value	Fair value	Fair value		
				Level 1	Level 2	Level 3
<b>Financial Liabilities at Amortised Cost (Non-Current)</b>						
Borrowings	17	1,780.27	1,780.27	-	-	1,780.27
Other financial liabilities	18	104.59	104.59	-	-	104.59
<b>Financial Liabilities at Amortised Cost (Current)</b>						
Borrowings	21	5,205.13	5,205.13	-	-	5,205.13
Trade payables	22	5,355.34	5,355.34	-	-	5,355.34
Other financial liabilities	23	437.99	437.99	-	-	437.99
<b>Total Financial Liabilities</b>		<b>12,883.33</b>	<b>12,883.33</b>	-	-	<b>12,883.33</b>
		<b>(6,017.35)</b>	<b>(6,017.35)</b>	-	-	<b>(6,017.35)</b>

The carrying value and fair value of financial instruments by categories for year ended 1 April, 2016 :

	Note No	Carrying value	Fair value	Fair value		
				Level 1	Level 2	Level 3
<b>Financial Asset at Amortised Cost (Non-Current)</b>						
Investments	5	1.50	1.50	-	-	1.50
Loans	6	225.42	225.42	-	-	225.42
Other financial assets	7	53.22	53.22	-	-	53.22
<b>Financial Asset at Amortised Cost (Current)</b>						
Investments	-	-	-	-	-	-
Trade receivable	10	5,685.39	5,685.39	-	-	5,685.39
Loans	11	6.95	6.95	-	-	6.95
Cash and cash equivalents	12	159.12	159.12	-	-	159.12
Other bank balances	13	287.23	287.23	-	-	287.23
Other financial assets	-	-	-	-	-	-
<b>Total Financial Assets</b>		<b>6,418.82</b>	<b>6,418.82</b>	-	-	<b>6,418.82</b>
<b>Financial Liabilities at Amortised Cost (Non-Current)</b>						
Borrowings	17	1,593.66	1,593.66	-	-	1,593.66
Other financial liabilities	18	89.59	89.59	-	-	89.59
<b>Financial Liabilities at Amortised Cost (Current)</b>						
Borrowings	21	5,009.15	5,009.15	-	-	5,009.15
Trade payables	22	5,008.43	5,008.43	-	-	5,008.43
Other financial liabilities	23	379.18	379.18	-	-	379.18
<b>Total Financial Liabilities</b>		<b>12,080.02</b>	<b>12,080.02</b>	-	-	<b>12,080.02</b>
		<b>(5,661.19)</b>	<b>(5,661.19)</b>	-	-	<b>(5,661.19)</b>

**NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018****54 Financial risk management**

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

- Market Risk
- Credit Risk
- Liquidity Risk

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

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

**A Market Risk****1) Currency Risk**

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

**(a) Foreign Exchange Exposures outstanding at the year end**

₹ in Lakhs

Nature of Instrument	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unhedged Foreign Exchange Exposures			
Trade Receivables	2,759.99	2,595.77	3,058.91
Trade Payables	(1,323.64)	(582.91)	(1,047.24)
Current Borrowings	(1,801.72)	(2,123.28)	(2,208.54)
Cash and Cash Equivalents	4.15	1.49	2.47
	<b>(361.21)</b>	<b>(108.93)</b>	<b>(194.40)</b>

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

Nature of Instrument	USD	EUR	AED	Others	Total
Trade Receivables	2,155.49	267.24	51.13	286.13	2,759.99
Trade Payables	(1,323.69)	-	-	-	(1,323.69)
Current Borrowings	(1,801.72)	-	-	-	(1,801.72)
Cash and Cash Equivalents	4.15	-	-	-	4.15
<b>Net Assets/Liabilities</b>	<b>(965.76)</b>	<b>267.24</b>	<b>51.13</b>	<b>286.13</b>	<b>(361.26)</b>

**(b) Foreign Currency Risk from Financial Instrument as at 31 March 2017**

Nature of Instrument	USD	EUR	AED	Others	Total
Trade Receivables	2,207.25	346.15	1.32	41.05	2,595.77
Trade Payables	(582.91)	-	-	-	(582.91)
Current Borrowings	(2,123.28)	-	-	-	(2,123.28)
Cash and Cash Equivalents	0.23	1.06	0.20	-	1.49
<b>Net Assets/Liabilities</b>	<b>(498.71)</b>	<b>347.21</b>	<b>1.53</b>	<b>41.05</b>	<b>(108.93)</b>



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

**(b) Foreign Currency Risk from Financial Instrument as at 1 April 2016**

₹ in Lakhs

Nature of Instrument	USD	EUR	AED	Others	Total
Trade Receivables	2,634.16	423.82	0.93	-	3,058.91
Trade Payables	(1,047.24)	-	-	-	(1,047.24)
Current Borrowings	(2,208.54)	-	-	-	(2,208.54)
Cash and Cash Equivalents	0.07	1.67	-	0.73	2.47
<b>Net Assets/Liabilities</b>	<b>(621.56)</b>	<b>425.49</b>	<b>0.93</b>	<b>0.73</b>	<b>(194.40)</b>

**(c) Sensitivity Analysis**

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

Nature of Instrument	USD	Euro	AED
<b>Impact on Profit and Loss Statement</b>			
Increase by 5%			
As at 31 March 2018	(48.29)	13.36	2.56
As at 31 March 2017	(24.94)	17.36	0.08
Decrease by 5%			
As at 31 March 2018	48.29	(13.36)	(2.56)
As at 31 March 2017	24.94	(17.36)	(0.08)
<b>Impact on Equity (Net of Tax)</b>			
Increase by 5%			
As at 31 March 2018	(32.32)	8.94	1.71
As at 31 March 2017	(16.69)	11.62	0.05
Decrease by 5%			
As at 31 March 2018	32.32	(8.94)	(1.71)
As at 31 March 2017	16.69	(11.62)	(0.05)

**2) Cash Flows and Interest rate Risk**

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

**(a) Exposure to Interest Rate Risk**

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

Nature of Instrument	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Fixed Rate Instruments</b>			
Financial Assets	238.58	318.05	332.45
Financial Liabilities	(5,447.77)	(5,995.34)	(5,898.58)
<b>Variable Rate Instruments</b>			
Financial Assets	-	-	-
Financial Liabilities	(3,773.69)	(1,518.24)	(1,165.00)
	<b>(8,982.88)</b>	<b>(7,195.53)</b>	<b>(6,731.13)</b>

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

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



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

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

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

₹ in Lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Impact on Profit and Loss Statement</b>		
Loan and Borrowing		
Increase by 2%	(52.92)	(26.83)
Decrease by 2%	52.92	26.83
<b>Impact on Equity (Net of Tax)</b>		
Loan and Borrowing		
Increase by 2%	(35.42)	(17.96)
Decrease by 2%	35.42	17.96

**B Liquidity Risk**

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

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

**Maturities of financial liabilities:**

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

	Contractual Cash Flows				
	On demand	< 12 Months	1 to 5 years	> 5 years	Total
<b>31 March, 2018</b>					
Borrowings (Incl Current Maturities)	-	662.92	2,852.07	650.63	4,016.75
Trade and other payables	-	4,521.73	-	-	4,521.73
Short Term Borrowings	2,997.06	1,931.67	-	-	4,928.74
Other Financial Liabilities	-	19.54	127.09	-	146.63
<b>31 March, 2017</b>					
Borrowings (Incl Current Maturities)	-	423.58	1,199.48	580.79	2,176.69
Trade and other payables	-	5,355.34	-	-	5,355.34
Short Term Borrowings	3,001.27	2,203.87	-	-	5,205.13
Other Financial Liabilities	-	14.40	104.59	-	119.00
<b>1 April, 2016</b>					
Borrowings (Incl Current Maturities)	-	371.17	1,298.32	295.34	1,881.40
Trade and other payables	-	5,008.43	-	-	5,008.43
Short Term Borrowings	2,235.89	2,773.26	-	-	5,009.15
Other Financial Liabilities	-	8.01	89.59	-	97.60



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

**C Credit Risk**

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

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and Cash Equivalents	257.95	206.52	159.12
Other Bank Balances	144.54	254.95	287.23
Trade Receivables	6,007.16	6,100.50	5,685.39
Short Term Financial Assets	201.19	59.65	6.95
Long Term Financial Assets	943.71	244.35	280.14
	<b>7,554.55</b>	<b>6,865.98</b>	<b>6,418.82</b>

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

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base. Adequate expected credit losses are recognized as per the assessments and as such has provided for a expected credit loss of ₹ 15.50 Lakhs ( 31 March 2017 : Nil, 1 April 2016: Nil )

**Ageing of Trade Receivable**

Particulars	0-180 Days	Above 180 Days	Total
As on 31 March, 2018	4,406.38	1,600.78	6,007.16
As on 31 March, 2017	4,772.66	1,327.84	6,100.50
As on 1 April, 2016	4,686.13	999.25	5,685.39

**55 Capital Management**

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

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Long Term Borrowings (incl Current Maturities)	4,165.63	2,203.85	1,964.84
Short Term Borrowings	4,928.74	5,205.13	5,009.15
Total Borrowings (A)	9,094.37	7,408.99	6,973.99
As a percentage of total equity	86.52%	83.94%	84.42%
Total equity (B)	1,417.24	1,417.24	1,287.24
As a percentage of total equity	13.48%	16.06%	15.58%
<b>Total Capital (A+B)</b>	<b>10,511.60</b>	<b>8,826.22</b>	<b>8,261.23</b>





## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

### 56. First-time adoption of Ind AS

The Company's financial statements for the year ended March 31, 2018 are the first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2016 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the first Ind AS financial statements for the year ended March 31, 2018, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as at the transition date have been recognized directly in equity at the transition date.

#### Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### 1. Ind AS optional exemptions

##### a. Deemed Cost

As per Ind AS 101, a Company may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.
- (ii) use a previous GAAP revaluation of an property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
  - a. Fair Value
  - b. or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.
- (iii) use carrying value of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items property, plant and equipment. The same election has been made in respect of intangible assets also.

#### 2. Ind AS mandatory exemptions

##### a. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

##### b. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

##### c. Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

##### d. Excise Duty

Under the previous GAAP, excise duty was netted off against sale of products. However, under Ind AS, excise duty is included in sale of products and is separately presented as expense in the statement of profit and loss.



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## Reconciliation between previous GAAP and Ind AS

## Equity Reconciliation as on the transition date as on 1 April 2016

₹ in Lakhs

Particulars	Retained earnings	Money received against Share Warrants	Other reserves
Balance as per IGAAP	2,160.15	201.50	2,020.87
<i>Adjustments under Ind AS:</i>			
Adjustment on account of Initial direct expenses on Borrowings	4.01	-	-
Adjustment on account of Impairment on investment in subsidiary	(116.00)	-	-
Adjustment on account of reclassification of proposed dividend	170.58	-	-
Adjustment on account of gratuity	-	-	-
<b>Total</b>	<b>58.59</b>	<b>201.50</b>	<b>2,020.87</b>
<b>Balance as per Ind AS</b>	<b>2,218.74</b>	<b>201.50</b>	<b>2,020.87</b>

## Equity Reconciliation as on the 31 March 2017

Particulars	Retained earnings	Money received against Share Warrants	Other reserves
Balance as per IGAAP	2,656.74	-	2,696.87
<i>Adjustments under Ind AS:</i>			
Adjustment on account of Initial direct expenses on Borrowings	3.80	-	-
Adjustment on account of Impairment on investment in subsidiary	(116.00)	-	-
Adjustment on account of reclassification of proposed dividend	-	-	-
Adjustment on account of gratuity	35.00	-	(35.00)
<b>Total</b>	<b>(77.20)</b>	<b>-</b>	<b>(35.00)</b>
<b>Balance as per Ind AS</b>	<b>2,579.55</b>	<b>-</b>	<b>2,661.87</b>

## Profit Reconciliation for the year ended 31 March 2017

Particulars	Amount
Balance as per IGAAP	496.59
<i>Adjustments under Ind AS:</i>	
Actuarial loss on employee defined benefit funds recognized in other Comprehensive Income	(35.00)
Prepaid processing fees	2.46
Amortisation of processing fees	(2.67)
<b>Total</b>	<b>461.38</b>
Other comprehensive Income	35.00
<b>Balance as per Ind AS</b>	<b>496.38</b>



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## Effect of Ind AS adoption on the Balance Sheet as at Date of Transition | April, 2016

₹ in Lakhs

Particulars	Note	Previous GAAP	Adjustment on transition to Ind AS	As reflected in Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	1	5,133.11	(3.90)	5,129.20
Capital work-in-progress	1	392.55	(9.95)	382.60
Intangible Assets		462.29	-	462.29
Financial assets				
- Investments	2	117.50	(116.00)	1.50
- Loans and advances		225.42	-	225.42
- Other financial assets		53.22	-	53.22
Deferred tax assets (Net)		-	-	-
Other non-current assets	3	526.31	14.33	540.64
<b>Total non-current assets</b>		<b>6,910.39</b>	<b>(115.52)</b>	<b>6,794.87</b>
<b>Current assets</b>				
Inventories		4,161.15	-	4,161.15
Financial assets				
- Trade receivable		5,685.39	-	5,685.39
- Loans		6.95	-	6.95
- Cash and cash equivalents		159.12	-	159.12
- Other bank balances		287.23	-	287.23
- Other financial assets		-	-	-
Current tax assets (Net)		-	-	-
Other current assets	4	2,456.67	3.53	2,460.20
<b>Total current assets</b>		<b>12,756.51</b>	<b>3.53</b>	<b>12,760.04</b>
<b>Total assets</b>		<b>19,666.89</b>	<b>(111.99)</b>	<b>19,554.91</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		1,287.24	-	1,287.24
Other equity	5	4,382.52	58.59	4,441.11
<b>Total equity</b>		<b>5,669.76</b>	<b>58.59</b>	<b>5,728.35</b>
<b>LIABILITIES</b>				
Financial liabilities				
- Borrowings		1,593.66	-	1,593.66
- Other financial liabilities		89.59	-	89.59
Provisions		263.72	-	263.72
Deferred tax liabilities (Net)		695.77	-	695.77
Other non-current liabilities		-	-	-
<b>Total non-current liabilities</b>		<b>2,642.75</b>	<b>-</b>	<b>2,642.75</b>



NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

Particulars	Note	Previous GAAP	Adjustment on transition to Ind AS	As reflected in Ind AS
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings		5,009.15	-	5,009.15
- Trade and other payables		5,008.43	-	5,008.43
- Other financial liabilities		379.18	-	379.18
Other current liabilities		732.49	-	732.49
Provisions	6	186.62	(170.58)	16.04
Current tax liabilities (Net)		38.52	-	38.52
<b>Total current liabilities</b>		<b>11,354.39</b>	<b>(170.58)</b>	<b>11,183.82</b>
<b>Total equity and liabilities</b>		<b>19,666.89</b>	<b>(111.99)</b>	<b>19,554.91</b>
<b>Effect of Ind AS adoption on the Balance Sheet as at 31 March, 2017</b>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	1	5,509.68	(3.90)	5,505.78
Capital work-in-progress	1	179.10	(8.66)	170.44
Intangible Assets		466.41	-	466.41
Financial assets		-	-	-
- Investments	2	117.50	(116.00)	1.50
- Loans and advances		210.11	-	210.11
- Other financial assets		32.74	-	32.74
Deferred tax assets (Net)		-	-	-
Other non-current assets	3	448.87	13.42	462.29
<b>Total non-current assets</b>		<b>6,964.42</b>	<b>(115.15)</b>	<b>6,849.28</b>
<b>Current assets</b>				
Inventories		5,436.63	-	5,436.63
Financial assets		-	-	-
- Trade receivable		6,100.50	-	6,100.50
- Loans		59.65	-	59.65
- Cash and cash equivalents		206.52	-	206.52
- Other bank balances		254.95	-	254.95
- Other financial assets		-	-	-
Current tax assets (Net)		-	-	-
Other current assets	4	2,973.96	2.95	2,976.91
<b>Total current assets</b>		<b>15,032.21</b>	<b>2.95</b>	<b>15,035.16</b>
<b>Total assets</b>		<b>21,996.63</b>	<b>(112.20)</b>	<b>21,884.44</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		1,417.24	-	1,417.24
Other equity	5	5,353.61	(112.20)	5,241.42
<b>Total equity</b>		<b>6,770.85</b>	<b>(112.20)</b>	<b>6,658.65</b>



NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

Particulars	Note	Previous GAAP	Adjustment on transition to Ind AS	As reflected in Ind AS
<b>LIABILITIES</b>				
Financial liabilities				
- Borrowings		1,780.27	-	1,780.27
- Other financial liabilities		104.59	-	104.59
Provisions		334.83	-	334.83
Deferred tax liabilities (Net)		773.86	-	773.86
Other non-current liabilities		-	-	-
<b>Total non-current liabilities</b>		<b>2,993.55</b>	-	<b>2,993.55</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings		5,205.13	-	5,205.13
- Trade and other payables		5,355.34	-	5,355.34
- Other financial liabilities		437.99	-	437.99
Other current liabilities		1,104.47	-	1,104.47
Provisions	6	19.32	-	19.32
Current tax liabilities (Net)		109.98	-	109.98
<b>Total current liabilities</b>		<b>12,232.23</b>	-	<b>12,232.23</b>
<b>Total equity and liabilities</b>		<b>21,996.63</b>	<b>(112.20)</b>	<b>21,884.44</b>
<b>Reconciliation of Statement of Profit And Loss For The Year Ended March 31, 2017</b>				
<b>Income</b>				
Revenue from operations	6	22,596.48	604.96	23,201.45
Other income		339.02	-	339.02
<b>Total Income</b>		<b>22,935.50</b>	<b>604.96</b>	<b>23,540.47</b>
<b>Expenses</b>				
Cost of materials consumed		11,546.76	-	11,546.76
Excise Duty	6	-	604.96	604.96
Purchase of traded goods		668.06	-	668.06
(Increase)/decrease in inventories of finished goods and work-in-progress		(612.86)	-	(612.86)
Employee Benefit expense	5	4,187.13	(52.29)	4,134.85
Other expenses		4,847.80	-	4,847.80
Depreciation and amortisation		645.58	-	645.58
Finance costs		846.06	0.21	846.27
<b>Total expenses</b>		<b>22,128.53</b>	<b>552.89</b>	<b>22,681.42</b>
Profit before exceptional and tax		806.97	52.08	859.05
<b>Profit before tax</b>				
Tax expense:				
Current tax		217.72	-	217.72
Tax adjustments relating to previous year		14.57	-	14.57
Deferred tax charge/ (credit)	7	78.09	17.29	95.38
<b>Profit for the period from continuing operations</b>		<b>496.59</b>	<b>34.79</b>	<b>531.38</b>



## NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

Particulars	Note	Previous GAAP	Adjustment on transition to Ind AS	As reflected in Ind AS
<b>Other Comprehensive Income</b>				
A (i) Items that will not be reclassified to profit or loss	5	-	(52.29)	(52.29)
(ii) Income tax relating to items that will not be reclassified to profit or loss	7	-	17.29	17.29
B (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
<b>Total other comprehensive income</b>		-	<b>(35.00)</b>	<b>(35.00)</b>
<b>Total Comprehensive Income for the year</b>		<b>496.59</b>	<b>(0.21)</b>	<b>496.38</b>

**1 Property, Plant and Equipment**

Under Ind AS, Property Plant and Equipment and Capital Work in Progress is reduced by the processing fees value amortised as per Effective Interest Rate (EIR) method.

**2 Investment**

Under the previous GAAP, investments in equity instruments of subsidiaries were classified as longterm investments and were carried at cost less provision for other than temporary decline in the value of such investments. Ind AS, allow first-time adopters to use a 'deemed cost' of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries in the separate financial statements. The Company has elected to measure investment in Lifezen Healthcare Pvt Ltd at fair value as of the transition date. The resulting fair value changes of these investments amounting to ₹ 116.00 have been recognised in retained earnings as at the date of transition. This decreased the retained earnings by ₹ 116.00 as at 1st April, 2016.

**3 Proposed Dividend**

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. As a result, liability for dividend is a non-adjusting event. Accordingly, the liability for proposed dividend as at 1st April, 2016 included under provisions in the previous GAAP has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has been increased by an equivalent amount.

**4 Retained Earnings**

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**5 Re-measurements of Post Employment Benefit Obligation**

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these re-measurements were forming part of the Statement of Profit and Loss for the year.

**6 Revenue from operations and Excise**

Under previous GAAP, revenue from sale of goods was presented net of excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the Statement of Profit and Loss as a separate line item. This has resulted in an increase in the revenue from operations and expenses for the year ended 31st March, 2017. The total comprehensive income for the year ended and equity as at 31st March, 2017 has remained unchanged.

**7 Deferred Tax**

Deferred tax under Ind AS has been recognized for temporary differences between tax base and the book base of the relevant assets and liabilities. Under IGAAP the deferred tax was accounted based on timing differences impacting the profit or loss for the period.

As per our report attached of even date attached

for **NSVM and Associates**

Chartered Accountants  
Firm's registration number: 010072S

**G.C.S Mani**

Partner  
Membership number: 036508

Place: Bengaluru  
Date: 29<sup>th</sup> May 2018

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

**Shailesh Siroya**  
Managing Director  
DIN: 00048109

**Dr S Prasanna**  
Director  
DIN: 00084602

**TO THE MEMBERS OF BAL PHARMA LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Ind AS financial statements of **BAL PHARMA LIMITED** (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'the Group') which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'the consolidated Ind AS financial statements').

**Management's responsibility for the Consolidated 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 financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**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 and the Order issued under Section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing, issued by Institute of Chartered Accountants of India 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 the disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company'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 the 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 these Consolidated Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid 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 consolidated state of affairs of the Group as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

**Other Matter**

We did not audit the financial statements and other financial information, in respect of four subsidiaries whose Ind AS financial statements include total assets of Rs 2,781.90 Lakhs and net assets of Rs (844.05) Lakhs as at 31 March 2018, and total revenues of Rs 214.99 Lakhs and net cash flows of Rs. 0.14 Lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors. Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors and the financial statements and other financial information certified by the Management.



The comparative consolidated financial information for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 prepared in accordance with Ind AS included in these Consolidated financial statements, are based on the previously issued statutory financial statements for the year ended 31st March, 2017 and 31st March, 2016 respectively prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor whose reports dated 30th May, 2017 and 25th May, 2016 respectively expressed unmodified opinion on those Consolidated financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

**Report on other legal and regulatory requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the ‘other matter’ paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
  - (b) in our opinion, proper books of account as required by law relating to preparation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended;
  - (e) on the basis of the written representations received from the directors of the Holding as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under section 139 of the Act, of its subsidiary companies, none of the directors of the Group is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries and the operating effectiveness of such controls, refer to our separate report in Annexure A, and

- (g) with respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as notes in ‘Other Matter’ paragraph;
  - i. The consolidated Ind AS financial statements has disclosed the impact of pending litigations on its consolidated financial position– Refer 36 to the Consolidated Ind AS financial statements.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Group.

2. As required by the Companies (Auditor’s Report) Order, 2016 (‘the Order’), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**G. C. S Mani**  
Partner  
Membership No: 036508

Bengaluru  
29<sup>th</sup> May, 2018

**ANNEXURE A TO THE INDEPENDENT AUDITORS’ REPORT**  
**(Referred to paragraph 1(f) under ‘Report on other regulatory requirements’ Section of our report to the members of Bal Pharma Limited of even date)**

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

We have audited the internal financial controls over financial reporting of Bal Pharma Limited (‘the Holding Company’) and its subsidiaries as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiaries is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential





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

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

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting. Meaning of Internal Financial Controls over Financial Reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of information and according to the explanations given to us based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the Holding Company and its subsidiaries have in all material aspects, an adequate internal financial control system over financial reporting as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matter**

We did not audit the Internal Financial Controls over Financial Reporting insofar as it relates to four subsidiary companies, whose financial statements reflect total assets of Rs. 2,781.90 lakhs and net assets of ₹ -844.05 lakhs as at 31st March, 2018, total revenue ₹ lakhs and net cash outflow amounting to ₹ -557.03 for the year ended on that date, as considered in these consolidated financial statements. Our report on the adequacy and operating effectiveness of the internal Financial Control over financial Reporting for the Holding Company and its subsidiary companies under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries is solely based on the corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For **N S V M & Associates**

Chartered Accountants

Firm registration number: 010072S

**G. C. S Mani**

Partner

Membership No: 036508

Bengaluru

29<sup>th</sup> May, 2018



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

₹ in lakhs

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	3	6,316.32	5,531.21	5,156.37
Capital work-in-progress		21.08	170.44	382.60
Goodwill	4A	290.26	-	-
Intangible Assets	4	448.84	466.93	462.88
Financial assets				
- Investments	5	1.50	1.50	1.50
- Loans	6	239.60	212.44	227.75
- Other financial assets	7	54.84	32.74	53.22
Other non-current assets	8	214.99	462.29	540.64
		<b>7,587.43</b>	<b>6,877.56</b>	<b>6,824.96</b>
<b>Current assets</b>				
Inventories	9	6,649.33	5,473.08	4,175.42
Financial assets				
- Trade receivable	10	6,017.93	6,180.40	5,698.12
- Loans	11	205.04	63.50	8.33
- Cash and cash equivalents	12	270.85	216.00	176.21
- Other bank balances	13	144.54	254.95	287.23
Other current assets	14	4,306.35	4,267.09	4,292.43
		<b>17,594.02</b>	<b>16,455.02</b>	<b>14,637.74</b>
		<b>25,181.45</b>	<b>23,332.57</b>	<b>21,462.70</b>



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

₹ in lakhs

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	15	1,417.24	1,417.24	1,287.24
Other equity	16	5,081.59	4,827.38	4,382.37
Non Controlling interest		(478.68)	(238.11)	(22.74)
		<b>6,020.15</b>	<b>6,006.51</b>	<b>5,646.87</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	17	3,502.71	1,780.27	1,593.66
- Other financial liabilities	18	127.09	104.59	89.59
Provisions	19	254.23	341.85	273.72
Deferred tax liabilities (Net)	20	756.76	775.35	697.84
		<b>4,640.79</b>	<b>3,002.06</b>	<b>2,654.81</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	21	6,830.74	7,107.13	6,911.15
- Trade payables	22	4,526.16	5,442.53	5,019.71
- Other financial liabilities	23	682.46	437.99	379.18
Other current liabilities	24	2,243.78	1,206.96	796.42
Provisions	25	37.78	19.37	16.04
Current tax liabilities (Net)	26	199.60	110.02	38.52
		<b>14,520.51</b>	<b>14,324.00</b>	<b>13,161.02</b>
		<b>25,181.45</b>	<b>23,332.57</b>	<b>21,462.70</b>

