



STANDALONE FINANCIAL STATEMENTS

OF

“ADLEY LAB LIMITED”

(WHOLLY-OWNED SUBSIDIARY)

FOR THE FINANCIAL YEAR

2019-20



**KALRA RAI & ASSOCIATES
CHARTERED ACCOUNTANTS****Head Office: Kothi No. 667, 1st floor, Sector-43-A
Chandigarh-160022**

Independent Auditors' Report
Members of Adley Lab Limited**Report on the Standalone Financial Statements**

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind-AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind-AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ('the Order') issued by the Central Government of India in terms of subsection(11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

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

e. On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

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

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

Place:- Chandigarh

Date: 28.05.2020

UDIN:20087438AAAACD7408

For KALRA RAI & ASSOCIATES

Chartered Accountants

Sd/-

(Lajpat Rai Kalra)

Partner

M. No- 087438

FRN: 008859N



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

Re: Adley Lab Limited ('the Company')

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

Place:- Chandigarh

Date: 28.05.2020

UDIN:20087438AAAACD7408

For KALRA RAI & ASSOCIATES

Chartered Accountants

Sd/-

(Lajpat Rai Kalra)

Partner

M. No- 087438

FRN: 008859N



"ANNEXURE-B" TO THE AUDITORS' REPORT***Referred to in Paragraph 7 of Our Report of Even Date*****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Adley Lab Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place:- Chandigarh
Date: 28.05.2020
UDIN:20087438AAAACD7408

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



ADLEY LAB LIMITED

SCO-215, SECTOR-29-D, IRON MARKET CHANDIGARH 160029

CIN NUMBER U24231CH1992PLC012190

BALANCE SHEET AS AT 31 MARCH' 2020

Particulars	Note No.	As at 31 March' 2020	As at 31 March' 2019
		Amount in Rs.	Amount in Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	17,580,500.00	17,580,500.00
(b) Reserves and surplus	2	-18,011,948.07	-18,775,280.37
(c) Money received against share warrants		-	-
		-431,448.07	-1,194,780.37
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	3	32,148,895.36	34,962,260.85
(b) Deferred tax liabilities (net)	4	-	-
(c) Other long-term liabilities		-	-
(d) Long-term provisions	5	679,736.00	-
		32,828,631.36	34,962,260.85
4 Current liabilities			
(a) Short-term borrowings	6	9,180,725.94	10,977,335.82
(b) Trade payables	7	29,790,380.84	27,248,734.60
(c) Other current liabilities	8	17,344,465.61	10,538,977.15
(d) Short-term provisions		-	-
		56,315,572.39	48,765,047.57
TOTAL		88,712,755.68	82,532,528.06
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	43,194,096.13	49,366,208.45
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
		43,194,096.13	49,366,208.45
(b) Non-current investments		-	-
(c) Deferred tax assets (net)	4	688,334.63	405,978.57
(d) Long-term loans and advances	10	865,761.00	855,761.00
(e) Other non-current assets		-	-
		1,554,095.63	1,261,739.57
2 Current assets			
(a) Current investments		-	-
(b) Inventories	11	21,894,551.58	15,379,023.27
(c) Trade receivables	12	17,542,405.60	14,047,572.20
(d) Cash and cash equivalents	13	1,657,999.74	613,860.44
(e) Short-term loans and advances	14	544,704.00	594,220.94
(f) Other current assets	15	2,324,903.00	1,269,903.19
		43,964,563.92	31,904,580.04
TOTAL		88,712,755.68	82,532,528.06
See accompanying notes forming part of the financial statements			

In terms of our report attached.

For KALRA RAI AND ASSOCIATES

Chartered Accountants

(FRN: 008859N)

