



MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

❖ INDUSTRY STRUCTURE AND DEVELOPMENTS

After a strong growth in 2017 and early 2018, the global economic growth weakened in the second half of 2018 and growth is estimated to be 3.6% in 2018 down from 3.8% in 2017. Growth in advanced economies decreased from 2.4% in 2017 to 2.2% in 2018 and emerging economies decreased from 4.8% in 2017 to 4.5% in 2018. Global economic activity in 2018 softened amidst an increase in trade tensions and tariff hikes between US and China, weak intra trade in euro area countries (Germany, France, Italy and Spain), tightening of financial conditions and higher uncertainty of fiscal policy in the wake of policy actions across all economies. Global economic growth is projected to decline further to 3.3% in 2019. However, the growth in 2020 is forecasted to rebound at 3.6% with expectations of trade agreement between US and China, shift towards more accommodative monetary policies, improvement in global financial market sentiments and gradual stabilization of conditions in stressed emerging market economies.

❖ OPPORTUNITIES & THREATS

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



❖ **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

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

❖ **OVERVIEW & OUTLOOK**

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

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

❖ **RISK AND CONCERNS**

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

❖ **INTERNAL CONTROL SYSTEM**

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

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

Beta's net sales grew by 14.79% to Rs 58.04 crores compared with the same period a year ago. This was primarily driven by company increasing its market share in the domestic oncology segment. Beta added some marquee names to its clients list and expanded its presence across corporate hospitals in India.

Net profit too surged by 14.05% to Rs 7.71 crores. This increase in net profits was due to the fact that the company was able to reduce its operating expenses. This also reflected in margins expanding across the board.

❖ **HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS**

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

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BETA DRUGS LIMITED

continued to be healthy, cordial and harmonious at all levels and your Company is committed to maintain good relations with the employees.

❖ CAUTIONARY STATEMENT

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

Dated: 31.08.2019
Place: Panchkula

By Order of the Board of Directors

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