Summary of significant accounting policies and other notes on accounts | &amp; 2

The accompanying notes are an integral part of these financial statements

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

for **NSVM and Associates**

Chartered Accountants

Firm's registration number: 010072S

**G.C.S Mani**

Partner

Membership number: 036508

for and on behalf of the board of directors of

**Bal Pharma Limited****Shailesh Siroya**

Managing Director

DIN: 00048109

**Dr S Prasanna**

Director

DIN: 00084602

Place: Bengaluru

Date: 29<sup>th</sup> May 2018



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in lakhs

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Income</b>			
Revenue from operations	27	21,147.99	23,496.31
Other income	28	169.54	303.94
<b>Total Income</b>		<b>21,317.53</b>	<b>23,800.25</b>
<b>Expenses</b>			
Cost of materials consumed	29	10,272.42	11,546.76
Excise Duty	30	219.21	604.96
Purchase of traded goods	31	756.39	711.26
(Increase)/decrease in inventories of finished goods and work-in-progress	32	(1,119.83)	(635.05)
Employee Benefit expense	33	4,717.64	4,536.99
Other expenses	34	4,579.07	5,250.08
Depreciation and amortisation	3 & 4	677.11	649.09
Finance costs	35	927.21	848.71
<b>Total expenses</b>		<b>21,029.23</b>	<b>23,512.81</b>
Profit before exceptional and tax		288.30	287.46
<b>Profit before tax</b>		<b>288.30</b>	<b>287.46</b>
Tax expense:			
Current tax	20	255.23	217.72
Tax adjustments relating to previous year		-	14.57
Deferred tax charge/ (credit)	20	(4.58)	94.80
<b>Profit (Loss) for the period from continuing operations</b>		<b>37.65</b>	<b>(39.64)</b>
<b>Profit attributable to</b>			
Equity holders of the parent company		278.22	175.73
Non controlling interest		(240.57)	(215.37)
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		(38.38)	(51.93)
(ii) Income tax relating to items that will not be reclassified to profit or loss		14.37	17.29
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>(24.01)</b>	<b>(34.64)</b>
<b>Total Comprehensive Income for the period</b>		<b>13.64</b>	<b>(74.28)</b>
<b>Profit attributable to</b>			
Equity holders of the parent company		254.21	141.09
Non controlling interest		(240.57)	(215.37)
<b>Earning per share (equity shares, par value ₹ 10 each)</b>			
- Basic		0.10	-0.52
- Diluted		0.10	-0.52

Summary of significant accounting policies and other notes on accounts

I &amp; 2

The accompanying notes are an integral part of these financial statements

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

for **NSVM and Associates**

Chartered Accountants

Firm's registration number: 010072S

**G.C.S Mani**

Partner

Membership number: 036508

Place: Bengaluru

Date: 29<sup>th</sup> May 2018for and on behalf of the board of directors of  
**Bal Pharma Limited****Shailesh Siroya**

Managing Director

DIN: 00048109

**Dr S Prasanna**

Director

DIN: 00084602

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS ON MARCH 31, 2018**

₹ in lakhs

Particulars	Equity share capital	Attributable to Owners					Non-Controlling Interest	Total Equity
		Reserves & Surplus		OCI				
		Securities premium reserve	General Reserve	Capital Reserves	Money Received against Share Warrants	Retained earnings		
<b>Balance as at 1 April 2016</b>	1,287.24	1,731.66	245.15	44.06	201.50	2,160.00	(22.74)	5,646.87
<b>Reconciliation for the period ended 31 March 2017</b>	130.00	-	-	-	(201.50)	-	-	(71.50)
Issue of equity shares to holders of share warrants	-	676.00	-	-	-	-	-	676.00
Premium on issue of equity shares for preferential share warrants	-	-	-	-	-	-	-	(39.64)
Profit for the year	-	-	-	-	-	175.73	(215.37)	(39.64)
Appropriations for dividend and tax on same	-	-	-	-	-	(170.58)	-	(170.58)
Other Comprehensive income	-	-	-	-	-	-	(34.64)	(34.64)
<b>Balance as on 31.03.2017</b>	<b>1,417.24</b>	<b>2,407.66</b>	<b>245.15</b>	<b>44.06</b>	<b>-</b>	<b>2,165.15</b>	<b>(238.11)</b>	<b>6,006.51</b>
<b>Reconciliation for the period ended 31 March 2018</b>	-	-	-	-	-	-	-	<b>6,006.51</b>
Changes in equity share capital during the year	-	-	-	-	-	-	-	-
Premium on issue of equity shares	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	278.22	(240.57)	37.65
Other Comprehensive income	-	-	-	-	-	-	(24.01)	(24.01)
<b>Balance at 31 March, 2018</b>	<b>1,417.24</b>	<b>2,407.66</b>	<b>245.15</b>	<b>44.06</b>	<b>-</b>	<b>2,443.37</b>	<b>(478.68)</b>	<b>6,020.15</b>

for **NSVM and Associates**

Chartered Accountants

Firm's registration number: 010072S

**G.C.S Mani**

Partner

Membership number: 036508

Place: Bengaluru

Date: 29<sup>th</sup> May 2018

for and on behalf of the board of directors of

**Bal Pharma Limited**

**Shailesh Siroya**

Managing Director

DIN: 00048109

**Dr S Prasanna**

Director

DIN: 00084602





## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

₹ in lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Cash flow from operating activities:</b>		
<b>Profit before tax</b>	288.30	287.46
<b>Add/(Less): Non cash adjustments to reconcile profit before tax to net cash flows</b>		
- Depreciation and Amortization	677.11	649.09
- Finance cost	927.21	848.71
- Interest income	(21.87)	(18.35)
- (Gain)/ Loss on sale of Fixed assets	-	(0.05)
<b>Operating cash flow before working capital changes</b>	<b>1,870.75</b>	<b>1,766.85</b>
<b>Add/(Less): Working Capital changes</b>		
- Decrease/(Increase) in Inventories	(1,176.26)	(1,297.66)
- Decrease/(Increase) in Trade receivables	162.47	(482.28)
- Decrease/(Increase) in Short-term and long-term loans and advances	(168.70)	(39.87)
- Decrease/(Increase) in Other Assets (Current and Non current)	185.94	124.17
- Increase/ (Decrease) in Trade payables	(916.37)	422.82
- Increase/ (Decrease) in Other liabilities	188.29	206.36
- Increase/ (Decrease) in Provisions	(69.20)	71.46
<b>Cash (used in)/ generated from operations</b>	<b>76.91</b>	<b>771.85</b>
Income taxes (paid)/ refund	(126.51)	(140.40)
<b>Net cash generated (used in) operating activities (A)</b>	<b>(49.60)</b>	<b>631.45</b>
<b>Cash flow from investing activities:</b>		
Purchase of fixed assets including intangible assets and capital work-in-progress	(378.26)	(815.59)
Investment in Subsidiaries	-	-
Proceeds from sale of fixed assets	-	1.50
Interest received	21.87	18.35
<b>Net cash (used in) investing activities</b>	<b>(356.39)</b>	<b>(795.74)</b>
<b>Cash flow from financing activities:</b>		
Money Received on Conversion of Share warrant	-	806.00
Proceeds from / (repayment) of borrowings	1,450.24	(382.79)
Dividend Paid including dividend distribution tax	(168.39)	(168.07)
Finance Cost	(927.21)	(848.71)
<b>Net cash generated from/ (Used in ) financing activities</b>	<b>354.64</b>	<b>(593.57)</b>
Net (decrease)/ increase in cash and cash equivalents	(51.35)	(757.86)
Cash and cash equivalents at the beginning of the year	(2,530.32)	(1,772.45)
<b>Cash and cash equivalents at the end of the year</b>	<b>(2,581.67)</b>	<b>(2,530.32)</b>
<b>Cash and cash equivalents comprise of:</b>		
- Cash and cash equivalents	270.85	216.00
- Other bank balances	144.54	254.95
- On Current Accounts	(2,997.06)	(3,001.27)
Summary of significant accounting policies and other notes on accounts	I & 2	
	<b>(2,581.67)</b>	<b>(2,530.32)</b>

The accompanying notes are an integral part of these financial statements

This is the Cash Flow Statement referred to in our report of even date

for **NSVM and Associates**

Chartered Accountants  
Firm's registration number: 010072S

**G.C.S Mani**  
Partner  
Membership number: 036508

Place: Bengaluru  
Date: 29th May 2018

for and on behalf of the board of directors of

**Bal Pharma Limited**

**Shailesh Siroya**  
Managing Director  
DIN: 00048109

**Dr S Prasanna**  
Director  
DIN: 00084602

**SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2018****Company Overview**

The consolidated financial statements comprise financial statements of Bal Pharma Limited ('the Parent Company' or 'Holding Company' or 'the Company') together with its subsidiaries (collectively termed as 'the Group' or 'the Consolidated Entities') for the year ended March 31, 2018. Bal Pharma Limited is a public company domiciled in India and was incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The Group is primarily engaged in the manufacturing and selling of pharmaceutical products and related services. The Group caters to both domestic and international markets.

**I. Basis of Preparation of Financial Statements****a) Compliance with Ind AS**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March 2017, the Group prepared its consolidated financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These consolidated financial statements for the year ended 31 March 2018 are the first the Group has prepared in accordance with Ind AS.

**b) Historical Cost Convention**

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

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

**c) Functional and Presentational Currency**

The financial statements are presented in INR which is the functional currency for the Company. All amounts disclosed in the financial statements and notes have been rounded to the nearest lakhs.

**d) Principles for consolidation**

The Consolidated Financial Statements relate to Bal Pharma Limited and its subsidiaries.

Subsidiaries are all entities over which Bal Pharma Limited exercises control. The Holding Company exercises control if and only if it has the following :

- Power over the entity
- exposure, or rights, to variable returns from its involvement with the entity; and

- the ability to use its power over the entity to affect the amount of its returns.

The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Group have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-Group balances and intra-group transactions and resulting unrealised profits. Unrealised losses resulting from intra-group transactions are eliminated unless cost cannot be recovered.
- The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.
- The Financial Statements of the subsidiaries used for the purpose of consolidation are drawn up to the same reporting date as of the Group.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstance and are presented to the extent possible, in the same manner, as the Company's separate Financial Statements.

**Group Information**

The Consolidated Financial Statements have been prepared on the basis of the financial statements of the following subsidiaries:

Sl No	Name of the Entity	Country of Incorporation	% of interest As at 31 March		
			2018	2017	2016
1.	Lifezen Healthcare Private Limited	India	50.5	50	50
2.	Balance Clinic LLP	India	80	80	80
3.	Bal Research Foundation	India	80	80	80
4.	Golden Drugs Private Limited	India	100	-	-

**e) Use of Estimates and Judgments**

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

The estimates and underlying assumptions are reviewed by management at each reporting date. Revisions to accounting



## SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2018

estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

### Critical accounting estimates and assumptions

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

### Judgments

- 1) Recognition of Deferred Income Taxes
- 2) Recognition Research and Developments Costs (Note no 42)

### Estimates

- 1) Useful lives of various of Property, Plant and Equipment (Note 3 & 4)
- 2) Fair Value of Financial Instruments (Note No 53)
- 3) Accounting for Defined Benefit Plan (Note No 48)
- 4) Expected Credit Losses

### f) Current vs Non-Current Classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

## 2. Significant Accounting Policies

### a) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting





## SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2018

policies. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### b) Revenue Recognition

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

#### **Sale of Goods:**

Revenue from the sale of goods is recognised on dispatch of goods which coincides with the transfer of significant risks and rewards of ownership of the goods to the buyer, based on the applicable incoterms. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, goods and service tax, value added taxes and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and the revenue recognition criteria have been complied.

Other Operating revenue is recognised on accrual basis.

#### **Rendering of Services**

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

#### **Interest Income**

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

#### **Dividend Income**

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

#### **Export Incentives**

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

### c) Property, Plant and Equipment

#### **Recognition and Measurement**

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

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

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

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

#### **Subsequent Measurement**

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

#### **Capital Work-in-Progress**

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

#### **Transition to Ind AS**

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



**SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2018**

**d) Intangible Asset**

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

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

**e) Research and Development**

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

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

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

**f) Depreciation**

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

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Premium on leasehold lands are amortised over the period of lease. Building constructed on leasehold land is depreciated

based on the useful life specified in schedule II to the companies Act, 2013.

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

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

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

**h) Borrowing Costs**

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

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

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

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

**i) Inventories**

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

**Raw materials and accessories:**

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

**Finished goods and work in progress:**

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

**Trading Goods:**

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

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



## SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2018

### j) Employee Benefits

#### Short Term Employee Benefits

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

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

#### Post-Employment Benefits

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

##### i) Provident Fund & Employee State Insurance:

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

##### ii) Gratuity Fund:

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

##### iii) Leave Encashment

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

### k) Financial Instruments

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

### a. Financial Assets

#### Initial recognition and measurement

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

#### Classifications

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

#### Business model assessment

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

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

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

#### Derecognition

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

### b. Financial Liability

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

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

### l) Trade Receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of



## SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2018

12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

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

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

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

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

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

In case of other assets (listed as ii and iii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

### m) Foreign Currency Transaction

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

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

### n) Leases

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

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

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

### o) Earnings Per Share

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

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

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

### p) Income Tax

#### a. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of

**SIGNIFICANT ACCOUNTING POLICES FOR THE YEAR ENDED MARCH 31, 2018**

items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**b. Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities not recognised if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

**q) Provisions and Contingencies****A. Provisions**

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**B. Contingent Liabilities and Contingent Assets**

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

**r) Cash and cash equivalents**

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

**s) Standards issued but not yet effective****Amendment to Ind AS 21**

The Amendment to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Group is evaluating the requirements of the amendment and its effect on the financial statements.