sd/-

LAJPAT RAI KALRA

Partner

MEMBERSHIP NO. 087438

UDIN: 20087438AAAACD7408

Place : Chandigarh

Date : 28.05.2020

For and on the behalf of the Board of Directors

sd/-

Rahul Batra
DIN: 02229234

sd/-

Jayant Kumar
DIN: 02172627



ADLEY LAB LIMITED				
SCO-215, SECTOR-29-D, IRON MARKET CHANDIGARH 160029				
CIN NUMBER U24231CH1992PLC012190				
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH' 2020				
Particulars	Note No.	As at 31 March' 2020	As at 31 March' 2019	
		Amount in Rs.	Amount in Rs.	
A CONTINUING OPERATIONS				
1 Revenue from operations (gross)	16	112,159,773.73	79,772,150.80	
Less: Excise duty		-	-	
Revenue from operations (net)		112,159,773.73	79,772,150.80	
2 Other income	17	29,057.00	7,851.00	
3 Total revenue (1+2)		112,188,830.73	79,780,001.80	
4 Expenses				
(a) Cost of material consumed	18	70,046,854.09	51,003,834.03	
(b) Purchases of stock-in-trade		-	-	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	-1,341,538.19	-4,613,257.50	
(d) Other Manufacturing expense	20	20,198,878.46	16,095,016.37	
(d) Employee benefits expense	21	3,571,591.00	2,855,398.35	
(e) Finance costs	22	5,123,735.20	4,632,387.02	
(f) Depreciation and amortisation expense	9	6,843,031.37	8,017,675.03	
(g) Other expenses	23	7,265,302.56	4,495,128.08	
Total expenses		111,707,854.49	82,486,181.38	
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		480,976.24	-2,706,179.58	
6 Exceptional items		-	-	
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		480,976.24	-2,706,179.58	
8 Extraordinary items/Prior period items		-	-	
9 Profit / (Loss) before tax (7 ± 8)		480,976.24	-2,706,179.58	
10 Tax expense:				
(a) Current tax expense for current year		-	-	
(b) (Less): MAT credit (where applicable)		-	-	
(c) Current tax expense relating to prior years		-	-	
(d) Net current tax expense		-	-	
(e) Deferred tax		-282,356.05	-199,397.57	
		-282,356.05	-199,397.57	
11 Profit / (Loss) from continuing operations (9 ± 10)		763,332.29	-2,506,782.01	
B DISCONTINUING OPERATIONS				
12 Profit / (Loss) from discontinuing operations (B.i ± B.ii ± B.iii)		-	-	
C TOTAL OPERATIONS		763,332.29	-2,506,782.01	
13 Profit / (Loss) for the year (11 ± 12)		763,332.29	-2,506,782.01	
14 Earnings per share (of Rs. 10/- each):				
(a) Basic				
(i) Continuing operations		0.43	-1.43	
(ii) Total operations		0.43	-1.43	
(b) Diluted				
(i) Continuing operations		0.43	-1.43	
(ii) Total operations		0.43	-1.43	
In terms of our report attached.				
For KALRA RAI AND ASSOCIATES		For and on the behalf of the Board of Directors		
Chartered Accountants				
(FRN: 008859N)				
sd/		sd/-		sd/-
LAJPAT RAI KALRA		Rahul Batra		Jayant Kumar
Partner		DIN: 02229234		DIN: 02172627
MEMBERSHIP NO. 087438				
UDIN: 20087438AAAACD7408				
Place : Chandigarh				
Date : 28.05.2020				



ADLEY LAB LIMITED		SCO-215, SECTOR-29-D, IRON MARKET CHANDIGARH 160029	
CIN NUMBER U24231CH1992PLC012190		CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH' 2020	
Particulars		As at 31 March' 2020	As at 31 March' 2019
		Amount in Rs.	Amount in Rs.
A	CASHFLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax and extraordinary items (as per Statement of Profit & Loss)	763,332.29	-2,506,782.01
	Adjustments for non Cash/Non trade items:		
	Depreciation & Amortization Expenses	6,843,031.37	8,017,675.03
	Finance Cost	5,123,735.20	4,632,387.02
	Interest received	(29,057.00)	(7,851.00)
	Other inflows/(outflows) of cash	397,379.95	(199,397.57)
	Operating profits before Working Capital Changes	13,098,421.81	9,936,031.48
	Adjusted For:		
	(Increase)/Decrease in trade receivables	(3,494,833.40)	(6,252,140.20)
	Increase/(Decrease) in trade payables	2,541,646.24	11,527,521.07
	(Increase)/Decrease in inventories	(6,515,528.32)	(6,780,821.05)
	Increase/(Decrease) in other current liabilities	6,805,488.46	2,967,700.15
	(Increase)/Decrease in short term loans and advances	49,516.94	(491,380.85)
	(Increase)/Decrease in other current assets	(1,054,999.81)	(719,334.14)
	Working Capital Changes	-1,668,709.89	251,544.98
	Net cashflow from Operating Activities (A)	11,429,711.92	10,187,576.46
B	CASHFLOW FROM INVESTING ACTIVITIES		
	Purchase of tangible assets	(670,919.05)	(259,479.95)
	Interest received	29,057.00	7,851.00
	Cash advances and loans made to other parties	(10,000.00)	-
	Net cash used in Investing Activities (B)	(651,862.05)	(251,628.95)
C	CASHFLOW FROM FINANCING ACTIVITIES		
	Finance Cost	(5,123,735.20)	(4,632,387.02)
	Increase/(Decrease) in short term borrowings	(1,796,609.88)	1,673,971.67
	Increase in/(Repayment) of Long term Borrowings	(2,813,365.49)	(7,240,938.15)
	Increase in/(Repayment) of Other Long term Liabilities	-	-
	Increase/ (Decrease) in share capital	-	-
	Other Inflows/ (Outflows) of cash	-	-
	Net cash used in Financing Activities (C)	(9,733,710.57)	(10,199,353.50)
D	Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	1,044,139.30	(263,406.00)
E	Cash & Cash equivalents at beginning of period	613,860.44	877,266.44
F	Cash & Cash equivalents at end of period	1,657,999.74	613,860.44
G	Net Increase/(Decrease) in cash & cash equivalents (F-E)	1,044,139.30	(263,406.00)
In terms of our report attached.			
For KALRA RAI AND ASSOCIATES Chartered Accountants (FRN: 008859N) sd/- LAJPAT RAI KALRA Partner MEMBERSHIP NO. 087438 UDIN: 20087438AAAACD7408 Place : Chandigarh Date : 28.05.2020		For and on the behalf of the Board of Directors sd/- Rahul Batra DIN: 02229234 sd/- Jayant Kumar DIN: 02172627	



