# Bal Pharma Limited

**To,**
**The Manager-Listing** **29/07/2020**
**National Stock Exchange of India Ltd**
**Mumbai.**

**BSE Limited**
**Mumbai.**

**Dear Sir,**

**Sub : Outcome of the Board Meeting.**

As informed to the exchanges, the meeting of Board of Directors of the Company was held to day and the Board has inter alia transacted the following business.

1.Approved the Audited stand alone and consolidated Financial Results of the Company for the quarter and Financial Year ended 31.03.2020. We are submitting a copy of the Audited stand alone and Consolidated financials results along with Balance Sheet , Cash Flow Statements and Auditors reports.

2.Approved the Audited standalone and consolidated accounts of the Company for F.Y ended 31.03.2020 together with Notice for the AGM, Directors report, Auditors reports thereon.

3. Decided to convene the 33rd Annual General meeting of the Company on 25th September 2020, through video conference or other audio visual means.

4.Decided to close the Register of members and Share transfer books of the Company from 21/09/2020 to 25/09/2020 (both days inclusive) for the purpose of the AGM.

5.Raise capital through preferential issue of warrants, which is subject to the approval of members at the ensuing Annual General Meeting of the Company.

6. Decided to obtain the approval of members as per Section 180(1)(a) of Companies Act,2013.

The meeting commenced at 4 p.m and concluded at 6.30 p.m on 29/07/2020.

**Thanking You.**
**For Bal Pharma Limited**

BAL PHARMA LTD. ISO 9001 COMPANY BANGALORE

**Shailesh Siroya**
**Managing Director**

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Email : info@balpharma.com Website : www.balpharma.com
CIN # L85110KA1987PLC008368
REGD. OFFICE & FACTORY : 21 & 22, Bommasandra Industrial Area, Bengaluru - 560 099. Ph. : 41570813 / 19 Fax : 41570820

NSVM &
ASSOCIATES
CHARTERED ACCOUNTANTS

**Independent Auditor's Report on Audited standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**Independent Auditor's Report**

To the Board of Directors of Bal Pharma Limited

**Report on the audit of the Standalone Financial Results**

**Opinion**

We have audited the accompanying standalone financial results of Bal Pharma Limited (herein after referred to as "the company") for the quarter and the year ended March 31, 2020, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone annual financial results.

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**Emphasis of Matter**

We draw attention to Note 6 to the financial results which explains COVID-19 and that it has caused significant disruptions in the business operations of companies across India and has caused significant accounting and auditing challenges. One such challenge being inability for the Company to conduct a physical verification of inventories for the year-end 31st March, 2020 due to Government having imposed restrictions during the lockdown on account of health, travel and safety concerns.
Inventories, being material to the financial statements/results of the Company, the Standard on Auditing (SA) 501, Audit Evidence - Specific Considerations for Selected items, cast a duty on us to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories. Accordingly, we have performed alternative audit procedures in this regard to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories.

We further refer to Note 3 with regard to recoverability of outstanding receivables from the subsidiary companies.

Our opinion is not modified with regard to above matters.

**Management's Responsibilities for the Standalone Financial Results**

These financial results, which is the responsibility of the Company's Management and approved by Board of Directors, has been compiled from the related audited interim financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Results**

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

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

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Other Matter**

The standalone financial results include the results for the quarter ended 31 March 2020, being the balancing figure between audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter of the current financial year which were subjected to limited review by us.

*for* **NSVM & Associates**
Chartered Accountants
Firm Registration Number: 010072S




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

**Place:** Bengaluru
**Date:** 29th July, 2020

UDIN: 20036508AAAACY8425

BAL PHARMA LIMITED
CIN: L85110KA1987PLC008363
Regd.Office: 21-22 Bommasandra Industrial Area,Anekal Taluq,Bangalore 560 099
Phone : 080 41379500,Fax:22354057,email:investor@balpharma.com