**Amendment to Ind AS 12**

The amendment to Ind AS clarifies that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps and the carrying amount of an asset is relevant only to determine temporary differences. The carrying amount of an asset does not limit the estimation of probable inflow of taxable economic benefits that results from recovering an asset. The Group is evaluating the requirements of the amendment and its effect on the financial statements.

**Notification of new standard Ind AS 115**

The new standard replaces existing revenue recognition standards Ind AS 11, 'Construction Contracts', Ind AS 18, 'Revenue' and revised guidance note of the Institute of Chartered Accountants of India on Accounting for Real Estate Transactions for Ind AS entities issued in 2016. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Group is evaluating the requirements of the amendment and its effect on the financial statements.



₹ in Lakhs

Description	3. Tangible, Owned						4. Intangible, Owned		Total Intangible assets			
	Freehold land	Leasehold land	Building	Plant and machinery	Utilities	Furniture and fixtures	Office equipment	Motor vehicles		Total Tangible assets	Com-puter software	R&D Expenses
<b>Deemed Cost as at 1 April 2016</b>	517.91	123.12	1,659.36	1,289.13	1,272.62	44.08	108.61	141.54	5,156.37	3.68	459.21	462.88
<b>Year ended 31 March 2017</b>												
<b>Gross Carrying amount</b>												
Deemed Cost at 1 April 2016	521.82	123.12	1,659.36	1,289.13	1,272.62	44.08	108.61	141.54	5,160.27	3.68	459.21	462.88
Additions	-	-	255.49	257.88	206.26	35.06	28.03	49.58	832.31	5.90	191.26	197.15
Disposals	-	-	-	-	-	-	-	(4.98)	(4.98)	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Gross Carrying amount</b>	<b>521.82</b>	<b>123.12</b>	<b>1,914.85</b>	<b>1,547.01</b>	<b>1,478.88</b>	<b>79.14</b>	<b>136.64</b>	<b>186.14</b>	<b>5,987.60</b>	<b>9.57</b>	<b>650.46</b>	<b>660.04</b>
<b>Accumulated Depreciation</b>												
Depreciation Charge for the year	-	4.82	81.18	159.08	137.66	13.10	27.26	32.88	455.99	1.85	191.26	193.11
Disposals	-	-	-	-	-	-	-	(3.51)	(3.51)	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>									<b>452.48</b>	<b>1.85</b>	<b>191.26</b>	<b>193.11</b>
<b>Net Carrying Amount as at 31 March 2017</b>	<b>517.91</b>	<b>118.30</b>	<b>1,833.67</b>	<b>1,387.93</b>	<b>1,341.22</b>	<b>66.04</b>	<b>109.37</b>	<b>156.77</b>	<b>5,531.21</b>	<b>7.72</b>	<b>459.21</b>	<b>466.93</b>
<b>Year ended 31 March 2018</b>												
<b>Gross Carrying amount</b>												
Opening Gross Carrying amount	671.82	123.12	1,971.22	2,114.95	1,526.73	79.14	136.64	186.14	6,809.76	9.57	650.46	660.04
Additions	-	-	53.23	279.91	88.89	14.92	14.23	-	451.18	4.85	164.46	169.31
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Gross Carrying amount</b>	<b>671.82</b>	<b>123.12</b>	<b>2,024.46</b>	<b>2,394.87</b>	<b>1,615.62</b>	<b>94.06</b>	<b>150.86</b>	<b>186.14</b>	<b>7,260.94</b>	<b>14.42</b>	<b>814.93</b>	<b>829.35</b>
<b>Accumulated Depreciation</b>												
Opening Accumulated Depreciation	-	4.82	81.18	159.08	137.66	13.10	27.26	29.37	452.48	1.85	191.26	193.11
Depreciation Charge for the year	-	1.05	94.00	177.61	153.09	13.16	19.00	30.33	488.24	2.75	186.12	188.87
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>									<b>940.72</b>	<b>4.60</b>	<b>377.38</b>	<b>381.97</b>
<b>Net Carrying Amount as at 31 March 2018</b>	<b>667.91</b>	<b>117.25</b>	<b>1,849.28</b>	<b>2,058.17</b>	<b>1,324.87</b>	<b>67.79</b>	<b>104.60</b>	<b>126.44</b>	<b>6,316.32</b>	<b>9.83</b>	<b>437.55</b>	<b>447.38</b>



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

## 4A Goodwill

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening Balance	-	-	-
Acquisition of subsidiaries	290.26	-	-
De-recognised of disposal of subsidiaries	-	-	-
Foreign currency translation adjustments	-	-	-
	<b>290.26</b>	-	-

## Non-current financial assets

## 5 Investments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Investment in equity instruments - Quoted</b>			
<i>Equity Shares at FVTPL</i>			
10,000 (31 Mar 2017 : 10,000 , 1 Apr 2016 : 10,000) Equity shares of ₹ 10 each fully paid in Lamina Foundries Limited	-	-	-
73,600 (31 Mar 2017-73,600 : 1 Apr 2016-73,600) Equity shares of ₹ 10 each fully paid in Sri Jayalakshmi Autospin Limited	-	-	-
<b>Investment in equity instruments - Unquoted</b>			
<i>Equity Shares at Amortised Cost</i>			
4,000 (31 Mar 2017: 4,000 , 1 Apr 2016 : 4,000) Equity shares of ₹ 25 each fully paid in The saraswat cooperative Bank Limited	1.00	1.00	1.00
5,000 (31 Mar 2017: 5,000 , 1 Apr 2016 : 5,000) Equity shares of ₹ 10 each fully paid in The Shamrao vithal Co-operative Bank Ltd.	0.50	0.50	0.50
<b>Total</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>
Aggregate Amount of Quoted Investments and market value thereof	-	-	-
Aggregate Amount of Unquoted Investments	1.50	1.50	1.50
Aggregate Amount of Impairment in Value of Investments	-	-	-

## 6 Loans and advances

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a) Security deposit	239.60	212.44	227.75
From above :			
Secured, considered good	-	-	-
Unsecured, considered good	239.60	212.44	227.75
Doubtful	-	-	-
	<b>239.60</b>	<b>212.44</b>	<b>227.75</b>



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

## 7 Other financial assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank Deposits (maturity of more than 12 months)	51.41	28.40	31.94
Interest accrued but not due	3.44	4.34	21.28
	<b>54.84</b>	<b>32.74</b>	<b>53.22</b>

## Non-financial assets

## 8 Other non-current assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a) Capital Advances	176.35	432.74	425.51
b) Advances other than Capital Advances			
i) Advance to Related Parties	-	-	-
ii) Balance with Statutory/Government Authorities	3.54	16.14	100.80
c) Prepayments	35.10	13.42	14.33
	<b>214.99</b>	<b>462.29</b>	<b>540.64</b>

## Current assets

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials	2,315.27	2,235.85	1,652.75
Packing material	557.68	559.35	500.99
Work-in progress	1,577.89	862.99	864.06
Finished goods	2,181.21	1,779.58	1,143.47
Stores and spares	17.29	35.31	14.15
<b>Total</b>	<b>6,649.33</b>	<b>5,473.08</b>	<b>4,175.42</b>

## Current financial assets

## 10 Trade receivables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade Receivables			
- Due from Related Parties (Refer Note No. 49)	117.96	52.59	68.46
- Due from Others	5,915.48	6,127.81	5,629.67
Less: Allowance for Doubtful Debts (Expected Credit Losses)	(15.51)	-	-
<b>Total Trade Receivables</b>	<b>6,017.93</b>	<b>6,180.40</b>	<b>5,698.12</b>
Current Portion	6,017.93	6,180.40	5,698.12
Non Current Portion	-	-	-
From Above, the following are security break up Details			
Secured, Considered good	-	-	-
Unsecured, Considered good	6,017.93	6,180.40	5,698.12
Doubtful	-	-	-
	<b>6,017.93</b>	<b>6,180.40</b>	<b>5,698.12</b>





## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

## 11 Loans

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Unsecured-Considered good</b>			
Security deposit	162.02	55.34	0.15
Loans/advances to employees	43.02	8.16	8.18
	<b>205.04</b>	<b>63.50</b>	<b>8.33</b>

## 12 Cash and cash equivalents

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash on hand	12.15	9.55	4.11
Balance with bank			
On current Account	204.63	162.89	150.75
Deposits with original maturity of less than 3 months	54.08	43.55	21.34
	<b>270.85</b>	<b>216.00</b>	<b>176.21</b>

## 13 Bank balances other than Cash and Cash Equivalents

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank Deposits (maturity between 3 months and 12 months)	133.10	246.09	279.17
Balance earmarked for Unclaimed Dividends	11.44	8.86	8.06
<b>Total</b>	<b>144.54</b>	<b>254.95</b>	<b>287.23</b>

## Non-financial assets

## 14 Other current assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balance with statutory/government authorities	2,123.11	1,730.48	1,628.16
Advances recoverable in Cash or Kind			
- From Related Parties (Refer Note No. 49)	4.11	8.45	7.00
- From Others	1,762.92	2,054.78	2,188.10
Others Loans And Advances			
- From Related Parties (Refer Note No. 49)	376.76	376.76	326.76
- From Others	7.14	10.86	17.62
Insurance claims	4.67	4.67	6.64
Prepayments	27.64	81.09	118.16
	<b>4,306.35</b>	<b>4,267.09</b>	<b>4,292.43</b>



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

## 15 Equity

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Authorised capital</b>			
1,50,00,000 equity shares of ₹ 10 each	1,500.00	1,500.00	1,500.00
<b>Issued, subscribed and paid-up</b>			
1,41,72,372 equity shares of ₹ 10 each	1,417.24	1,417.24	1,287.24
	<b>1,417.24</b>	<b>1,417.24</b>	<b>1,287.24</b>

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

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares	%	No. of shares	%	No. of shares	%
Micro Labs Limited	13,10,836	9.25%	13,10,836	10.18%	13,10,836	10.18%
Shailesh Siroya	16,45,459	11.61%	12,70,759	9.87%	12,70,759	9.87%
Anita Siroya	10,49,220	7.40%	10,18,540	7.91%	10,18,540	7.91%
	<b>36,00,135</b>	<b>28.26%</b>	<b>36,00,135</b>	<b>27.97%</b>	<b>36,00,135</b>	<b>27.97%</b>

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

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Indegenious	1,41,72,372	1,28,72,372	1,28,72,372
Indegenious	-	13,00,000	-
	<b>1,41,72,372</b>	<b>1,41,72,372</b>	<b>1,28,72,372</b>

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

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

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

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

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



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

## 16 Other Equity

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Securities Premium Reserve	2,407.66	2,407.66	1,731.66
Retained Earnings	2,443.37	2,165.15	2,160.00
General Reserve	245.15	245.15	245.15
Capital Reserve	44.06	44.06	44.06
Money Received against Share warrants	-	-	201.50
Other Comprehensive Income	(58.65)	(34.64)	-
	<b>5,081.59</b>	<b>4,827.38</b>	<b>4,382.37</b>

## Non- Controlling Interest

Financial information of subsidiaries that have material Non-Controlling Interests is provided below:

## A. Proporation fo Equity Interest held by Non-Controlling Interest

Name of the Entity	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Lifezen Healthcare Pvt Ltd	49.50%	50.00%	50.00%
Bal Research Foundation	20.00%	20.00%	20.00%
Balance Clinic LLP	20.00%	20.00%	20.00%
Golden Drugs Pvt Ltd	0.00%	0.00%	0.00%

## B Information regarding Non-Controlling Interest

Name of the Entity	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Accumulated balances of material Non-Controlling Interest</b>			
Lifezen Healthcare Pvt Ltd	(457.31)	(220.52)	(11.41)
Bal Research Foundation	1.84	1.86	1.96
Balance Clinic LLP	(23.21)	(19.45)	(13.29)
	<b>(478.68)</b>	<b>(238.11)</b>	<b>(22.74)</b>

## Financial liabilities

## 17 Borrowings

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Terms loans			
- from banks	1,957.35	1,233.13	1,081.52
- From Other parties	1,400.00	487.19	443.43
Other Loans			
- Vehicle Loans	38.89	59.95	47.71
- Other Loans	106.46	-	21.00
The above amount includes			
Secured Borrowings	3,359.97	1,275.89	1,524.25
Unsecured Borrowings	142.73	504.38	69.41
	<b>3,502.71</b>	<b>1,780.27</b>	<b>1,593.66</b>



CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

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

**(a) Loan from Exim Bank outstanding as at 31 March 2018: Rs. 2.40 Cr (31 March 2017 : Rs 3.60 Cr : 01 April 2016: Rs 4.80 Cr)**

**Security**

- i. The loan is secured by entire moveable property, plant and equipment of the Company, both present and future, belonging to unit I, unit 2, unit 3 and unit 4 of the Company.