ADLEY LAB LIMITED				
Notes forming part of the financial statements				
Note 1 Share capital				Amount In Rupees
Particulars	As at 31 March' 2020		As at 31 March' 2019	
	Number of shares	Amount in Rs.	Number of shares	Amount in Rs.
(a) Authorised	3,000,000.00	30,000,000.00	3,000,000.00	30,000,000.00
- Equity shares of Rs. 10 each	-	-	-	-
(b) Issued				
- Equity shares of Rs. 10 each	1,758,050.00	17,580,500.00	1,758,050.00	17,580,500.00
	1,758,050.00	17,580,500.00	1,758,050.00	17,580,500.00
(c) Subscribed and fully paid up				
- Equity shares of Rs.10 each	1,758,050.00	17,580,500.00	1,758,050.00	17,580,500.00
	1,758,050.00	17,580,500.00	1,758,050.00	17,580,500.00
(d) Subscribed but not fully paid up	-	-	-	-
	-	-	-	-
Total	1,758,050.00	17,580,500.00	1,758,050.00	17,580,500.00
(iv) Details of shares held by each shareholder holding more than 5% shares:				
Class of shares / Name of shareholder	As at 31 March' 2020		As at 31 March' 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mr. Vijay Kumar Batra	1	0.00	745,800	42.42
Mr. Varun Batra	1	0.00	75,000	4.27
Mr. Rahul Batra	1	0.00	80,000	4.55
Mrs. Neeraj Batra	1	0.00	97,000	5.52
Mrs. Heena Batra	1	0.00	50	0.00
Mr. Aman Bajaj	-	-	420,100	23.90
Mr. Tarun Bajaj	-	-	340,100	19.35
Mr. Balwant Singh	1	0.00	-	-
Beta Drugs Limited	1,758,044	100.00	-	-
Total	1,758,050	100.00	1,758,050	100.00

**ADLEY LAB LIMITED****Notes forming part of the financial statements****Note 2 Reserves and surplus**

Particulars	As at 31 March' 2020 Amount in Rs.	As at 31 March' 2019 Amount in Rs.
(a) Capital reserve		
Opening balance	-	-
Closing balance	-	-
(b) Securities premium account		
Opening balance	-	-
Closing balance	-	-
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	-18,775,280.37	-16,268,498.36
	-18,775,280.37	-
Add: Profit / (Loss) for the year	763,332.29	-2,506,782.01
Closing balance	-18,011,948.07	-18,775,280.37
Total	-18,011,948.07	-18,775,280.37

Note 3 Long-term borrowings

Particulars	As at 31 March' 2020 Amount in Rs.	As at 31 March' 2019 Amount in Rs.
Term loans		
From banks		
Secured		
SIDBI (Secured)	9,363,000.00	13,815,000.00
SIDBI Smile (Secured)	731,000.00	1,055,000.00
HDB Bank (Secured)	9,312,517.36	11,262,260.85
	19,406,517.36	26,132,260.85
From other parties		
Secured		
Unsecured (From Related Parties)		
Mr. Balbir Singh	-	500,000.00
Mr. Vijay Kumar Batra	-	1,805,000.00
Mr. Tarun Bajaj	-	3,875,000.00
Mr. Aman Bajaj	-	2,650,000.00
M/s Beta Drugs Limited	12,742,378.00	-
Total - A	12,742,378.00	8,830,000.00
Unsecured (From Related Parties)	-	-
Total - B	-	-
	12,742,378.00	8,830,000.00
The Above Amount Includes	-	-
Secured Borrowings	19,406,517.36	26,132,260.85
Unsecured Borrowings	12,742,378.00	8,830,000.00
Total	32,148,895.36	34,962,260.85



