



Bal Pharma Limited

To,
The Manager-Listing
National Stock Exchange of India Ltd
Mumbai.

25.08.2022

BSE Limited
Mumbai.

Sub : Notice of 35th Annual General Meeting and submission of Annual Report for Financial Year 2021-2022

Ref : Regulation 34 of SEBI (LODR) Regulations,2015.

As already informed to the exchanges, 35th Annual General Meeting of the Company is scheduled to be held on 19th September 2022 at 11.30 a.m through audio visual means.

Notice along with the details of the business to be transacted at the meeting and audited financial statements of the Company for the F.Y ended 30.03.2022 together with the reports of Directors and auditors there on is being dispatched to our shareholders through electronic form.

A Copy of the unabridged annual report of the Company for the financial year ended 31.03.2022 is enclosed for submission to the exchanges.

Annual report for F.Y 2021.22 is also available on our website i.e www.balpharma.com.

Kindly take the same on record.

Thanking You.

For Bal Pharma Limited


Authorised Signatory



CORPORATE OFFICE : 5th Floor, Lakshmi Narayan Complex, 10/1, Palace Road, Bengaluru - 560 052. India

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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



**BAL PHARMA
LIMITED**

**COMMITTED TO
QUALITY HEALTH CARE**



STRENGTH & GROWTH
COMES ONLY THROUGH
CONTINUOUS EFFORT AND PERSEVERANCE.

**BOARD OF DIRECTORS**

Mr. Shailesh Siroya	–	Managing Director
Mr. Himesh Virupakshaya	–	Executive Director
Dr. C.V Srinivas	–	Independent Director
Ms. Nicloa Neeladrie	–	Independent Director
Mr. Jatish Sheth	–	Independent Director
*Mr. H S Venkatesh	–	Additional Director
#Mr. Kotian Chittananda Damodar	–	Additional director

* Ceased to be director w.e.f 22.05.2022 and Appointed w.e.f 23.05.2022

#Appointed w.e.f 30.05.2022

STATUTORY AUDITORS

Messrs NSVM & Associates
Chartered Accountants

INTERNAL AUDITORS

Messrs Murugesh & Company
Chartered Accountant

SECRETARIAL AUDITORS

Mr. Parameshwar G Bhat
Practising Company Secretary

COST AUDITORS

Mr. M.R Krishna Murthy
Cost Accountant

REGISTRAR & TRANSFER AGENTS

TSR DARASHAW CONSULTANTS PRIVATE LIMITED
C 101, 1st Floor, 247 Park, Lal Bahadur Shastri Rd,
Vikhroli West, Mumbai, MH - 400083.

PLANT LOCATIONS

- Unit 1 – Formulations
21 & 22, Bommasandra Industrial Area
Bangalore-560099. Karnataka.
- Unit 2 – API's
61/B, Bommasandra Industrial Area
Bangalore-560099. Karnataka.
- Unit 3 – Parenterals (Temporarily non-operational)
732/735, Off National Highway No.4
Village Kenjal, Dist Bhor.
Maharashtra.
- Unit 4 – Formulations
Plot # 1,2,3&69, Sector 4, IIE-Pantnagar
Rudrapur, Udham Singh Nagar
– 263153, Uttarakhand.
- Unit 5 – Intermediates
Thabadewadi Post, Kavatha Mahankal
Sangli-416405, Maharashtra.
- Unit 6 – API's and Intermediates
Golden Drugs Private Ltd, (100% Subsidiary)
C-155, Mewar Industrial Area
Madri, Udaipur-313001, Rajasthan.
Rajasthan.