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31.03.2020

(Rs in Lakhs)

| Sl No. | Particulars | Standalone | | | | |
|---|---|---|---|---|---|---|
| | | Quarter Ended | | | Year ended | |
| | | 31 March 2020 Audited | 31 December 2019 Unaudited | 31 March 2019 Audited | 31 March 2020 Audited | 31 March 2019 Audited |
| | Income | | | | | |
| I | Revenue from operations | 3,376.93 | 4,299.71 | 5,621.10 | 17,067.28 | 22,307.94 |
| II | Other Income | 162.38 | 98.02 | 82.31 | 361.54 | 274.57 |
| III | **Total Income - (I)+(II)** | **3,539.31** | **4,397.73** | **5,703.41** | **17,428.82** | **22,582.51** |
| IV | Expenses | | | | | |
| | a) Cost of materials consumed | 1,652.64 | 1,947.88 | 3,027.52 | 7,943.71 | 11,363.87 |
| | b) Purchase of Stock-in-trade | 187.12 | 236.13 | 232.59 | 870.39 | 769.88 |
| | c) Changes in inventories of finished goods, Stock-in-trade and work-in-progress | -238.78 | -6.56 | -594.48 | -342.94 | -440.65 |
| | d) Employees benefits expenses | 1,054.61 | 1,195.20 | 1,182.32 | 4,376.91 | 4,845.35 |
| | f) Finance costs | 300.48 | 280.34 | 364.34 | 1,241.57 | 1,252.86 |
| | g) Depreciation and amortization expense | 303.12 | 134.97 | 236.65 | 702.65 | 611.50 |
| | h) Other expenses | 641.39 | 753.91 | 1,107.02 | 3,093.40 | 3,738.65 |
| | **Total Expense - (IV)** | **3,901.07** | **4,541.87** | **5,556.46** | **13,385.69** | **22,141.45** |
| V | **Profit before Exceptional item and Tax (III-IV)** | **-361.26** | **-144.14** | **146.95** | **-956.87** | **441.06** |
| VI | Exceptional items | - | - | - | - | - |
| VII | Profit/ (Loss) before Tax (V-VI) | -361.26 | -144.14 | 146.95 | -956.87 | 441.06 |
| VIII | Tax Expense | 53.05 | 56.76 | -210.16 | -4.17 | -234.94 |
| IX | Net Profit for the period | -414.31 | -200.90 | 357.12 | -952.70 | 676.00 |
| X | **Other Comprehensive Income(OCI)** | | | | | |
| | - Items that may not be reclassified to Profit or loss | -41.11 | - | -29.63 | -41.11 | -50.86 |
| | - Income tax relating to items that will not be reclassified to profit or | 10.69 | | 8.24 | 10.69 | 8.24 |
| | Total Other Comprehensive Income, net of Income Tax | -30.42 | - | -21.39 | -30.42 | -42.62 |
| XI | Total Comprehensive Income for the period (IX+X) | -444.73 | -200.90 | 335.74 | -983.12 | 633.38 |
| XII | Paid up Equity Share Capital (Face value ₹ 10 per share) | 1,417.24 | 1,417.24 | 1,417.24 | 1,417.24 | 1,417.24 |
| XIII | Other Equity | - | - | - | 5,114.74 | 6,268.69 |
| XIV | Earnings per share (Face value of ₹ 10 each) | | | | | |
| | Basic - in ₹ | -2.92 | -1.42 | 2.52 | -6.72 | 4.77 |
| | Diluted - in ₹ | -2.92 | -1.42 | 2.52 | -6.72 | 4.77 |
| | See accompanying notes to the audited standalone financial results | | | | | |

Notes:

1 The above audited standalone financial results of the Company as reviewed and recoended by the Audit Committee were approved by the Board of Directors at its meeting held on 29 July, 2020

2 The standalone financial results have been prepared in accordance with the Companies(Indian Accounting Standards) Rules, 2015( IND AS), prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies to the extent applicable.

3 The Company has a outstanding recoverability of ₹ 743.34 lakhs and ₹ 148.85 lakhs from it subsidiaries Lifezen Healthcare Private Limited and Balface Clinic LLP respectively. The said subsidiaries have incurred losses and have a negative networth. However the Management is confident that with infusion of additional funds, introduction of new brands and wth renewed marketing efforts, the companies can revived and the amounts can be recovered.