ADLEY LAB LIMITED						
Notes forming part of the financial statements						
Notes: Long-term borrowings						
Particulars	As at 31 March' 2020			As at 31 March' 2019		
	Amount in Rs.			Amount in Rs.		
	Non- Current	Current Maturities	Total	Non- Current	Current Maturities	Total
Term loans						
From banks						
Secured						
SIDBI (Secured)	9,363,000.00	4,452,000.00	13,815,000.00	13,815,000.00	4,452,000.00	18,267,000.00
SIDBI Smile (Secured)	731,000.00	324,000.00	1,055,000.00	1,055,000.00	324,000.00	1,379,000.00
HDB Bank (Secured)	9,312,517.36	1,949,746.75	11,262,264.11	11,262,260.85	1,764,938.15	13,027,199.00
	19,406,517.36	6,725,746.75	26,132,264.11	26,132,260.85	6,540,938.15	32,673,199.00
From other parties						
Secured	-	-	-	-	-	-
Unsecured (From Related Parties)						
Mr. Balbir Singh	-	-	-	500,000.00	-	500,000.00
Mr. Vijay Kumar Batra	-	-	-	1,805,000.00	-	1,805,000.00
Mr. Tarun Bajaj	-	-	-	3,875,000.00	-	3,875,000.00
Mr. Aman Bajaj	-	-	-	2,650,000.00	-	2,650,000.00
M/s Beta Drugs Limited	12,742,378.00	-	12,742,378.00	-	-	-
Total - A	12,742,378.00	-	12,742,378.00	8,830,000.00	-	8,830,000.00
Unsecured (From Unrelated Parties)	-	-	-	-	-	-
Total - B	-	-	-	-	-	-
	12,742,378.00	-	12,742,378.00	8,830,000.00	-	8,830,000.00
The Above Amount Includes						
Secured Borrowings	19,406,517.36	6,725,746.75	26,132,264.11	26,132,260.85	6,540,938.15	32,673,199.00
Unsecured Borrowings	12,742,378.00	-	12,742,378.00	8,830,000.00	-	8,830,000.00
Amount disclosed under "Other Current Liabilities"		(6,725,746.75)	(6,725,746.75)		(6,540,938.15)	(6,540,938.15)
Total	32,148,895.36	-	32,148,895.36	34,962,260.85	-	34,962,260.85

**ADLEY LAB LIMITED****Note 4 Deferred Tax**

Particulars	As at 31 March' 2020 Amount in Rs.	As at 31 March' 2019 Amount in Rs.
Deferred tax assets		
Deferred tax on depreciation	282,356.05	199,397.57
Add: Deferred tax asset opening	405,978.57	206,581.00
Net Deferred assets	688,334.63	405,978.57

Note 5 Long-term provisions

Particulars	As at 31 March' 2020 Amount in Rs.	As at 31 March' 2019 Amount in Rs.
(a) Provision for Gratuity	679,736.00	-
(b) Other Long term provisions	-	-
Total	679,736.00	-

Note 6 Short-term borrowings

Particulars	As at 31 March' 2020 Amount in Rs.	As at 31 March' 2019 Amount in Rs.
Other loans and advances		
Secured		
- From Vijaya Bank CC Limit Secured	9,180,725.94	10,977,335.82
Unsecured	-	-
Total	9,180,725.94	10,977,335.82

Note 7 Trade payables

Particulars	As at 31 March' 2020 Amount in Rs.	As at 31 March' 2019 Amount in Rs.
Trade payables:		
MSME	1,135,825.00	11,121,467.00
Others	28,654,555.84	16,127,267.60
Total	29,790,380.84	27,248,734.60

**Note 8 Other current liabilities**

Particulars	As at 31 March' 2020 Amount in Rs.	As at 31 March' 2019 Amount in Rs.
Other payables	1,737,744.92	919,706.00
(i) Current Maturities of Long Term Debt (Note No. 3)	6,725,746.75	6,540,938.15
(ii) Payables on purchase of fixed assets	3,272,982.94	-
(iii) Contractually reimbursable expenses	-	-
(iv) Interest accrued on trade payables	-	-
(v) Interest accrued on others	-	-
(vi) Trade / security deposits received	-	-
(vii) Others (specify nature)	-	-
Cheques issued but not yet presented	5,600,841.00	3,064,146.00
Advances From Customers	7,150.00	14,187.00
Total	17,344,465.61	10,538,977.15

Note 8(a) Other current liabilities

Particulars	As at 31 March' 2020 Amount in Rs.	As at 31 March' 2019 Amount in Rs.
PF Payable	66,368.00	41,852.00
ESI payable	15,137.00	24,746.00
TDS payable	113,546.00	4,165.00
Interest Accrued But Not Due	289,487.92	209,635.00
Salary & wages Payable	823,975.00	510,392.00
Welfare Payable	10,776.00	8,700.00
Audit Fee Payable	118,000.00	118,000.00
Expenses payable	300,455.00	2,216.00
GST payable	-	-
Total	1,737,744.92	919,706.00