**Repayment and interest**

- ii. The loan was repayable in 20 equal quarterly installments of Rs. 0.30 crore each, starting from April 2015.
- iii. Interest was payable on EXIM bank LTLMR plus 250 basis points which is currently at 12.70% per annum.

**(b) Loan from Corporation Bank outstanding as at 31 March 2018: Rs.9.52 Cr (31 March 2017: Rs 10.84 Cr : 01 April 2016: Rs 6.85 Cr)**

**Security**

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

**Repayment and interest**

- ii. The loan was repayable in 80 monthly installments starting from April 2017.
- iii. Interest was payable on LTLMR plus 5.60% which is currently at 13.75% per annum

**(c) Loan from Yes Bank outstanding as at 31 March 2018: Rs 3.56 cr (31 March 2017 : Rs 0.75 Cr : 01 April 2016: Rs Nil)**

**Security**

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

**Repayment and interest**

- ii. The loan was repayable in 48 monthly installments starting from June 2017.
- iii. Interest was payable on at 10.75% per annum.

**(d) Loan from Tata Capital outstanding as at 31 March 2018: Rs.14.00 Cr (31 March 2017 : Rs.Nil : 01 April 2016: Rs Nil)**

**Security**

- i. The loan is secured by mortgage of the property of Golden Drugs Private Limited, Udaipur and personal guarantee of managing director.

**Repayment and interest**

- ii. The loan was repayable in 48 monthly installments starting from June 2017.
- iii. Interest was payable on at 10.75% per annum

**(e) Loan from The South India Bank Limited outstanding as at 31 March 2018: Rs. 4.86 Cr (31 March 2017 : Rs.5.16 Crores : 01 April 2016: Rs Nil)**

**Security**

- i. The loan is secured by mortgage of the Land at Vasanth Nagar

**Repayment and interest**

- ii. The loan was repayable in 154 monthly installments starting from March 2018.
- iii. Interest was payable on at 10.65% per annum

**(f) Loan from The South India Bank Limited outstanding as at 31 March 2018: Rs.3.39 Cr (31 March 2017: Rs.Nil : 01 April 2016: Rs Nil)**

**Security**

- i. The loan is secured by mortgage of the Land at Vasanth Nagar

**Repayment and interest**

- ii. The loan was repayable in 180 monthly installments starting from April 2018.
- iii. Interest was payable on at 10.65% per annum.



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

- (g) **Loan from Kotak Mahindra Bank Limited (Unsecured) outstanding as at 31 March 2018: Rs.0.17 Cr (31 March 2017: Rs.0.63 Cr : 01 April 2016: Rs 1.01 Cr)**

**Repayment and interest**

- i. The loan was repayable in 36 monthly installments starting from July 2015.
- ii. Interest was payable on at 11.75% per annum

- (h) **Loan from Kotak Mahindra Bank Limited (Unsecured) outstanding as at 31 March 2018: Rs.0.59 Crores (31 March 2017: Rs.Nil 01 April 2016: Rs Nil)**

**Repayment and interest**

- i. The loan was repayable in 36 monthly installments starting from Aug 2017.
- ii. Interest was payable on at 16.50 % per annum

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

- (a) **Loan from Magma Fincorp Limited (Unsecured) outstanding as at 31 March 2018: Rs.0.53 Cr (31 March 2017: Rs.Nil : 01 April 2016: Rs Nil)**

**Repayment and interest**

- i. The loan was repayable in 24 monthly installments starting from Aug 2017.
- ii. Interest was payable on at 16.00% per annum

- (b) **Loan from Tata Capital Financial Services Limited (Unsecured) outstanding as at 31 March 2018: Rs.0.53 Cr (31 March 2017: Rs Nil : 01 April 2016: Rs Nil)**

**Repayment and interest**

- i. The loan was repayable in 24 monthly installments starting from July 2017.
- ii. Interest was payable on at 15.94% per annum

- (c) **Loan from Capital First Limited (Unsecured) outstanding as at 31 March 2018: Rs.0.62 Cr (31 March 2017: Rs.Nil : 01 April 2016: Rs Nil)**

**Repayment and interest**

- i. The loan was repayable in 24 monthly installments starting from Aug 2017.
- ii. Interest was payable on at 15.00% per annum

- (d) **Loan from Equitas Small Finance Bank Limited (Unsecured) outstanding as at 31 March 2018: Rs.0.44 Cr (31 March 2017: Rs.Nil : 01 April 2016: Rs Nil)**

**Repayment and interest**

- i. The loan was repayable in 36 monthly installments starting from November 2017.
- ii. Interest was payable on at 16.50% per annum

- (e) **Loan from Neo Growth Private Limited (Unsecured) outstanding as at 31 March 2018: Rs.0.44 Cr (31 March 2017 : Rs.Nil : 01 April 2016: Rs Nil)**

**Repayment and interest**

- i. The loan was repayable in 36 monthly installments starting from May 2018.
- ii. Interest was payable on at 18.00% per annum

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

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



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

## 18 Other financial liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deposits received from customers	127.09	104.59	89.59
	<b>127.09</b>	<b>104.59</b>	<b>89.59</b>

## 19 Provisions

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Provision for employee benefits</b>			
Gratuity	161.34	237.48	196.55
Leave benefits	43.85	46.20	36.34
Bonus Payable	49.04	58.17	40.82
	<b>254.23</b>	<b>341.85</b>	<b>273.72</b>

## 20 Income tax

## A. Amounts recognised in statement of profit and loss

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Current income tax:</b>		
Current income tax charge	255.23	217.72
Previous Year's Tax Adjustment	-	14.57
	<b>255.23</b>	<b>232.29</b>
<b>Deferred tax:</b>		
Attributable to -		
Origination and reversal of temporary differences	(4.58)	94.80
	<b>(4.58)</b>	<b>94.80</b>
<b>Minimum Alternate Tax credit entitlement</b>		
Excess of tax liability under Minimum Alternate Tax over Normal Provisions as per Income Tax Act, 1961	-	-
	-	-
<b>Income tax (credit) / expense reported in the statement of profit or loss</b>	<b>250.65</b>	<b>327.09</b>

## B. Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net (gain)/loss on remeasurement of defined benefit liability/ (assets)	14.37	17.29
<b>Income tax charged to OCI</b>	<b>14.37</b>	<b>17.29</b>

## C. Deferred Tax

Deferred tax relates to the following:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Deferred Tax Liability</b>		
Property, Plant and Equipment	707.93	740.62
Weighted Deduction in Research and Development	144.67	151.83
<b>Deferred tax Asset</b>		
Employee benefits expenses	95.84	117.09
<b>Deferred tax Liability Reflected in Balance Sheet</b>	<b>756.76</b>	<b>775.35</b>



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

## 21 Borrowings

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Secured:</b>			
Loans repayable on demand from Bank			
- Cash Credit	2,997.06	3,001.27	2,235.89
- Packing Credit	766.92	612.41	1,033.76
- Buyers Credit	513.84	1,246.64	1,062.14
- Bills Discounting	650.90	344.81	677.36
<b>Loans repayable on demand from Others</b>			
Convertible Zero Coupon Debenture	1,902.00	1,902.00	1,902.00
	<b>6,830.74</b>	<b>7,107.13</b>	<b>6,911.15</b>

All secured loans payable on demand and secured short term loans from banks are secured by first charge by way of hypothecation of all the stocks, book debts and other current assets (both present and future) and carries interest rate @ 9.75% to 13.65%.

The Debentures are fully convertible and carries zero coupon rate

## 22 Trade Payables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Due to Micro, Small and Medium Enterprises (Refer Note No. 39)	-	-	-
Due to Other than Micro, small and Medium Enterprises			
- Due to Related Parties (Refer Note No 49)	139.54	131.60	56.47
- Due to Others	4,386.62	5,310.93	4,963.24
	<b>4,526.16</b>	<b>5,442.53</b>	<b>5,019.71</b>

## 23 Other Financial Liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturities of long-term debt			
- from term loans (banks)	492.40	348.31	185.36
- from term loans (Others)	-	15.84	70.39
- from vehicle loans	21.64	32.26	31.98
- from others	148.88	27.17	83.44
Interest accrued but not due on borrowings			
- from banks	8.57	5.62	-
Other liabilities			
Unpaid dividend- current liability	10.97	8.79	8.01
	<b>682.46</b>	<b>437.99</b>	<b>379.18</b>



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

## 24 Other Current Liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Other Advances			
- Creditors for capital goods	308.17	103.69	135.19
- Received from Customers	318.04	526.12	278.28
Statutory dues	408.98	183.91	90.66
Security Deposits			
- Rental deposits from Related Party (Refer Note No. 49)	-	-	-
- Rental deposits from Others	0.50	0.50	
Book Overdraft due to issue of cheques	673.94	131.25	61.62
Other current liabilities			
- Due to Related Parties (Refer Note No 49)	4.85	131.60	56.47
- Due to Others	529.31	129.89	174.20
	<b>2,243.78</b>	<b>1,206.96</b>	<b>796.42</b>

## 25 Provision

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits			
Gratuity	26.83	8.41	7.33
Leave Encashment	10.95	10.96	7.55
Provision for ED	-	-	1.16
	<b>37.78</b>	<b>19.37</b>	<b>16.04</b>

## 26 Current Tax Liabilities (Net)

Particulars	As at 31 March 2018	Ind AS Balance as at 31 March 2017	As at 1 April 2016
Current Income Tax Liabilities (Net)	199.60	110.02	38.52
	<b>199.60</b>	<b>110.02</b>	<b>38.52</b>





## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## 27 Revenue from operations

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of Product	20,790.15	22,975.78
Sale of services	5.38	55.22
Other operating revenue	352.45	465.33
	<b>21,147.99</b>	<b>23,496.33</b>

## 28 Other income

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income		
- Others	3.48	-
- on fixed deposits with bank	18.39	18.35
Net gain on foreign currency translation and transactions	131.94	285.53
Other Non -Operating revenue	15.74	0.05
	<b>169.54</b>	<b>303.94</b>

## 29 Cost of materials consumed

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Raw materials		
Opening stock	2,235.85	1,652.75
Add: Purchases	9,300.47	10,898.36
Less: Closing stock	2,315.27	2,235.85
	<b>9,221.05</b>	<b>10,315.27</b>
Packing Materials		
Opening Stock	559.35	500.99
Add: Purchases - Packing Materials	1,049.69	1,289.85
Less: Closing stock	557.68	559.35
	<b>1,051.37</b>	<b>1,231.49</b>
	<b>10,272.42</b>	<b>11,546.76</b>

## 30 Excise Duty

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Excise Duty	219.21	604.96
	<b>219.21</b>	<b>604.96</b>



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

**31 Purchases of traded goods**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Purchase of traded goods	756.39	711.26
	<b>756.39</b>	<b>711.26</b>

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventories at the end of the year		
Work-in-progress	1,577.89	862.99
Finished goods	2,181.21	1,779.58
	<b>3,759.10</b>	<b>2,642.57</b>
Inventories at the beginning of the year		
Work-in-progress	862.99	864.06
Finished goods	1,776.29	1,143.46
	<b>2,639.27</b>	<b>2,007.52</b>
	<b>(1,119.83)</b>	<b>(635.05)</b>

**33 Employee benefits expenses**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salary and wages	4,191.25	4,064.19
Contribution to provident and other funds	297.08	254.38
Staff welfare expenses	229.31	218.42
	<b>4,717.64</b>	<b>4,536.99</b>

**34 Other expenses**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Consumption of stores and spares	46.72	-
Power and fuel		
Fuel- OB	35.31	14.15
Add: Fuel Purchases	243.46	106.00
Less: Closing Stock of Fuel	17.29	35.31
Cost of fuel consumption	261.48	84.84
Excise duty on Finished goods inventory	-	2.39
Power charges	307.55	500.56
Water Charges	20.53	16.85
Laboratory and Testing	164.15	147.52
Sub contracting expenses	287.62	431.17
Repairs & Maintenance		
Plant and machinery	86.67	144.63
Building	21.44	29.68
Others	145.27	159.58



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Director Sitting fees	0.19	0.17
Registration fees	28.63	201.82
Liquidated damages	10.06	25.98
Donation	0.60	0.94
Electricity charges	17.24	15.19
Balances/Bad debts/Advances written off	(3.41)	58.71
Payment to Auditors (Refer Note No. 37)	9.30	8.70
Seminar, Conference & Exhibition Expenses	14.65	33.75
Commission on sales	464.93	434.02
Corporate social responsibility	1.00	-
Breakages & Expired goods	0.01	184.93
Travelling Expenses	733.21	741.54
Rates & Taxes	88.77	81.44
Communication Cost	68.91	93.34
Advertisement and selling expenses	652.30	761.43
Insurance	21.58	40.04
Legal and professional charges	229.41	169.12
Rent	216.17	168.01
Printing & Stationary	35.17	54.49
Subscription & Membership	26.20	19.54
Freight and forwarding charges	414.32	540.76
Security Charges	67.06	60.40
Vehicle operation & Maintenance	31.69	28.76
Other expenses	10.59	6.28
-Delayed payment of taxes	13.59	-
-Others	85.49	3.50
	<b>4,579.07</b>	<b>5,250.08</b>

## 35 Finance Cost

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2016
Bank charges	91.09	182.39
Processing fees	8.33	2.67
Interest	827.79	663.64
	<b>927.21</b>	<b>848.71</b>



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

**36 Contingent liabilities and commitments**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Contingent liabilities</b>			
- Income tax	9.64	9.64	9.37
- Excise & Customs	172.59	175.17	162.88
- Service Tax	31.70	85.89	85.89
- Others (Letter of credit)	561.22	955.06	1,206.47
<b>Capital commitments</b>			
- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	117.58	65.66	53.91

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

**37 Auditors' remuneration excluding tax**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
As auditor		
- for Statutory audit	7.30	6.70
- for Taxation matters	0.50	0.50
- for Limited Review	0.20	0.20
In other capacity	-	-
Other services (certification fees)	0.80	0.80
Reimbursement of expenses	0.50	0.50
	-	-
	<b>9.30</b>	<b>8.70</b>

**38 Profit per share**

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

(Figures in Rupees except number of shares)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net Profit for the year attributable to equity shareholders	13.64	(74.28)
Weighted average number of equity shares of ₹ 10 each used for calculation of basic earnings per share (adjusted for partly paid shares)	141.72	141.72
Earnings per share, basic and diluted*	0.10	(0.52)

\*The group has no potentially dilutive equity shares and figures in Rupees.