4 Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", and applied to all lease contracts existing on April 01, 2019 using the modified retrospective method. Accordingly, the comparitives for the year ended 31 March 2019 have not been retrospectively adjusted. The Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability. The impact on the profit and earnings per share is ₹ 42.45 lakhs and ₹ 0.3 per share. The Right-of-use assets for year ended 31 March 2020 has been presented under property,plant and equipment

5 The Company has not received any intimation or information with regards to its vendors registration's as a Micro, Small and medium enterprises. Accordingly, the entire dues to vendors have been classifed as payable to other than MSME's.

6 The Company has considered the possible effects which may result from pandemic relating to COVID. The Company's manufacturing operations remained partaily affected during the inital phase of lockdown. Subsequenty, with a view to ensuring minimal disruption , the Company took certain measures to ensure business continuity. The Company continues to monitor the impact of Covid-19 on its business and various aspects. Due care has been exercised, in concluding on significant accounting judgements and estimates, including in relation to recoverability of receivables, assessment of impairment of intangibles, investments and inventory, , while preparing the Company's Financial Results as of and for the year ended March 31, 2020.
The management expects no impairment to the carrying amounts of these assets based on the information available to date. The Management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.

7 The Company has only one reportable segment which is 'Pharmaceuticals'.

8 The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the Audited figures in respect of the full Financial Year and the Unaudited published year to date figures up to the third quarter of the relevant financial year which were subject to Limited Review by the Statutory Auditor of the Company.

9 Previous period figures have been regrouped/rearranged wherever considered necessary to conform to the period presentation

BAL PHARMA LTD. ISO 9001 COMPANY BANGALORE

For Bal Pharma Limited

Shailesh D Siroya
Managing Director

Place: Bengaluru
Date: 29th July 2020

BAL PHARMA LIMITED

CIN: L85110KA1987PLC008368

21-22, Bommasandra, Industrial Area, Bengaluru - 562158, Karnataka

Balance Sheet as at 31st March, 2020

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, Plant and Equipment | 4,974.43 | 5,127.00 |
| Capital work-in-progress | 10.58 | 5.68 |
| Intangible Assets | 639.09 | 567.09 |
| Financial assets | | |
| - Investments | 741.69 | 744.19 |
| - Loans | 24.50 | 73.12 |
| - Other financial assets | 156.10 | 253.86 |
| Deferred tax assets (Net) | | |
| Other non-current assets | 137.69 | 94.83 |
| | **6,684.08** | **6,865.77** |
| **Current assets** | | |
| Inventories | 6,705.62 | 6,951.58 |
| Financial assets | | |
| - Trade receivable | 5,166.35 | 6,569.33 |
| - Loans | 1,743.71 | 1,358.16 |
| - Cash and cash equivalents | 67.64 | 219.74 |
| - Other bank balances | 227.31 | 188.75 |
| - Other financial assets | 182.00 | 113.70 |
| Current tax assets (Net) | 9.78 | - |
| Other current assets | 3,096.01 | 3,449.20 |
| | **17,198.41** | **18,850.46** |
| | **23,882.49** | **25,716.23** |
| **EQUITY & LIABILITIES** | | |
| **Equity** | | |
| Equity share capital | 1,417.24 | 1,417.24 |
| Other equity | 5,114.74 | 6,268.71 |
| | **6,531.98** | **7,685.95** |
| **LIABILITIES** | | |
| **Non-current liabilites** | | |
| Financial liabilities | | |
| - Borrowings | 2,314.66 | 2,875.59 |
| - Other financial liabilities | 267.42 | 164.59 |
| Provisions | 354.64 | 266.08 |
| Deferred tax liabilities (Net) | 418.06 | 418.06 |
| Other non-current liabilities | - | - |
| | **3,354.79** | **3,724.33** |
| **Current liabilities** | | |
| Financial liabilities | | |
| - Borrowings | 7,060.63 | 6,805.83 |
| - Trade payables | | |
| Due to Micro, Small and Medium Enterprises | - | - |
| Due to Other than Micro, small and Medium Enterprises | 3,945.15 | 4,749.08 |
| - Other financial liabilities | 1,431.30 | 1,353.07 |
| Other current liabilities | 1,508.93 | 1,302.23 |
| Provisions | 49.29 | 49.86 |
| Current tax liabilities (Net) | -0.00 | 45.89 |
| | **13,995.30** | **14,305.96** |
| | **23,882.07** | **25,716.24** |

