



Bal Pharma Limited

PRESS RELEASE

BAL Pharma Limited's Credit Rating by Acuite Ratings & Research is upgraded.

Bangalore, Tuesday, 24 February 2022: BAL Pharma, a fully integrated pharmaceutical company specialized in Bulk Actives, Prescription Drugs, Generics and pharma intermediates, has announced that the leading credit rating agency, Acuite Ratings & Research has upgraded its ratings. The ratings for Long Term Fund based facilities and Long term-Term Loan facilities have been upgraded to 'BBB-' from 'BB+' indicating 'Stable' outlook, for the Company.

Rating as assigned

Instrument	Rating Type	Current Rating	Historical Rating	Outlook
Long Term Fund based facilities	Long term	IND BBB-	IND BB+	Stable
Short Term Non Fund based facilities	Short term	IND A3	IND A4+	
Long term- Term Loan	Long term	IND BBB-	IND BB+	Stable

Improved Business Performance

The rating from BB+(ICRA) to BBB- has been improved based on the sound business performance of the Company. It is enhancing its business segments and maintaining strong momentum, especially the API's business, which has been driving the overall growth. Bal Pharma registered 16% YoY revenue growth for 9MFY22. This was on account of the robust demand both in the domestic and the international markets. Various APIs such as Gliclazide, Ebastine, and Benzydamine have witnessed strong growth momentum. The Company has also introduced 10+ new Formulation products in Asia and Africa, which will further diversify its geographical presence. Further, Bal Pharma has been continuously focussing on improving its International and Domestic market share in API and Formulation. To scale up the operations, the Company has been planning to incur CAPEX for expanding the facilities, which will now coincide with the PLI Scheme.

PLI Scheme: a shot-in-the-arm for Future growth

The Company is also a beneficiary of the Production Linked Incentive (PLI) scheme 2.0. for the Pharmaceutical Sector under "Atmanirbhar Bharat". It has been placed under 'Category C' of the said scheme wherein Bal Pharma is eligible for incentives to the tune of INR 500 mn spread over the next 5 years with an incremental annual average turnover of INR 1,250 mn from eligible products in both API and Formulation segments. This target of incremental turnover coincides with the Company's growth plans with no additional capex (over and above the capex planned), such incentives are expected to directly flow into the Company's profits.

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Commenting on the rating, **Mr. Shailesh Siroya, Managing Director, BAL Pharma** said, *“The rating upgrade by the Acuite rating and Research is an indication of Bal Pharma’s improved performance. The upgradation reflects that we have a sound profile and capacity to outperform in the near future. Furthermore, we are performing well in all our business segments and have maintained their strong growth momentum. We are continuously aiming to increase the market share with new product launches over a period of time and expanding the existing products to the new markets. Further, the focus is on strengthening the medical representative team to enhance the domestic formulation. Along with these, we believe that the PLI scheme introduced by the Government will be an add-on to our growth targets, and it is expected to enhance Company’s profitability over next 5 years”*

About BAL Pharma Ltd (BPL)

Bal Pharma Limited (BSE: 524824; NSE: BALPHARMA) is a fully integrated pharmaceutical company specialized in Bulk Actives, Prescription Drugs, Generics, and pharma intermediates. Bal Pharma’s focused therapeutic areas are oncology, diabetes, gastroenterology, and dermatology. The Company is one of the largest producers and exporters of Gliclazide, a medicine to treat type-2 diabetes. Bal Pharma’s niche APIs and FDFs are produced at world class manufacturing facilities located at Karnataka, Maharashtra, Rajasthan and Uttarakhand. The Company exports APIs to Europe, Australia, Japan, Far East, Canada, Latin America, Africa, Middle East and other World markets. Its FDFs are exported to Semi-regulated, Non-regulated market, and a select regulated market, besides having a robust domestic presence. Backed by strength in Research and Development, and strong infrastructure, Bal Pharma is poised to become a significant player within the pharmaceutical industry.

Forward-Looking Statement:

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. BAL Pharma Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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