**39 Disclosure with respect to Micro, Small and Medium Enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act'). Accordingly, based on the information available with the group, no amount is payable in respect of such entities as at 31 March 2018. (31 March 2017: Nil, 1 April, 2016: Nil).

**40 Confirmations**

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



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

## 41 Unclaimed Dividends on Equity Shares

Particulars	As at 31 March 2018	As at 31 March 2017
2012-2013	1.64	1.66
2013-2014	2.25	2.25
2014-2015	2.26	2.35
2015-2016	2.48	2.50
2016-2017	2.34	-
	<b>10.97</b>	<b>8.76</b>

## 42 Expenditure on Research and Development

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Capital Expenditure</b>			
Laboratory Equipment	-	1.95	-
Office Equipment (Computers)	0.30	-	-
Utilities	0.91	6.41	-
<b>Total Capital Expenditure (a)</b>	<b>1.21</b>	<b>8.36</b>	-
<b>Revenue Expenditure</b>			
Raw material consumed	0.86	22.71	8.40
Power and Fuel	-	36.11	34.33
Water Charges	-	2.90	2.92
Laboratory and testing	3.90	17.54	48.08
Employee benefit expense	158.10	105.17	93.71
Others	1.60	6.83	6.30
<b>Total Revenue Expenditure (b)</b>	<b>164.46</b>	<b>191.26</b>	<b>193.74</b>
	<b>165.67</b>	<b>199.61</b>	<b>193.74</b>

## 43 Subsequent Events

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

## 44 Value of Imports calculated on CIF basis

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Raw Materials	4,123.13	5,815.77
Capital goods (Including spares and components)	29.13	41.13
	<b>4,152.25</b>	<b>5,856.90</b>



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

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

Particulars	31 March 2018		31 March 2017	
	Value in ₹	% of total consumption	Value in ₹	% of total consumption
<b>Raw Material</b>				
Imported	3,815.98	41.38%	5,786.82	56.10%
Indegenious	5,405.07	58.62%	4,528.45	43.90%
	<b>9,221.05</b>	<b>100.00%</b>	<b>10,315.27</b>	<b>100.00%</b>
<b>Stores and Spares</b>				
Imported	-	-	-	-
Indegenious	29.13	100.00%	84.84	100.00%
	<b>29.13</b>		<b>84.84</b>	<b>100.00%</b>
	<b>9,250.18</b>		<b>10,400.11</b>	

## 46 A) Expenditure in Foreign Currency

Particulars	For the year ended	For the year ended
	31 March 2018	31 March 2017
Travelling expenditure	44.43	32.64
Registration fee	4.04	29.61
Commission on export sales	8.78	49.57
Sales promotion expenses	107.89	79.49
	<b>165.14</b>	<b>191.32</b>

## B) Earnings in Foreign Currency

Particulars	For the year ended	For the year ended
	31 March 2018	31 March 2017
FOB value of Exports	9,872.99	11,544.88
	<b>9,872.99</b>	<b>11,544.88</b>

## 47 Note on Suspended Activities in Unit located in Pune

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

This decision was taken as part of the restructuring exercise undertaken by the Holding Company to streamline its operations and to exit from its noncore businesses, so that further deterioration of its noncore business revenues can be plugged.”

**CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018****48 Employee benefits**

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

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

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
<b>Changes in present value of defined benefit obligations during the year</b>				
Present Value of Defined Benefits at the beginning of the year	245.84	201.29	57.15	41.94
Service cost	28.09	17.53	0.00	4.52
Past Service Cost	12.39	0.00	0.00	0.00
Interest on defined benefit obligation	14.12	16.11	3.84	3.35
Benefits settled	-140.33	-29.32	-16.63	-4.35
Actuarial (gain) / loss	28.05	40.24	10.44	11.69
	<b>188.17</b>	<b>245.84</b>	<b>54.79</b>	<b>57.15</b>
<b>Reconciliation of present value of the obligation and the fair value of the plan assets:</b>				
Present Value of Defined Benefits at the end of the year	188.17	245.84	(54.79)	(57.15)
Fair value of plan assets at the end of the year	-	-	-	-
	<b>(188.17)</b>	<b>(245.84)</b>	<b>(54.79)</b>	<b>(57.15)</b>
Net Liability - Current (Refer Note No. 25)	26.83	8.36	10.95	10.95
Net Liability - Non Current (Refer Note No. 19)	161.34	237.48	43.84	46.20
<b>Expenses recognised in Statement of Profit or Loss during the year</b>				
Current Service cost	28.09	17.53	-	4.52
Past Service Cost	12.39	-	-	-
Interest cost on defined benefit (net)	14.12	16.11	3.84	3.35
Expected return on plan assets	-	-	-	-
	<b>54.60</b>	<b>33.64</b>	<b>3.84</b>	<b>7.87</b>
<b>Recognised in other comprehensive income for the year</b>				
Remeasurements - Due to Demographic Assumptions	-	-	-	-
Remeasurements - Due to Financial Assumptions	(27.68)	-	10.44	11.69
Remeasurements - Due to Experience Adjustments	55.73	40.24	-	-
(Return) on Plan Assets (Excluding Interest Income)	-	-	-	-
(Return) on Reimbursement Rights	-	-	-	-
Changes in Asset Ceiling / Onerous Liability	-	-	-	-
	<b>28.05</b>	<b>40.24</b>	<b>10.44</b>	<b>11.69</b>
<b>Maturity Profile of Defined Benefit Plan</b>				
Within the next 12 months	26.83	31.36	10.95	11.19
Between 2 and 5 years	65.57	78.77	29.49	41.18
Between 6 and 9 years	78.41	94.47	17.92	19.35
For 10 years and above	16.95	20.74	3.18	3.32



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## 49 Related party disclosures

- A. Enterprise owned by the Managing Director of the company** Desa Marketing Internation
- B. Enterprise over which the Managing Director of the Company exercises joint control with other partners** Siroya Construction  
Siroya Wellness
- C. Enterprise over which the Managing Director of the Company exercises joint control with other directors** Siroya Properties & Holdings Private Limited  
  
Siroya Developers Private Limited  
Sanjay Gems Private Limited  
Legend Siroya Infrastructure Private Limited
- D. Significant Interest Entities** Micro Labs Limited
- E. Key management personnel** Shailesh D Siroya - Managerial Director  
S Prasanna - Independent Director

## (ii) Particulars of Related Party Transactions

₹ in Lakhs

Particulars	Category	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Sales to</b>			
- Micro Labs Limited	D	478.83	55.03
<b>Total</b>		<b>478.83</b>	<b>55.03</b>
<b>Commission Paid to</b>			
- Desa Marketing International	A	57.09	202.77
<b>Total</b>		<b>57.09</b>	<b>202.77</b>
<b>Expenses incurred on behalf of</b>			
- Siroya Constructions	B	3.79	5.25
- Siroya Wellness	B	0.98	0.03
- Siroya Properties & Holdings Private Limited	C	7.56	7.93
		<b>12.33</b>	<b>13.20</b>
<b>Expenses reimbured by</b>			
- Siroya Constructions	B	3.57	4.60
- Siroya Properties & Holdings Private Limited	C	7.21	7.16
		<b>10.78</b>	<b>11.76</b>
<b>Advances</b>			
- Siroya Properties & Holdings Private Limited	C	-	50.00
		-	<b>50.00</b>
<b>Rent Paid to</b>			
- Shailesh D Siroya (Managing Director)		12.00	12.00
- Bal Research Foundation		<b>12.00</b>	<b>12.00</b>
<b>Key Management Compensation</b>			
Shailesh D Siroya		78.00	78.00
Dr. S. Prasanna		30.00	30.00
<b>Total</b>		<b>108.00</b>	<b>108.00</b>





## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

## (iii) Amount outstanding as at the balance sheet date

Particulars	Category	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Trade Receivables</b>				
- Siroya Wellness	B	-	30.75	30.75
- Micro Labs Limited	D	117.96	21.85	37.71
		<b>117.96</b>	<b>52.59</b>	<b>68.46</b>
<b>Trade Payables</b>				
- Desa Marketing International	A	139.54	131.60	56.47
		<b>139.54</b>	<b>131.60</b>	<b>56.47</b>
<b>Other Loans and Advances</b>				
- Siroya Properties & Holdings Private Limite	C	376.76	376.76	326.76
		<b>376.76</b>	<b>376.76</b>	<b>326.76</b>
<b>Other</b>				
- Siroya Constructions	B	2.02	1.95	1.30
- Siroya Wellness	B	0.98	5.73	5.70
- Siroya Properties & Holdings Private Limited	C	1.12	0.77	-
		<b>4.11</b>	<b>8.45</b>	<b>7.00</b>
<b>Other Current Liabilities</b>				
Shailesh D Siroya	F	4.85	131.60	56.47
		<b>4.85</b>	<b>131.60</b>	<b>56.47</b>

## 50 Segment reporting

The Group is primarily engaged in a single business segment of manufacturing and marketing of pharmaceutical formulations and active pharmaceutical ingredients is governed by a similar set of risks and returns.

In accordance with Ind AS-108 "Operating Segments", information about geographical areas has been given below:

Geographic Segments	As at 31 March 2018	As at 31 March 2017
India	10,160.07	10,831.53
Other than India	10,630.08	12,143.78
	<b>20,790.15</b>	<b>22,975.31</b>

The following table shows the carrying amount of segment assets and additions to Property, Plant and Equipment by geographical area in which the assets are located.

Particulars	31 March 2018		31 March 2017	
	India	Others*	India	Others*
Carrying amount of segment assets	22,043.14	2,691.44	19,110.60	2,659.53
Additions to Property, Plant and Equipment	451.18	-	827.32	-

\* Others Represent Trade Receivable

## 51 Export Benefits

The Group has accounted an amount of Rs.339.51 Lakhs (31 March 2017 : ₹ 402.30 Lakhs ) being the net amount of credit under various export incentive schemes as announced under Foreign trade Policy. The management has represented that the same will be either received in cash or utilized for off-setting customs duty on future imports. The accumulated amount outstanding on this account as on 31 March 2018 is ₹ 494.31 Lakhs (31 March 2017: ₹ 603.81 Lakhs) and the same is reflected under Balance with Government Authorities.



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

## 52 Leasing Arrangements

₹ in Lakhs

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

## 53 Fair Value Disclosure

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

	Note No	Carrying value	Fair value	Fair value		
				Level 1	Level 2	Level 3
<b>Financial Asset at Amortised Cost (Non-Current)</b>						
Investments	5	1.50	1.50	-	-	1.50
Loans	6	239.60	239.60	-	-	239.60
Other financial assets	7	54.84	54.84	-	-	54.84
<b>Financial Asset at Amortised Cost (Current)</b>						
Investments	-	-	-	-	-	-
Trade receivable	10	6,017.93	6,017.93	-	-	6,017.93
Loans	11	205.04	205.04	-	-	205.04
Cash and cash equivalents	12	270.85	270.85	-	-	270.85
Other bank balances	13	144.54	254.95	-	-	254.95
Other financial assets	-	-	-	-	-	-
<b>Total Financial Assets</b>		<b>6,934.31</b>	<b>7,044.73</b>	-	-	<b>7,044.73</b>
<b>Financial Liabilities at Amortised Cost (Non-Current)</b>						
Borrowings	17	3,502.71	3,502.71	-	-	3,502.71
Other financial liabilities	18	127.09	127.09	-	-	127.09
<b>Financial Liabilities at Amortised Cost (Current)</b>						
Borrowings	21	6,830.74	6,830.74	-	-	6,830.74
Trade payables	22	4,526.16	4,526.16	-	-	4,526.16
Other financial liabilities	23	682.46	682.46	-	-	682.46
<b>Total Financial Liabilities</b>		<b>15,669.16</b>	<b>15,669.16</b>	-	-	<b>15,669.16</b>
		<b>(8,734.84)</b>	<b>(8,624.43)</b>	-	-	<b>(8,624.43)</b>

The carrying value and fair value of financial instruments by categories for year ended 31 March, 2017 :