BAL PHARMA LTD. ISO 9001 COMPANY BANGALORE

**BAL PHARMA LIMITED**
**CIN: L85110KA1987PLC008368**
21-22, Bommasandra, Industrial Area, Bengaluru - 562158, Karnataka
**Cash Flow Statements for the Year ended 31st March, 2020**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| | | ₹ in Lakhs |
| **Cash flow from operating activities:** | | |
| **(Loss) before tax** | (907.62) | 441.06 |
| **Adjustments:** | | |
| - Interest income | (209.63) | (222.45) |
| - (Gain)/Loss on sale of Fixed Asset | (5.25) | (0.44) |
| - Balances written off as no more payable | (45.47) | (2.91) |
| - Unrealised Foreign (Gain)/Loss | (10.39) | (87.48) |
| - Finance cost (including effect of amortisation of processing fees) | 1,241.57 | 1,252.85 |
| - Interest on Income Tax | 4.79 | - |
| - Rental Expense(IND AS 116) | (80.53) | - |
| - Balances written off as no more receivable | 31.95 | - |
| - Depreciation and amortisation | 702.65 | 611.50 |
| - Expected Credit Losses | 22.38 | 16.40 |
| - Impairment on Investments | 2.50 | - |
| **Operating cash flow before working capital changes** | **746.94** | **2,008.54** |
| Changes in | | |
| - Decrease/(Increase) in Inventories | 196.71 | (334.90) |
| - Decrease/(Increase) in Trade receivables | 1,239.35 | (92.58) |
| - Decrease/(Increase) in Loans | 36.87 | 51.68 |
| - Decrease/(Increase) in Financial Assets (Current and Non current) | (14.12) | (0.86) |
| - Decrease/(Increase) in Other Assets (Current and Non current) | 310.33 | 501.08 |
| - Increase/ (Decrease) in Trade payables | (812.75) | (245.53) |
| - Increase/ (Decrease) in Other Financial liabilities (Current and Non current) | 383.11 | (510.76) |
| - Increase/ (Decrease) in Other Bank Balances | | |
| - Increase/ (Decrease) in Provistons | 87.99 | 15.61 |
| **Cash (used in)/ generated from operations** | **2,174.43** | 1,392.28 |
| Income taxes (paid)/ refund | (17.21) | (237.58) |
| **Net cash generated (used in) operating activities** | **2,157.22** | **1,154.69** |
| **Cash flow from investing activities:** | | |
| Purchase of Property,Plant & Equipment including intangible assets and capital work-in-progress | (359.92) | (477.80) |
| Intercorporate Deposit to Subsidiary | - | (437.63) |
| Interest Income from subsidiary | - | - |
| Investment in Subsidiaries | - | (92.60) |
| Proceeds from sale of fixed assets | 0.53 | 1.84 |
| Employees | | |
| Decrease/ (increase) in fixed deposits | 9.76 | (244.75) |
| Interest received | 33.96 | 53.22 |
| **Net cash (used in) investing activities** | **-315.68** | **-1,197.72** |
| **Cash flow from financing activities:** | | |
| Proceeds from / (repayment) of long term borrowings | (879.67) | (493.77) |
| Proceeds from / (repayment) of short term borrowings | 254.79 | 1,877.12 |
| Dividend Paid including dividend distribution tax | (141.72) | (147.21) |
| Interest Paid (Gross) | (1,227.04) | (1,231.33) |
| **Net cash generated from financing activities** | **-1,993.65** | **4.81** |
| Net (decrease)/ increase in cash and cash equivalents | (152.10) | (38.22) |
| Cash and cash equivalents at the beginning of the year | 219.74 | 257.96 |
| **Cash and cash equivalents at the end of the year** | **67.64** | **219.74** |
| ***Cash and cash equivalents comprise of:*** | | |
| Cash on hand | 17.04 | 4.86 |
| Balances with banks | | |
| - in current accounts | 24.37 | 176.11 |
| - in unpaid dividend accounts | 26.22 | 38.77 |
| | **67.64** | **219.74** |