15TH ANNUAL REPORT

BETA DRUGS LIMITED ("BDL")

Note 9 Fixed assets													
Assets			Gross Block					Accumulated Depreciation/ Amortisation				Net Block	
	Useful Life (In Years)	Shift	Balance as at 1st April 2019	Additions during the year	Addition on account of business acquisition	Deletion during the year	Balance as at 31st March 2020	Balance as at 1st April 2019	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2020	Balance as at 31st March 2020	Balance as at 31st March 2019
A Tangible assets													
Own Assets													
LAND		Single	605,253.50				605,253.50					605,253.50	605,253.50
BUILDING	30	Single	33,364,568.05	94,180.00			33,458,748.05	8,273,693.34	2,436,414.63		10,710,107.97	22,748,640.08	25,090,874.71
PLANT AND MACHINERY	15	Single	38,717,382.70	395,000.00			39,112,382.70	15,678,102.02	4,147,114.49		19,825,216.51	19,287,166.19	23,039,280.68
FURNITURE AND FIXTURES	10	Single	427,355.85	-			427,355.85	342,251.28	18,289.87		360,541.15	66,814.70	85,104.57
COMPUTER	3	Single	34,294.92	126,711.86			161,006.78	27,159.66	67,077.52		94,237.17	66,769.61	7,135.26
OFFICE EQUIPMENTS	5	Single	1,025,151.89	-			1,025,151.89	806,229.64	88,971.16		895,200.80	129,951.09	218,922.25
LAB EQUIPMENTS	10	Single	533,360.00	55,027.19			588,387.19	213,722.53	85,163.70		298,886.23	289,500.96	319,637.47
Total (A)			74,707,366.91	670,919.05			75,378,285.96	25,341,158.46	6,843,031.37	-	32,184,189.83	43,194,096.13	49,366,208.45
P.Y Total			74,447,887.04	259,479.87			74,707,366.91	17,323,483.43	8,017,675.03		25,341,158.46	49,366,208.45	57,124,403.61
B Capital work in progress													
P.Y Total			-	-			-	-	-		-	-	-
Current Year Total (A)			74,707,366.91	670,919.05	-	-	75,378,285.96	25,341,158.46	6,843,031.37	-	32,184,189.83	43,194,096.13	49,366,208.45
Previous Year Total			74,447,887.04	259,479.87	-	-	74,707,366.91	17,323,483.43	8,017,675.03	-	25,341,158.46	49,366,208.45	57,124,403.61



15TH ANNUAL REPORT

BETA DRUGS LIMITED ("BDL")

ADLEY LAB LIMITED

Note 10 Long-term loans and advances

Particulars	As at 31 March' 2020 Amount in Rs.	As at 31 March' 2019 Amount in Rs.
Security Deposit		
Secured, considered good	865,761.00	855,761.00
MAT Credit Entitlement	-	-
Provision for subsidy deposit taken	-	-
loan and advances to related parties		
Unsecured, considered good	-	-
Total	865,761.00	855,761.00

Note 11 Inventories

Particulars	As at 31 March' 2020 Amount in Rs.	As at 31 March' 2019 Amount in Rs.
(Valued at cost or NRV unless otherwise stated)		
(a) Finished goods (other than those acquired for trading)	8,960,335.69	10,254,487.50
(b) Raw Material	9,422,845.90	5,124,535.77
(c) WIP	2,635,690.00	-
(d) Others	875,680.00	-
Total	21,894,551.58	15,379,023.27

Note 12 Trade receivables

Particulars	As at 31 March' 2020 Amount in Rs.	As at 31 March' 2019 Amount in Rs.
Exceeding six months-		
Secured, considered good	-	-
Total	-	-
Less than six months-		
Secured, considered good	17,542,405.60	14,047,572.20
Total	17,542,405.60	14,047,572.20
Total	17,542,405.60	14,047,572.20

**ADLEY LAB LIMITED****Note 13 Cash and cash equivalents**

Particulars	As at 31 March' 2020 Amount in Rs.	As at 31 March' 2019 Amount in Rs.
CASH IN HAND		
(a) Cash in hand	952,935.54	192,224.37
(b) Imprest A/c	24,329.08	70,752.50
Total	977,264.62	262,976.87
(b) Balances with banks		
(i) In current accounts		
IDBI Bank	14,437.00	14,437.00
Vijaya Bank	66,298.12	27,055.57
(iv) In earmarked accounts		
- Unpaid dividend accounts		
- Unpaid matured deposits		
- Unpaid matured debentures		
- Share application money received for allotment of		
- Balances held as margin money or security against		
- Other earmarked accounts (specify) (Refer Note (ii) below)		
(c) Others (specify nature)		
FDR against BG	600,000.00	309,391.00
FDR With Vijaya Bank	-	-
Total	680,735.12	350,883.57
Total	1,657,999.74	613,860.44