	Note No	Carrying value	Fair value	Fair value		
				Level 1	Level 2	Level 3
<b>Financial Asset at Amortised Cost (Non-Current)</b>						
Investments	5	1.50	1.50	-	-	1.50
Loans	6	212.44	212.44	-	-	212.44
Other financial assets	7	32.74	32.74	-	-	32.74
<b>Financial Asset at Amortised Cost (Current)</b>						
Investments	-	-	-	-	-	-
Trade receivable	10	6,180.40	6,180.40	-	-	6,180.40
Loans	11	63.50	63.50	-	-	63.50
Cash and cash equivalents	12	216.00	216.00	-	-	216.00
Other bank balances	13	254.95	254.95	-	-	254.95
Other financial assets	-	-	-	-	-	-
<b>Total Financial Assets</b>		<b>6,961.54</b>	<b>6,961.54</b>	-	-	<b>6,961.54</b>



CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

	Note No	Carrying value	Fair value	Fair value		
				Level 1	Level 2	Level 3
<b>Financial Liabilities at Amortised Cost (Non-Current)</b>						
Borrowings	17	1,780.27	1,780.27	-	-	1,780.27
Other financial liabilities	18	104.59	104.59	-	-	104.59
<b>Financial Liabilities at Amortised Cost (Current)</b>						
Borrowings	21	7,107.13	7,107.13	-	-	7,107.13
Trade payables	22	5,442.53	5,442.53	-	-	5,442.53
Other financial liabilities	23	437.99	437.99	-	-	437.99
<b>Total Financial Liabilities</b>		<b>14,872.51</b>	<b>14,872.51</b>	-	-	<b>14,872.51</b>
		<b>(7,910.97)</b>	<b>(7,910.97)</b>	-	-	<b>(7,910.97)</b>

The carrying value and fair value of financial instruments by categories for year ended 1 April, 2016 :

	Note No	Carrying value	Fair value	Fair value		
				Level 1	Level 2	Level 3
<b>Financial Asset at Amortised Cost (Non-Current)</b>						
Investments	5	1.50	1.50	-	-	1.50
Loans	6	227.75	227.75	-	-	227.75
Other financial assets	7	53.22	53.22	-	-	53.22
<b>Financial Asset at Amortised Cost (Current)</b>						
Investments	-	-	-	-	-	-
Trade receivable	10	5,698.12	5,698.12	-	-	5,698.12
Loans	11	8.33	8.33	-	-	8.33
Cash and cash equivalents	12	176.21	176.21	-	-	176.21
Other bank balances	13	287.23	287.23	-	-	287.23
Other financial assets	-	-	-	-	-	-
<b>Total Financial Assets</b>		<b>6,452.36</b>	<b>6,452.36</b>			<b>6,452.36</b>
<b>Financial Liabilities at Amortised Cost (Non-Current)</b>						
Borrowings	17	1,593.66	1,593.66	-	-	1,593.66
Other financial liabilities	18	89.59	89.59	-	-	89.59
<b>Financial Liabilities at Amortised Cost (Current)</b>						
Borrowings	21	6,911.15	6,911.15	-	-	6,911.15
Trade payables	22	5,019.71	5,019.71	-	-	5,019.71
Other financial liabilities	23	379.18	379.18	-	-	379.18
<b>Total Financial Liabilities</b>		<b>13,993.30</b>	<b>13,993.30</b>			<b>13,993.30</b>
		<b>(7,540.94)</b>	<b>(7,540.94)</b>	-	-	<b>(7,540.94)</b>

**CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018****54 Financial risk management**

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

- Market Risk
- Credit Risk
- Liquidity Risk

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

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

**A Market Risk****1) Currency Risk**

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

**(a) Foreign Exchange Exposures outstanding at the year end**

Nature of Instrument	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unhedged Foreign Exchange Exposures			
Trade Receivables	2,759.99	2,595.77	3,058.91
Trade Payables	(1,323.64)	(582.91)	(1,047.24)
Current Borrowings	(1,801.72)	(2,123.28)	(2,208.54)
Cash and Cash Equivalents	4.15	1.49	2.47
	<b>(361.21)</b>	<b>(108.93)</b>	<b>(194.40)</b>

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

Nature of Instrument	USD	EUR	AED	Others	Total
Trade Receivables	2,155.49	267.24	51.13	286.13	2,759.99
Trade Payables	(1,323.69)	-	-	-	(1,323.69)
Current Borrowings	(1,801.72)	-	-	-	(1,801.72)
Cash and Cash Equivalents	4.15	-	-	-	4.15
<b>Net Assets/Liabilities</b>	<b>(965.76)</b>	<b>267.24</b>	<b>51.13</b>	<b>286.13</b>	<b>(361.26)</b>

**(b) Foreign Currency Risk from Financial Instrument as at 31 March 2017**

Nature of Instrument	USD	EUR	AED	Others	Total
Trade Receivables	2,207.25	346.15	1.32	41.05	2,595.77
Trade Payables	(582.91)	-	-	-	(582.91)
Current Borrowings	(2,123.28)	-	-	-	(2,123.28)
Cash and Cash Equivalents	0.23	1.06	0.20	-	1.49
<b>Net Assets/Liabilities</b>	<b>(498.71)</b>	<b>347.21</b>	<b>1.53</b>	<b>41.05</b>	<b>(108.93)</b>

**(b) Foreign Currency Risk from Financial Instrument as at 1 April 2016**

Nature of Instrument	USD	EUR	AED	Others	Total
Trade Receivables	2,634.16	423.82	0.93	-	3,058.91
Trade Payables	(1,047.24)	-	-	-	(1,047.24)
Current Borrowings	(2,208.54)	-	-	-	(2,208.54)
Cash and Cash Equivalents	0.07	1.67	-	0.73	2.47
<b>Net Assets/Liabilities</b>	<b>(621.56)</b>	<b>425.49</b>	<b>0.93</b>	<b>0.73</b>	<b>(194.40)</b>



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

**(c) Sensitivity Analysis**

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

Nature of Instrument	USD	Euro	AED
<b>Impact on Profit and Loss Statement</b>			
Increase by 5%			
As at 31 March 2018	(48.29)	13.36	2.56
As at 31 March 2017	(24.94)	17.36	0.08
Decrease by 5%			
As at 31 March 2018	48.29	(13.36)	(2.56)
As at 31 March 2017	24.94	(17.36)	(0.08)
<b>Impact on Equity (Net of Tax)</b>			
Increase by 5%			
As at 31 March 2018	(32.32)	8.94	1.71
As at 31 March 2017	(16.69)	11.62	0.05
Decrease by 5%			
As at 31 March 2018	32.32	(8.94)	(1.71)
As at 31 March 2017	16.69	(11.62)	(0.05)

**2) Cash Flows and Interest rate Risk**

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

**(a) Exposure to Interest Rate Risk**

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

Nature of Instrument	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Fixed Rate Instruments</b>			
Financial Assets	238.58	318.05	332.45
Financial Liabilities	(7,349.77)	(7,897.34)	(7,800.58)
<b>Variable Rate Instruments</b>			
Financial Assets	-	-	-
Financial Liabilities	(3,773.69)	(1,518.24)	(1,165.00)
	<b>(10,884.88)</b>	<b>(9,097.53)</b>	<b>(8,633.13)</b>

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

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



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

**(b) Cash flow sensitivity analysis for variable-rate instruments**

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

	As at 31 March 2018	As at 31 March 2017
<b>Impact on Profit and Loss Statement</b>		
Loan and Borrowing		
Increase by 2%	(52.92)	(26.83)
Decrease by 2%	52.92	26.83
<b>Impact on Equity (Net of Tax)</b>		
Loan and Borrowing		
Increase by 2%	(35.42)	(17.96)
Decrease by 2%	35.42	17.96

**B Liquidity Risk**

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

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

**Maturities of financial liabilities:**

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

	Contractual Cash Flows				
	On demand	< 12 Months	1 to 5 years	> 5 years	Total
<b>31 March, 2018</b>					
Borrowings (Incl Current Maturities)	-	662.92	2,852.07	650.63	4,165.63
Trade and other payables	-	4,526.16	-	-	4,526.16
Short Term Borrowings	2,997.06	3,833.67	-	-	6,830.74
Other Financial Liabilities	-	19.54	127.09	-	146.63
<b>31 March, 2017</b>					
Borrowings (Incl Current Maturities)	-	423.58	1,199.48	580.79	2,203.85
Trade and other payables	-	5,442.53	-	-	5,442.53
Short Term Borrowings	3,001.27	4,105.87	-	-	7,107.13
Other Financial Liabilities	-	14.40	104.59	-	119.00
<b>1 April, 2016</b>					
Borrowings (Incl Current Maturities)	-	371.17	1,298.32	295.34	1,964.84
Trade and other payables	-	5,019.71	-	-	5,019.71
Short Term Borrowings	2,235.89	4,675.26	-	-	6,911.15
Other Financial Liabilities	-	8.01	89.59	-	97.60



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

### C Credit Risk

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and Cash Equivalents	270.85	216.00	176.21
Other Bank Balances	144.54	254.95	287.23
Trade Receivables	6,017.93	6,180.40	5,698.12
Short Term Financial Assets	205.04	63.50	8.33
Long Term Financial Assets	295.95	246.68	282.47
	<b>6,934.31</b>	<b>6,961.54</b>	<b>6,452.36</b>

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

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each entity through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Group's large customer base. Adequate expected credit losses are recognized as per the assessments and as such has provided for a expected credit loss of ₹ 15.50 Lakhs ( 31 March 2017 : Nil, 1 April 2016: Nil ).

#### Ageing of Trade Receivable

Particulars	0-180 Days	Above 180 Days	Total
As on 31 March, 2018	4,406.38	1,611.56	6,017.93
As on 31 March, 2017	4,772.66	1,407.75	6,180.40
As on 1 April, 2016	4,686.13	1,011.99	5,698.12

### 55 Capital Management

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

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Long Term Borrowings (incl Current Maturities)	4,165.63	2,203.85	1,964.84
Short Term Borrowings	6,830.74	7,107.13	6,911.15
Total Borrowings (A)	10,996.37	9,310.99	8,875.99
As a percentage of total equity	88.58%	86.79%	87.33%
Total equity (B)	1,417.24	1,417.24	1,287.24
As a percentage of total equity	11.42%	13.21%	12.67%
<b>Total Capital (A+B)</b>	<b>12,413.60</b>	<b>10,728.22</b>	<b>10,163.23</b>



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

**56 Investment in wholly owned subsidiary**

During the year, the Holding Company, acquired 100% of the equity shares of Golden Drugs Private Limited a non listed Indian based company based in Udaipur, Rajasthan which is in the business of manufacturing API/ Bulk Drugs. The Board of Directors at their meeting held on 22nd March 2018 has approved the signing of Share Purchase Agreement with the Directors and shareholders of Golden Drugs Private Limited. Subsequent to this acquisition, the company becomes a wholly subsidiary of Bal Pharma Limited (the Holding Company).

**57 Additional information as required under Schedule III of the Companies Act, 2013 of the enterprises consolidated as Subsidiaries**

Share of Net assets i.,e total assets minus total liabilities	As a % of consolidated Net Assets	Amount in ₹ Lakhs
Bal Pharma Limited	113.23%	7,223.39
<i>Lifezen Healthcare Private Limited</i>	-16.91%	(1,078.68)
Balance Clinics LLP	-2.04%	(130.38)
Bal Research Foundation	0.10%	6.18
Golden Drugs Private Limited	5.62%	358.8305
	<b>100%</b>	<b>6,379.34</b>

Share in profit/(Loss)	As a % of consolidated net profit	Amount in ₹ Lakhs
Bal Pharma Limited	293.26%	845.46
<i>Lifezen Healthcare Private Limited</i>	-185.04%	(533.46)
Balance Clinics LLP	-7.35%	(21.18)
Bal Research Foundation	-0.87%	(2.51)
Golden Drugs Private Limited	0.00%	-
	<b>100%</b>	<b>288.30</b>

Share of other comprehensive income	As a % of consolidated net profit	Amount in ₹ Lakhs
Bal Pharma Limited	121.16%	(29.09)
Lifezen Healthcare Private Limited	-21.16%	5.08
Balance Clinics LLP	0.00%	-
Bal Research Foundation	0.00%	-
Golden Drugs Private Limited	0.00%	-
	<b>100%</b>	<b>(24.01)</b>





## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

### 58. First-time adoption of Ind AS

The Group's consolidated financial statements for the year ended March 31, 2018 are the first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2016 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the first Ind AS financial statements for the year ended March 31, 2018, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as at the transition date have been recognized directly in equity at the transition date.

#### Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### 1. Ind AS optional exemptions

##### a. Deemed Cost

As per Ind AS 101, an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.
- (ii) use a previous GAAP revaluation of an property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
  - a. Fair Value
  - b. or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.
- (iii) use carrying value of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP for all the items property, plant and equipment. The same election has been made in respect of intangible assets also.

#### 2. Ind AS mandatory exemptions

##### a. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

##### b. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

##### c. Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or the after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

##### d. Excise Duty

Under the previous GAAP, excise duty was netted off against sale of products. However, under Ind AS, excise duty is included in sale of products and is separately presented as expense in the statement of profit and loss.