BANKERS

Canara Bank
HDFC Bank

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SHAILESH SIROYA

Managing Director



DEAR SHARE OWNERS,

As economies and most businesses witness an improvement in demand and the benefits of economic growth, we expect financial Year 22-23 to be one of recovery year. This bullish sentiment is also supported by the relative ease of covid-19 related restrictions. However, as we are on the side of caution, we continue to benefit from the implementation of safety policies and procedures of global standard, and have effectively minimised the impact of covid on all our stakeholders. As a pharmaceuticals company, and a supplier of essential products, we further understand the necessity of our products in the communities we serve. Resultantly, we have taken ring-fenced measures to ensure a healthy balance between ensuring employee safety, while also operating at maximum capacity to maintain an unrestricted supply of our products to our customers. This includes steps like ensuring reliable screening, frequently testing our employees, strict entry protocol for visitors, and frequent sanitisation.

FROM MANAGING DIRECTOR'S DESK

Due to Covid, the world has again understood that prevention is better than cure. People and governments across the world have realised the importance of healthcare during this difficult time. Post covid, healthcare has become an important priority, on which every family is allocating some part of the pay. Medical insurance, yearly health check-ups, and thoughtful and healthy eating habits are a new normal now. At Bal Pharma, we too understand the greater role we play in contributing to the healthcare of society through the quality and affordability of the medicines we make.

FIXED ON INGREDIENTS SECURITY

Your Company's portfolio carries key products such as Gliclazide, Ebastine, and Adapalene. Some of these have gained approvals in the EU, and are awaiting approvals in the other developed markets. We also aspire to ascend the regulatory ladder by enhancing its global and domestic footprint. Initially, your Company was greatly dependent on China for an intermediate used in manufacturing Gliclazide. More than just cost control, the sheer availability of the intermediate could adversely impact the availability of the final product. To resolve this issue, we took up efforts to establish captive R&D production and I am pleased to say that, recently, we have managed to backward integrate some of our drugs to a significant extent, by commencing production of a nitro-based intermediate in-house.

FINANCIAL OVERVIEW

I am pleased to inform you that we delivered a strong performance in FY2022, reflecting continued growth in each of our markets, strong profitability, improvement in free cash-flows, and enhanced shareholder value. During the fiscal year of FY2022, our revenues grew by 13.83% YoY, API segment's revenue reported an YoY increase of 22%.

In particular, on the domestic front, our formulations business has been witnessing positive momentum and has reported 11% growth YoY. We also launched an anti-diabetic drug Dapagliflozin, under the brand name Dapaten. With this, we have further consolidated our market share in the diabetes therapeutic segment.

I am pleased to inform you that our PBT increased by 23.07% YoY to INR 120.56 Mn in FY2022; and our PAT for the year for FY2022 stood at INR 85.74 Mn versus INR 91.85 Mn in Fy2021.

PRODUCTION LINKED INCENTIVE SCHEME

The Government of India is working towards enhancing the development of the pharmaceutical industry through various initiatives. A production-linked incentive scheme is one such scheme that is expected to ensure an enhancement in manufacturing capabilities, introductions of more innovative products, and an improvement in research and development of pipeline products. As the Government's objective is geared towards making India a leading pharma product supplier in the forthcoming years, we expect to benefit from the launch of several more supportive schemes in the near future.

In the meantime, I am pleased to inform you that Bal Pharma has received PLI approvals under the MSME 'Category C' of the scheme. The Company's various products in API and intermediates are now eligible for incentives over 6 years through this scheme via increased revenues. This will help us to diversify our product portfolio, increase our top line, and enhance our profitability & margin profile.

STRENGTHENED STRATEGY

I am happy to note that your Company has a good pipeline both in FDFs and APIs, which we expect will lead to robust growth in the coming future. We have been continuously working hard to expand our geographical footprint in both domestic and international markets. As a part of these expansion initiatives, we are significantly strengthening the medical representative team. Currently, we have more than 400+ medical representative and we are consistently focusing on improving this strength. Furthermore, we are placing greater focus on enhancing our efficiency across the business. Manufacturing efficiency, rationalisation of our research and development, and cost optimisation are the targeted areas for improvement. All these efforts are empowering us to be leaner and sharper, and we look forward to reaping the benefits from these efforts in the medium to long run.