Note 14 Short-term loans and advances

Particulars	As at 31 March' 2020 Amount in Rs.	As at 31 March' 2019 Amount in Rs.
(a) Loans and advances to related parties		
(b) Loans and advances others		
Advances To Supplier	522,386.00	513,220.94
Advances To Supplier (Machinery)	-	-
Other Advances	22,318.00	81,000.00
Total	544,704.00	594,220.94

Note 15 Other current assets

Particulars	As at 31 March' 2020 Amount in Rs.	As at 31 March' 2019 Amount in Rs.
Cheques deposited not yet clear	1,250,810.00	500,448.00
Advance Tax	200,000.00	-
TDS	-	2,216.00
Prepaid Expenses	109,343.00	83,160.00
Income Tax refund due AY 2018-19	-	51,104.00
GST Recoverable	764,750.00	632,975.19
Total	2,324,903.00	1,269,903.19



ADLEY LAB LIMITED

Note 16 Revenue from operations

Particulars	For the period ended 31 March' 2020	For the period ended 31 March' 2019
	Amount in Rs.	Amount in Rs.
Sale Of Products		
Sales	112,159,773.73	79,772,150.80
Total	112,159,773.73	79,772,150.80

Note 17 Other income

Particulars	For the period ended 31 March' 2020	For the period ended 31 March' 2019
	Amount in Rs.	Amount in Rs.
(a) Interest Income	29,057.00	7,851.00
(b) Other non-operating income	-	-
(c) Foreign Currency Exchange Gain		
Total	29,057.00	7,851.00

Note 18 Cost of materials consumed

Particulars	For the period ended 31 March' 2020	For the period ended 31 March' 2019
	Amount in Rs.	Amount in Rs.
Opening stock	5,124,535.77	2,956,972.22
Add: Other items (Direct Expenses) to services provided :	-	-
Purchases	75,220,844.22	53,171,397.57
Total	80,345,379.99	56,128,369.79
Less: Closing stock	10,298,525.90	5,124,535.77
Cost of material consumed	70,046,854.09	51,003,834.03
Total	70,046,854.09	51,003,834.03

Note 19 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the period ended 31 March' 2020	For the period ended 31 March' 2019
	Amount in Rs.	Amount in Rs.
Inventories at the end of the year:		
Finished goods	8,960,335.69	10,254,487.50
Work In Progress	2,635,690.00	-
	11,596,025.69	10,254,487.50
Inventories at the beginning of the year:		
Finished goods	10,254,487.50	3,966,230.00
Work In Progress	-	1,675,000.00
	10,254,487.50	5,641,230.00
(Increase)/ decrease in Inventory		
Finished goods	1,294,151.81	-6,288,257.50
Work In Progress	-2,635,690.00	1,675,000.00
	-1,341,538.19	-4,613,257.50

**ADLEY LAB LIMITED****Note 20 Other Manufacturing expense**

Particulars	For the period ended 31 March' 2020 Amount in Rs.	For the period ended 31 March' 2019 Amount in Rs.
Consumeable Stores	5,790,799.90	3,963,014.38
Direct Labour	7,708,559.00	7,082,531.00
Factory Expenses	157,497.85	108,457.00
Freight Inward	170,673.92	256,129.29
Generator Running Expenses	586,282.00	308,136.00
Packing & Forwarding Expenses	306,741.37	369,921.00
Power & Fuel	3,882,384.00	2,203,493.00
Repair & maintenance (Building)	66,445.46	834,653.50
Repair & maintenance (Electricity)	130,886.00	347,134.00
Repair & maintenance (Machinery)	511,612.59	233,878.20
Testing Charges	886,996.37	387,669.00
Total	20,198,878.46	16,095,016.37

Note 21 Employee benefits expense

Particulars	For the period ended 31 March' 2020 Amount in Rs.	For the period ended 31 March' 2019 Amount in Rs.
Salaries and wages		
Director	-	600,000.00
Employees	2,096,082.00	1,396,340.00
Employer Share of ESI	152,429.00	188,457.00
Employer Share of PF	322,561.00	231,737.00
Welfare Fund	8,620.00	6,960.00
Staff welfare expenses	205,563.00	356,604.35
Gratuity	679,736.00	-
Bonus	106,600.00	75,300.00
Total	3,571,591.00	2,855,398.35

Note 22 Finance costs

Particulars	For the period ended 31 March' 2020 Amount in Rs.	For the period ended 31 March' 2019 Amount in Rs.
(a) Interest expense on:		
(i) Borrowings		
Interest on CC	884,138.00	901,699.00
Interest on Term Loan	3,186,556.03	3,525,910.00
Interest on Term Loan (Vehicle)	-	-
(ii) Others	-	-
(iii) Interest on income tax	-	-
(iv) Interest on Loan (Holding Co.)	970,421.00	-
(b) Other borrowing costs (Processing Fees)		
Bank charges	82,620.17	204,778.02
Processing fee for renewal		
Total	5,123,735.20	4,632,387.02