BAL PHARMA LTD. ISO 9001 COMPANY BANGALORE

NSVM &
ASSOCIATES
CHARTERED ACCOUNTANTS

**Independent Auditor's Report on Audited consolidated Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**Independent Auditor's Report**

To the Board of Directors of Bal Pharma Limited

**Report on the audit of the Consolidated Financial Results**

**Opinion**

We have audited the accompanying consolidated annual financial results of Bal Pharma Limited (hereinafter referred to as "the Holding Company") and it's subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the quarter and the year ended March 31, 2020, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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 audited financial results of the subsidiaries, these consolidated financial results:

i. includes the results of the following entities:

| | |
|---|---|
| Lifezen Health care Private limited | Subsidiary |
| Balance Clinics LLP | Subsidiary |
| Bal Research Foundation | Subsidiary |
| Golden drugs Private limited | Subsidiary |

ii. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

N.S.V.M & ASSOCIATES * CHARTERED ACCOUNTANTS *

iii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Group for the year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 (the Act) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports, is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note 6 to the financial results which explains COVID-19 and that it has caused significant disruptions in the business operations of companies across India and has caused significant accounting and auditing challenges. One such challenge being inability for the Company to conduct a physical verification of inventories for the year-end 31st March, 2020 due to Government having imposed restrictions during the lockdown on account of health, travel and safety concerns.
Inventories, being material to the financial statements/results of the Company, the Standard on Auditing (SA) 501, Audit Evidence - Specific Considerations for Selected items, cast a duty on us to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories. Accordingly, we have performed alternative audit procedures in this regard to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories.

Our opinion is not modified with regard to above matters.

**Management's Responsibilities for the Consolidated Financial Results**

These financial results, which is the responsibility of the Holding Company's Management and approved by Board of Directors, has been compiled from the related audited consolidated financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing

and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and jointly controlled entities.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to



continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

**Other Matter**

The consolidated Financial Results include the audited Financial Results of three subsidiaries, whose Financial Statements/Financial Results/ financial information reflect total assets (before consolidation adjustments) of ₹ 1598.47 lakhs as at 31 March 2020 , total revenue (before consolidation adjustments) of ₹ 138.60 lakhs for year ended , total net (loss) after tax (before consolidation adjustments) of ₹ (150.77) lakhs year ended 31 March, 2020 and net cash flow outflows (before consolidation adjustments) of ₹ 2.08 lakhs for the year ended on that date as considered in the consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on Financial Results and financial information of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.



Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The consolidated financial results includes the unaudited financial statements of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 1911.86 lakhs as at March 31, 2020 and total revenues (before consolidation adjustments) of Rs. 99.15 lakhs for the year ended March 31, 2020, total net profit after tax (before consolidation adjustments) of Rs. (132.14) lakhs for the year ended March 31, 2020 and net cash flows (net) of ₹ 3.64 lakhs for the year ended March 31, 2020, as considered in the Statement. These financial statements are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

We further state that the Holding Company is a partner in a joint venture floated outside India. We were informed by the management that no operations have been commenced and hence no books of accounts have been maintained. The Joint venture has therefore not been considered for the purpose of consolidation. (Refer note 3 to Consolidated Financial Results)

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Board of Directors.

The Statement includes the consolidated financial results for the quarter ended 31 March 2020, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us

*for* **NSVM & Associates**
Chartered Accountants
Firm Registration Number: 010072S