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

## 58 Reconciliation between previous GAAP and Ind AS

## Equity Reconciliation

Particulars	As at 31 March 2017	As at 1 April 2016
Balance as per IGAAP	6,002.71	5,472.27
<i>Adjustments under Ind AS:</i>		
Adjustment on account of Initial direct expenses on Borrowings	3.80	4.01
Adjustment on account of reclassification of proposed dividend	-	170.59
Adjustment on account of adjustment of Gratuity in Retained Earnings	34.64	-
Adjustment on account of adjustment of Gratuity to OCI	(34.64)	-
<b>Total</b>	<b>3.80</b>	<b>174.60</b>
<b>Balance as per Ind AS</b>	<b>6,006.52</b>	<b>5,646.87</b>

## Profit Reconciliation for the year ended 31 March 2017

Particulars	Amount
Balance as per IGAAP	(74.08)
<i>Adjustments under Ind AS:</i>	
Actuarial loss on employee defined benefit funds recognized in other Comprehensive Income	(34.64)
Prepaid processing fees	2.46
Amortisation of processing fees	(2.66)
<b>Total</b>	<b>(108.92)</b>
Other comprehensive Income	34.64
<b>Balance as per Ind AS</b>	<b>(74.28)</b>

## Effect of Ind AS adoption on the Balance Sheet as at Date of Transition 1 April, 2016

Particulars	Note	Previous GAAP	Adjustment on transition to Ind AS	As reflected in Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	I	5,160.27	(3.90)	5,156.37
Capital work-in-progress	I	392.55	(9.95)	382.60
Intangible Assets		462.88	-	462.88
Financial assets				
- Investments		1.50	-	1.50
- Loans and advances		227.75	-	227.75
- Other financial assets		53.22	-	53.22
Deferred tax assets (Net)		-	-	-
Other non-current assets	7	526.31	14.33	540.64
<b>Total non-current assets</b>		<b>6,824.48</b>	<b>0.48</b>	<b>6,824.96</b>



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

Particulars	Note	Previous GAAP	Adjustment on transition to Ind AS	As reflected in Ind AS
<b>Current assets</b>				
Inventories		4,175.42	-	4,175.42
Financial assets				
- Trade receivable		5,698.12	-	5,698.12
- Loans		8.33	-	8.33
- Cash and cash equivalents		176.21	-	176.21
- Other bank balances		287.23	-	287.23
- Other financial assets		-	-	-
Current tax assets (Net)		-	-	-
Other current assets	7	4,288.90	3.53	4,292.43
<b>Total current assets</b>		<b>14,634.20</b>	<b>3.53</b>	<b>14,637.73</b>
<b>Total assets</b>		<b>21,458.68</b>	<b>4.01</b>	<b>21,462.70</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		1,287.24	-	1,287.24
Other equity	3	4,207.77	174.60	4,382.37
Non Controlling interest		(22.74)	-	(22.74)
<b>Total equity</b>		<b>5,472.27</b>	<b>174.60</b>	<b>5,646.87</b>
<b>LIABILITIES</b>				
Financial liabilities				
- Borrowings		1,593.66	-	1,593.66
- Other financial liabilities		89.59	-	89.59
Provisions		273.72	-	273.72
Deferred tax liabilities (Net)		697.84	-	697.84
Other non-current liabilities		-	-	-
<b>Total non-current liabilities</b>		<b>2,654.81</b>	<b>-</b>	<b>2,654.81</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings		6,911.15	-	6,911.15
- Trade and other payables		5,019.71	-	5,019.71
- Other financial liabilities		379.18	-	379.18
Other current liabilities		796.42	-	796.42
Provisions	2	186.62	(170.58)	16.04
Current tax liabilities (Net)		38.52	-	38.52
<b>Total current liabilities</b>		<b>13,331.60</b>	<b>(170.58)</b>	<b>13,161.02</b>
<b>Total equity and liabilities</b>		<b>21,458.68</b>	<b>4.02</b>	<b>21,462.70</b>



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

## Effect of Ind AS adoption on the Balance Sheet as at 31 March, 2017

Particulars	Note	Previous GAAP	Adjustment on transition to Ind AS	As reflected in Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	1	5,535.12	(3.90)	5,531.21
Capital work-in-progress	1	179.10	(8.66)	170.44
Intangible Assets		466.93	-	466.93
Financial assets				
- Investments		1.50	-	1.50
- Loans and advances		212.44	-	212.44
- Other financial assets		32.74	-	32.74
Deferred tax assets (Net)		-	-	-
Other non-current assets	7	448.87	13.42	462.29
<b>Total non-current assets</b>		<b>6,876.71</b>	<b>0.85</b>	<b>6,877.55</b>
<b>Current assets</b>				
Inventories		5,473.08	-	5,473.08
Financial assets				
- Trade receivable		6,180.40	-	6,180.40
- Loans		63.50	-	63.50
- Cash and cash equivalents		216.00	-	216.00
- Other bank balances		254.95	-	254.95
- Other financial assets		-	-	-
Current tax assets (Net)		-	-	-
Other current assets	7	4,264.13	2.95	4,267.09
<b>Total current assets</b>		<b>16,452.06</b>	<b>2.95</b>	<b>16,455.02</b>
<b>Total assets</b>		<b>23,328.77</b>	<b>3.80</b>	<b>23,332.57</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		1,417.24	-	1,417.24
Other equity	3	4,823.58	3.80	4,827.38
Non Controlling interest		(238.11)	-	(238.11)
<b>Total equity</b>		<b>6,002.71</b>	<b>3.80</b>	<b>6,006.51</b>
<b>LIABILITIES</b>				
Financial liabilities				
- Borrowings		1,780.27	-	1,780.27
- Other financial liabilities		104.59	-	104.59
Provisions	4	341.85	-	341.85
Deferred tax liabilities (Net)	6	775.35	-	775.35
Other non-current liabilities		-	-	-
<b>Total non-current liabilities</b>		<b>3,002.06</b>	<b>-</b>	<b>3,002.07</b>



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

Particulars	Note	Previous GAAP	Adjustment on transition to Ind AS	As reflected in Ind AS
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings		7,107.13	-	7,107.13
- Trade and other payables		5,442.53	-	5,442.53
- Other financial liabilities		437.99	-	437.99
Other current liabilities		1,206.96	-	1,206.96
Provisions	4	19.37	-	19.37
Current tax liabilities (Net)		110.02	-	110.02
<b>Total current liabilities</b>		<b>14,324.00</b>	<b>-</b>	<b>14,324.00</b>
<b>Total equity and liabilities</b>		<b>23,328.77</b>	<b>3.80</b>	<b>23,332.57</b>

## Reconciliation of Statement of Profit And Loss For The Year Ended March 31, 2017

Particulars	Note	Previous GAAP	Adjustment on transition to Ind AS	As reflected in Ind AS
<b>Income</b>				
Revenue from operations	5	22,891.36	604.96	23,496.33
Other income		303.94	-	303.94
<b>Total Income</b>		<b>23,195.30</b>	<b>604.96</b>	<b>23,800.27</b>
<b>Expenses</b>				
Cost of materials consumed		11,546.76	-	11,546.76
Excise Duty	5	-	604.96	604.96
Purchase of traded goods		711.26	-	711.26
(Increase)/decrease in inventories of finished goods and work-in-progress		(635.05)	-	(635.05)
Employee Benefit expense	4	4,588.92	(51.93)	4,536.99
Other expenses		5,250.08	-	5,250.08
Depreciation and amortisation		649.09	-	649.09
Finance costs	7	848.50	0.21	848.71
<b>Total expenses</b>		<b>22,959.56</b>	<b>553.25</b>	<b>23,512.81</b>
Profit before exceptional and tax		235.74	51.72	287.46
<b>Profit before tax</b>				
Tax expense:				
Current tax		217.72	-	217.72
Tax adjustments relating to previous year		14.57	-	14.57
Deferred tax charge/ (credit)	6	77.51	17.29	94.80
<b>Profit for the period from continuing operations</b>		<b>(74.07)</b>	<b>34.43</b>	<b>(39.64)</b>



## CONSOLIDATED NOTES TO ACCOUNTS AS AT 31ST MARCH, 2018

₹ in Lakhs

Particulars	Note	Previous GAAP	Adjustment on transition to Ind AS	As reflected in Ind AS
<b>Other Comprehensive Income</b>				
A (i) Items that will not be reclassified to profit or loss	4	-	(51.93)	(51.93)
(ii) Income tax relating to items that will not be reclassified to profit or loss	6	-	17.29	17.29
B (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
<b>Total other comprehensive income</b>		-	<b>(34.64)</b>	<b>(34.64)</b>
<b>Total Comprehensive Income for the year</b>		<b>(74.07)</b>	<b>(0.21)</b>	<b>(74.28)</b>

**1 Property, Plant and Equipment**

Under Ind AS, Property Plant and Equipment and Capital Work in Progress is reduced by the processing fees value amortised as per Effective Interest Rate (EIR) method.

**2 Proposed Dividend**

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. As a result, liability for dividend is a non—adjusting event. Accordingly, the liability for proposed dividend as at 1st April, 2016 included under provisions in the previous GAAP has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has been increased by an equivalent amount.

**3 Retained Earnings**

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**4 Re-measurements of Post Employment Benefit Obligation**

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these re-measurements were forming part of the Statement of Profit and Loss for the year.

**5 Revenue from operations and Excise**

Under previous GAAP, revenue from sale of goods was presented net of excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the Statement of Profit and Loss as a separate line item. This has resulted in an increase in the revenue from operations and expenses for the year ended 31st March, 2017. The total comprehensive income for the year ended and equity as at 31st March, 2017 has remained unchanged.

**6 Deferred Tax**

Deferred tax under Ind AS has been recognized for temporary differences between tax base and the book base of the relevant assets and liabilities. Under IGAAP the deferred tax was accounted based on timing differences impacting the profit or loss for the period.

**7 Borrowing and Initial Direct Expenses**

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan which was previously charged off to Profit and Loss statement or capitalised with asset based on the purpose

As per our report attached of even date attached

for **NSVM and Associates**

Chartered Accountants  
Firm's registration number: 010072S

**G.C.S Mani**

Partner  
Membership number: 036508

Place: Bengaluru  
Date: 29<sup>th</sup> May 2018

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

**Shailesh Siroya**  
Managing Director  
DIN: 00048109

**Dr S Prasanna**  
Director  
DIN: 00084602

## FINANCIAL SUMMARY - LAST 10 YEARS AT A GLANCE

(₹ in Lakhs)

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
<b>A. Sales and Earnings</b>										
Turnover	21148.66	23201.45	20182.4	19066.95	18200.88	15024.67	14224.6	11664.84	10815.16	10655.43
Profit Before Tax	845.46	806.97	518.44	520.12	662.6	508.91	436.56	110.27	-90.62	405.57
Tax	255.23	310.38	237.83	117.84	155.37	80.56	60.87	63.04	52.26	106.28
Profit After Tax	593.83	496.59	280.6	402.28	507.23	428.35	375.69	47.23	-142.88	299.29
Retained Earnings	564.74	328.51	138.88	273.56	377.23	6335.57	375.69	47.23	-142.88	207.3
(Non Cumulative)										
<b>B. Assets and Liabilities</b>										
Tangible Fixed Assets (Net)	5402.68	5688.79	5525.65	4781	5055.9	4761.6	4766.55	4810.69	4975.08	5532.73
Intangible Assets (Net)	446.87	466.41	462.29	486.65	486.56	508.7	564.44	594.68	523.21	493.99
Investments	651.59	117.5	117.5	109.5	1.5	1.5	1.5	1.5	1.5	1.5
Net Current Assets	4851.69	2747.67	1382.67	1242	834.5	35.29	4928.12	4634.01	4141.98	2990.81
Share Capital	1417.24	1417.24	1287.24	1287.24	1287.24	1111.14	1057.36	1057.36	1048.32	1048.32
Reserves & Deferred Tax	5806.16	6127.47	5078.29	4800	4543.9	4107.5	3689.98	3278.83	3151.57	3253.88
Liability										
<b>C. Ratios</b>										
Earnings Per Share Rs.	3.98	3.51	2.18	3.14	4.77	4.77	4.05	3.57	0.39	-1.36
Dividend Per Equity share %	10	10	10	10	10	7.5	-	-	-	7.5
Book Value Per Equity	51.00	47.75	44.05	43.19	45.04	45.04	42.2	37.88	34.82	29.4

# OUR MISSION

A full fledged global player catering to the needs of medical fraternity and pharmaceutical industry



## Unit - 1 Bangalore

- Plant commissioned in the year 1992.
- WHO - GMP certified & ISO 9001:2000 approved.
- Manufacture of finished dosage forms.



## Unit - 4 Rudrapur

- State of the art plant designed for regulated markets like US-FDA and EU-GMP.
- Formulations manufacturing facility for Tablets, Capsules and Ointments.



## Unit - 2 Bangalore

- Plant commissioned in the year 1996.
- Multi purpose API facility approved as per WHO-GMP guidelines.
- Manufacture R&D lab approved Department of Science & Technology.



## Unit - 5 Sangli

- Multi Purpose Intermediates manufacturing facility approved as per WHO-GMP guidelines.
- Specializes in manufacture of Intermediates, which supplements Unit 2 production requirements.



## Unit - 3 Pune

- Formulations plant approved as per WHO-GMP Guidelines.
- Manufacture of SVP & LVP's by form, fill & seal technology.



## Unit - 6 Udaipur

- Golden Drugs Private Ltd, a wholly owned subsidiary of Bal Pharma Ltd, acquired during F.Y. 17-18.
- WHO-GMP certified API manufacturing facility expected to commence production shortly.



## BAL PHARMA LIMITED

CIN# L85110KA1987PLC008368

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