ADLEY LAB LIMITED

Note 23 Other expenses

Particulars	For the period ended 31 March' 2020 Amount in Rs.	For the period ended 31 March' 2019 Amount in Rs.
Advertisement Expenses	108,000.00	54,000.00
Audit Fee	-	59,000.00
Business Promotion	-	2,530,000.00
Commission Paid	207,039.00	76,815.00
Convenyance Expenses	55,540.00	31,360.00
Diwali Expenses	-	52,891.28
Freight Outward	69,758.00	25,234.00
Foreign Exchange Loss	174,195.98	9,748.50
Insurance Apportion Cost	186,228.00	77,587.00
Legal & Professional Expenses	5,877,000.00	81,000.00
Misc. Expenses	175,484.00	125,426.00
Office Expenses	26,300.00	153,200.00
Printing & Stationary	54,158.00	54,011.60
Rate Fee & taxes	193,520.60	169,300.60
Repair & maintenance (Vehicle)	24,815.00	4,370.00
Round Off	-47.74	2.15
Small Balance Written Off	-	4,610.73
Software Expenses	18,000.00	15,000.00
Telephone & Postage	45,354.00	43,751.00
Trade Discount Expenses	18,890.34	30,627.00
Travelling Expenses	31,067.38	897,193.22
Total	7,265,302.56	4,495,128.08



NOTES TO ACCOUNTS OF STANDALONE FINANCIALS OF M/S ADLEY LAB LIMITED
NOTE ‘3’ : SIGNIFICANT ACCOUNTING POLICIES**(Forming part of Accounts)****FOR THE YEAR ENDED 31ST MARCH, 2020****3.1. Basis of Accounting**

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

3.2. Use of Estimates

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

3.3. Fixed Assets**-Tangible Assets**

Tangible Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment of assets, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. The company has a policy of physical verification of all the assets once in a year, the last verification was done on 15th February 2020 and no discrepancies were noticed during such verification.

-Capital Work-in-Progress

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

3.4. Depreciation/Amortisation

- Depreciation on tangible assets is provided, on Written Down Value method, over the useful life of assets estimated by the management in accordance with Schedule-II of the Companies Act, 2013. **(Refer note 4.5).**
- Residual value of assets has been considered at 5% of the original cost of the assets.
- Depreciation on additions to fixed assets is calculated on date of put to use as certified by the management.
- Depreciation on assets sold & scrapped, during the year, is provided upto the date on which such fixed assets are sold or scrapped.

3.5. Impairment of Assets

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

3.6. Valuation of Inventories

- Raw Material Chemicals & Salts
- Packing Material
- Finished Goods products comprises of Active Pharmaceutical Ingredients and Pharmaceutical Formulation Intermediates
- Work In Progress (Semi Finished Goods)
- The value of raw material and packing material has been taken at cost. Finished goods and Work in Progress has been taken on allocation of overhead cost.
- The company has a policy of physical verification of the entire available inventory once every month, no material discrepancies were noticed during such verification



3.7. Revenue Recognition

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

3.8. Employee Benefits

b) Short-term Employee Benefits:

- Leave Encashment, on the basis of actual computation, is accounted for on accrual basis, during the tenure of employment the payment in respect thereof is made by the Company from its own funds as per the past practice consistently followed by the Company.
- Payment of Bonus – This year the company has paid Rs. 1,06,600.00 as per The Payment of Bonus Act, 1965.

c) Post-Employment Benefits

(i) Defined Contribution Plans :

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

(ii) Defined Benefit Plans :

Gratuity is accounted for on accrual basis.

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

d) Termination Benefits: Termination benefits are recognised as an expense as and when incurred.

3.9. Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. The difference in the rate of exchange, if any, is accounted at the time of realisation or settlement and is recognized in the Statement of Profit and Loss. Net amount of Rs. 1,74,195.98 is recognized as revenue expense for the year.

3.10. Borrowing Costs

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

3.11. Investments

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

3.12. Operating Lease

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

3.13. Taxes on Income

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

**3.14. Earnings Per Share (EPS)**

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

3.15. Cash Flow Statement:

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

3.16. Contingencies and Provisions

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

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

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

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



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

4.1. Issued, Subscribed & Paid up Capital:

Issued, Subscribed and paid up capital of the company is Rs. 1,75,80,500.00 (divided into 17,58,050 shares of Rs, 10 each) There has been a major change in the ownership of the company. 99.99% shares have been acquired by M/s Beta Drugs Limited i.e. the Holding Company during the year. One Equity Share each with similar voting rights on behalf of M/s Beta Drugs Limited have been allotted to six individual directors

4.2. Reserves & Surplus:

- The amount shown in the Reserve & Surplus represents accumulated losses net of surplus generated during the year. Total amount of Reserves & Surplus outstanding as on 31.03.2020 is (-) Rs. 1,80,11,948.07.