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

**Place:** Bengaluru
**Date:** 29th July, 2020

UDIN: 20036508AAAACZ4157

**BAL PHARMA LIMITED**

CIN: L85110KA1987PLC008368

**Regd.Office: 21-22 Bommasandra Industrial Area,Anekal Taluq,Bangalore 560 099**

**AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31.03.2020**

(₹ in Lakhs except EPS)

| Sl No. | Particulars | Consolidated | | | | |
|---|---|---|---|---|---|---|
| | | Quarter Ended | | | Year ended | |
| | | 31 March 2020 Audited | 31 December 2019 Unaudited | 31 March 2019 Audited | 31 March 2020 Audited | 31 March 2019 Audited |
| | **Income** | | | | | |
| I | Revenue from operations | 3,377.23 | 4,317.23 | 5,507.30 | 17,109.43 | 22,501.05 |
| II | Other income | 117.37 | 41.12 | -86.05 | 184.01 | 100.92 |
| III | **Total Income - (I)+(II)** | **3,494.61** | **4,358.35** | **5,421.25** | **17,293.44** | **22,601.97** |
| IV | **Expenses** | | | | | |
| | Cost of materials consumed | 856.82 | 2,019.53 | 3,026.52 | 7,219.53 | 11,362.87 |
| | Purchase of Stock-in-trade | 155.99 | 248.73 | 109.52 | 821.34 | 795.45 |
| | (Increase)/decrease in inventories of finished goods and work-in-progress | 454.59 | (12.72) | (605.74) | 338.34 | (430.53) |
| | Employees benefits expenses | 1,121.10 | 1,233.61 | 1,223.61 | 5,042.90 | 5,027.93 |
| | Finance costs | 302.30 | 280.64 | 365.73 | 1,245.25 | 1,256.28 |
| | Depreciation and amortization expense | 358.81 | 141.81 | 237.57 | 767.76 | 615.50 |
| | Other expenses | 725.39 | 757.86 | 1,139.88 | 3,211.24 | 3,994.72 |
| | **Total Expease - (IV)** | **3,975.00** | **4,669.46** | **5,497.09** | **18,646.37** | **22,622.22** |
| V | **Profit before Exceptional item and Tax (III-IV)** | **(480.40)** | **(311.11)** | **(75.84)** | **(1,352.93)** | **(20.25)** |
| VI | Exceptional items | - | - | - | | - |
| VII | Profit/ (Loss) before Tax (V-VI) | (480.40) | (311.11) | (75.84) | (1,352.93) | (20.25) |
| VIII | Less: Tax Expense | (6.79) | 59.56 | (185.49) | (63.76) | (235.54) |
| IX | **Net Profit for the period** | **(473.61)** | **(370.67)** | **109.65** | **(1,289.17)** | **215.29** |
| X | **Other Comprehensive Income(OCI)** | | | | | |
| | - Items that may not be reclassified to Profit or loss | (39.71) | - | (29.46) | (39.71) | (50.69) |
| | - Income tax relating to items that will not be reclassified to profit or loss | 10.69 | - | 8.24 | 10.69 | 8.24 |
| | Total Other Comprehensive income, net of Income Tax | (29.02) | - | (21.22) | (29.02) | (42.45) |
| XI | **Total Comprehensive Income for the period (IX+X)** | **(502.63)** | **(370.67)** | **88.43** | **(1,318.19)** | **172.85** |
| XII | Paid up Equity Share Capital (Face value ₹ 10 per share) | 1,417.24 | 1,417.24 | 1,417.24 | 1,417.24 | 1,417.24 |
| XIII | Other Equity | - | - | - | 3,825.36 | 5,247.16 |
| XIV | Earnings per share (Face value of ₹ 10 each) | | | | | |
| | Basic - in ₹ | (3.34) | (2.62) | 0.77 | (9.10) | 1.52 |
| | Diluted - in ₹ | (3.34) | (2.62) | 0.77 | (9.10) | 1.52 |
| | See accompanying notes to the audited consolidated financial results | | | | | |

Notes:

1 The above audited consolidated financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 29 July, 2020.

2 The consolidated financial results has been prepared in accordance with the Companies Indian Accounting Standards) Rules, 2015( IND AS), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies to the extent applicable The audited consolidated financial results relate to Balpharma Limited, its subsidiaries (together constitute the group), Joint Venture and Associates and are prepared by applying IND AS 110 - " Consolidate Financial Statements ", and IND AS 28 - "Investment s in Associates & Joint ventures".

3 The Holding Company has entered into a Joint Venture agreement with Akual Pharma Pty Limited, Australia. The commercial operations of the said Joint Venture has not commenced and therefore the same is not included in consolidated results.

4 Effective April 01, 2019, the Group has adopted Ind AS 116 "Leases", and applied to all lease contracts existing on April 01, 2019 using the modified retrospective method. Accordingly, the comparatives for the year ended 31 March 2019 have not been retrospectively adjusted. The Company has recognised a lease liability measured at the present value of the remaining lease payments and right-of-use (ROU) asset at an amount equal to lease liability. The impact on the profit and earnings per share is ₹ 18.02 lakhs and ₹ 0.13 per share. The Right-of-use assets for year ended 31 March 2020 has been presented under property plant and equipment.

5 The Group has not received any intimation or information with regards to its vendors registeration as a Micro, Small and medium enterprises. Accordingly, the entire dues to vendors has been classified as payable to other than MSME.

6 The Group has considered the possible effects that may result from pandemic relating to COVID. The Group's manufacturing operations remained affected during the initial phase of lockdown. Subsequently, with a view to ensure minimal disruption, the Holding Company has taken certain measures to ensure business continuity. The Holding Company and its subsidiaries continues to monitor the impact of Covid-19 on its business and various aspects. Due care has been exercised in concluding on significant accounting judgements and estimates, including in relation to recoverability of receivables, assessment of impairment of intangibles, investments and inventory, , while preparing the Company's financial results as of and for the year ended March 31, 2020.
The management of Holding Company and its subsidiaries expects no impairment to the carrying amounts of these assets based on the information available to date. The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.

7 The Group has only one reportable segment namely 'Pharmaceuticals'.

8 The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figure between the audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter of the relevant financial year which were subject to limited review by the Statutory Auditor of the Company.

9 Previous period figures have been regrouped/rearranged wherever considered necessary to conform to the period's classification.

BAL PHARMA LTD. ISO 9001 COMPANY BANGALORE

For Bal Pharma Limited

Shailesh D Sinya
Managing Director

Place: Bengaluru
Date: 29th July, 2020

**BAL PHARMA LIMITED**
**CIN: L85110KA1987PLC008368**
21-22, Bommasandra, Industrial Area, Bengaluru - 562158, Karnataka
**Consolidated Balance Sheet as on 31st March, 2020**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, Plant and Equipment | 5,773.42 | 6,084.61 |
| Capital work-in-progress | 603.52 | 363.17 |
| Goodwill | 382.86 | 382.86 |
| Intangible Assets | 642.82 | 571.19 |
| Financial assets | - | - |
| - Investments | - | 1.50 |
| - Loans | 29.18 | 72.44 |
| - Other financial assets | 156.10 | 253.86 |
| Deferred tax assets (Net) | - | - |
| Other non-current assets | 137.84 | 96.69 |
| | **7,725.74** | **7,826.32** |
| **Current assets** | | |
| Inventories | 6,771.13 | 6,975.11 |
| Financial assets | | |
| - Trade receivable | 4,960.21 | 6,469.59 |
| - Loans | 220.79 | 215.99 |
| - Cash and cash equivalents | 85.87 | 243.61 |
| - Other bank balances | 227.31 | 188.75 |
| - Other financial assets | 182.00 | 113.70 |
| Current tax assets (Net) | 10.79 | - |
| Other current assets | 3,655.53 | 4,097.78 |
| | **16,113.63** | **18,304.53** |
| | **23,839.38** | **26,130.85** |
| **EQUITY & LIABILITIES** | | |
| **Equity** | | |
| Equity share capital | 1,417.24 | 1,417.24 |
| Other equity | 3,825.36 | 5,247.06 |
| Non Controlling interest | (708.84) | (642.18) |
| | **4,533.76** | **6,022.12** |
| **LIABILITIES** | | |
| **Non-current liabilities** | | |
| Financial liabilities | | |
| - Borrowings | 2,314.66 | 2,875.59 |
| - Other financial liabilities | 321.42 | 220.09 |
| Provisions | 361.98 | 271.27 |
| Deferred tax liabilities (Net) | 358.40 | 417.98 |
| Other non-current liabilities | - | - |
| | **3,356.46** | **3,784.95** |
| **Current liabilities** | | |
| Financial liabilities | | |
| - Borrowings | 8,962.63 | 8,707.84 |
| - Trade payables | 3,867.39 | 4,733.79 |
| - Other financial liabilities | 1,495.05 | 1,339.82 |
| Other current liabilities | 1,574.21 | 1,445.91 |
| Provisions | 49.88 | 50.54 |
| Current tax liabilities (Net) | - | 45.89 |
| | **15,949.16** | **16,323.78** |
| | **23,839.38** | **26,130.85** |