4.3. Long-term Borrowings

Secured :

Term Loan:

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



					building and structure thereon. 5. Total 71 Installments of Rs 3.98 Lakhs p.m. (plus interest) and last installment of Rs. 5.42 Lakhs (plus interest).
HDB	Term Loan of Rs 150 Lakhs	Term Loan	Rs 112.62 Lakhs	9.81% (Floating)	Total Installments of Rs 2.49 Lakhs P.M. divided into 84 Equated monthly installment. First Installment Commenced from 04 January, 2018.

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

4.5. **Depreciation/Amortisation**

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

Building	30 years
Furniture & Fixtures	10 years
Machinery	15 years
Equipment	5 years
Lab Equipment	10 years

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

4.6. **Earnings Per Share (AS-20)**

	<u>Year ended</u> <u>31st March, 2020</u>	<u>Year ended</u> <u>31st March, 2019</u>
Numerator		
Net Profit/(Loss) attributable to Equity shareholders	7,63,332.29	-25,06,782.01
Denominator		
Number of Equity shares	No.'s 17,58,050	No.'s 17,58,050
Nominal Value per Equity share	10	10
Earnings per Equity share		
- Basic and diluted	0.43	-1.43

**4.7. Segment Reporting**

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

4.8. Related Party Disclosures (Ind AS-24)

Related parties & their relationship and related parties transactions.

S. No.	Related Party	Nature of Relationship	Nature of Transaction	Amount Involved During the year (₹)
1.	Beta Drugs Limited	100% Holding	Finished Goods Sold	7,57,19,750.00
	Beta Drugs Limited	100% Holding	Receipt of Unsecured Loan	1,18,69,000.00*
	Beta Drugs Limited	100% Holding	Interest on Unsecured Loan	8,73,378.00
2.	Adley Formulations Pvt Ltd	Common Subsidiary	Sale of Goods	1,11,63,550.00

The above disclosure of the related party and the transactions entered has been made as per Ind AS-24.

The transactions have been carried at arm's length price (ALP).

*The amount of Rs. 1,18,69,000.00 has been received from M/s Beta Drugs Limited for working capital requirement of the company. The rate of interest on this loan has been taken at yield method i.e. 9% as computed.

4.9 Fixed Assets:

- During the financial Year 2019-20 there was no addition under the head Land.
- During the financial Year 2019-20 there was an addition of Rs 94,180.00 under the head Building.
During the financial year, there was addition of Rs. 5,76,739.05 made to Plant & Machinery, Furniture & Fixtures, Office Equipment, Vehicles & Computers.

4.10. Deferred Tax Assets & Liabilities

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

Calculation of Deferred Tax Asset / Liability	Amount (₹)
Deferred Tax Asset on depreciation/gratuity/bonus	2,82,356.05
Total Deferred Tax Asset Created for the financial year 2019-20 in Profit and Loss Account.	2,82,356.05
Add : Deferred Tax Asset as on 01.04.2019 (Opening)	4,05,978.57
Net Deferred Tax Asset	6,88,334.63



4.11. Other additional information

<u>Particulars</u>	<u>31st March, 2020</u>	<u>31st March, 2019</u>
	<u>AMOUNT</u>	<u>AMOUNT</u>
“A” Revenue from operations (under broad heads)		
Sales		
-Sales With in India	11,21,59,773.73	7,97,72,150.80
-Export Sales	-	-
Total	11,21,59,773.73	7,97,72,150.80
“B” Purchases		
-Chemicals, excipients & Packing Material	7,52,20,844.22	5,31,71,397.57

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

	<u>31st March, 2020</u>	<u>31st March, 2019</u>
	<u>AMOUNT</u>	<u>AMOUNT</u>
- Import of Capital Goods	-	-
- Import of raw material	3,75,56,865.22	1,98,69,467.50
TOTAL	3,75,56,865.22	1,98,69,467.50

4.13. Micro, Small & Medium Enterprises

Based on the information presently available, total outstanding as on 31.03.2020 is Rs. 11,35,825.00 to micro or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

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

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

In terms of our attached report of even date.

For and on behalf of the Board of Directors

For KALRA RAI AND ASSOCIATES
CHARTERED ACCOUNTANTS
F R No. – 008859N

sd/- sd/-
(Rahul Batra) (Jayant Kumar)
(DIN: 02229234) (DIN:02172627)

Sd/-

LAJPAT RAI KALRA
PARTNER
M No. -087438
Dated: 28.05.2020
Place: Chandigarh
UDIN:20087438AAAACD7408