**BAL PHARMA LIMITED**

**CIN: L85110KA1987PLC008368**

21-22, Bommasandra, Industrial Area, Bengaluru - 562158, Karnataka

**Consolidated Cash Flow Statements for the Year ended 31st March, 2020**

₹ in lakhs

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Cash flow from operating activities:** | | |
| **Profit before tax** | (1,352.93) | (20.25) |
| **Add/(Less): Non cash adjustments to reconcile profit before tax to net cash flows** | | |
| - Interest income | (38.70) | (55.34) |
| - (Gain)/ Loss on sale of Fixed assets | (5.25) | (0.44) |
| - Balances written off as no more payable | (46.62) | (4.37) |
| - Unrealised Foreign (Gain)/Loss | (10.39) | (87.48) |
| - Finance cost | 1,245.25 | 1,256.28 |
| - Interest on income tax | 4.79 | - |
| - Rental Expense (IND AS 116) | (86.13) | - |
| - Balances written off as no more receivable | 31.95 | - |
| - Expected Credit Losses | 22.38 | 16.40 |
| - Depreciation and Amortization | 767.76 | 615.50 |
| - Impairement on Investments | 2.50 | - |
| **Operating cash flow before working capital changes** | **534.62** | **1,720.31** |
| Add/(Less): Working Capital changes | | |
| - Decrease/(Increase) in Inventories | 203.98 | (325.76) |
| - Decrease/(Increase) in Trade receivables | 1,345.75 | 6.30 |
| - Decrease/(Increase) in Loans (Current and Non-Current) | 38.46 | 42.36 |
| - Decrease (Increase) in Other Assets (Current and Non current) | 419.00 | 442.77 |
| - Increase/ (Decrease) in Trade payables | (875.22) | (261.98) |
| - Increase (Decrease) in Financial Liabilities | 455.88 | (207.21) |
| - Increase (Decrease) in Other liabilities | 116.13 | (414.68) |
| - Increase/ (Decrease) in Provisions | 90.04 | 11.24 |
| **Cash (used in)/ generated from operations** | **2,328.64** | **1,013.33** |
| Income taxes (paid)/ refund | (17.21) | (237.58) |
| **Net cash generated (used in) operating activities (A)** | **2,311.43** | **775.75** |
| | | |
| **Cash flow from investing activities:** | | |
| Purchase of fixed assets including intangible assets and capital work-in-progress | (506.33) | (859.41) |
| Proceeds from sale of fixed assets | 0.53 | 1.84 |
| Interest received | 33.96 | 53.22 |
| **Net cash (used in) investing activities** | **(471.84)** | **(804.35)** |
| | | |
| **Cash flow from financing activities:** | | |
| Proceeds from / (repayment) of long term borrowings | (879.67) | (493.78) |
| Proceeds from / (repayment) of short term borrowings | 254.79 | 1,877.09 |
| Dividend Paid including dividend distribution tax | (141.72) | (147.21) |
| Finance Cost | (1,230.72) | (1,234.75) |
| **Net cash generated from/ (Used in ) financing activities** | **(1,997.33)** | **1.36** |
| | | |
| Net (decrease)/ increase in cash and cash equivalents | (157.73) | (27.25) |
| Cash and cash equivalents at the beginning of the year | 243.60 | 270.85 |
| **Cash and cash equivalents at the end of the year** | **85.87** | **243.60** |
| | | |
| ***Cash and cash equivalents comprise of:*** | | |
| Cash and cash equivalents | | |
| - Cash on hand | 27.66 | 15.55 |
| - Bank Balances - Current Acounts | 31.98 | 189.29 |
| - Fixed Deposits (original maturity of less than 3 months) | 26.22 | 38.77 |
| | **85.87** | **243.61** |