A POSITIVE OUTLOOK ON THE FUTURE

The growth opportunities in both domestic and international markets are ample and sizeable for Bal Pharma. With strong market dynamics and Company fundamentals, I expect your Company to have a promising future. Your Company is undertaking all efforts to cater to the maximum market share catering to multiple markets with its strong portfolio. We are positive that our short-term and long-term efforts will position us to generate enhanced profitability and stakeholder value.

As an organisation, we are committed to business sustainability and business ethics. The Company making efforts to reduce greenhouse gas emissions through several measures, including changing infrastructure and implementing new technologies. The Company also intends to mitigate the different implications of climate change and other ESG-related factors across its business operations.

As we end this financial year, we would like to extend our sincere thanks to the Board of Directors, stakeholders, business partners, and our hardworking employees. We would also like to thank society and all other stakeholders for their contribution towards making what we do enjoyable and empowering to the communities we serve.

Regards,

SHAILESH SIROYA
Managing Director





NOTICE is hereby given that the 35th (Thirty Fifth) Annual General Meeting (AGM) of the Members of Bal Pharma Limited will be held on Monday, 19th September, 2022 at 11:30 A.M through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, the Statement of Profit and Loss for the financial year ended as on that date and the Cash Flow Statement together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend of Re. 1 per Equity Share of Rs 10/- each.
3. To appoint a Director in place of Mr. Himesh Virupakshaya (DIN # 08554422), who is retiring by rotation and being eligible, offer him self for reappointment.
4. To appoint Statutory Auditors from the conclusion of this 35th Annual General Meeting until the conclusion of the 40th Annual General Meeting and to fix their remuneration.

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 141 & 142 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) Messrs S S J N B & Co., Chartered Accountants (Firm Registration No.: 013976S) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this 35th Annual General Meeting till the conclusion of 40th Annual General Meeting of the Company on such remuneration and out of pocket expenses as may be mutually agreed upon by the Board of Directors and the Auditors, in connection with the audit of financial statements of the Company.

FURTHER RESOLVED THAT any Director of the Company be and is hereby authorized to do all such acts, things and deeds as may be deemed necessary to give effect to the above stated resolution and for filing the relevant E-form to the Registrar of Companies.”

SPECIAL BUSINESS:

5. Adoption of new Set of Memorandum of Association as per the provisions of the Companies Act, 2013.

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to Sections 13, 15 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force, and Rules made thereunder and subject to necessary statutory approvals and modifications if any, the Memorandum of Association of the Company be and is hereby altered in the

following manner:

- a) By replacing numbering format ‘I’, ‘II’, ‘III’, ‘IV’, ‘V’ and ‘VI’ with ‘1st’, ‘2nd’, ‘3rd’, ‘4th’, ‘5th’ and ‘6th’ respectively to represent the various main clauses in the Memorandum of Association.
- b) 3rd (a) of the Objects Clause of the Memorandum of Association of the Company be titled as “The objects to be pursued by the company on its incorporation”
- c) 3rd (b) of the Objects Clause of the Memorandum of Association of the Company be titled as “(b) Matters which are necessary for furtherance of the objects specified in clause 3(a)”
- d) By deleting the existing Clause III ©.
- e) By deleting the existing Clause 4 and by substituting the following new Clause 4th thereof as hereunder:

‘4th The Liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.’

RESOLVED FURTHER THAT the Board of Directors of the Company (herein referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred by the Board by this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with the Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

6. Adoption of new Set of Articles of Association as per the provisions of the Companies Act, 2013.

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 14, 15 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and as warranted by the aforesaid Act, the Articles of Association of the Company be and are hereby altered by deleting the existing Articles and by adopting the Articles from Table F under the said Act, with such modifications as may be applicable and relevant to the Company and as may be suggested by the Stock Exchanges in terms of the Listing Agreements executed by the Company with them, and as per the draft Articles of Association available for inspection at the Registered Office of the Company and as may be uploaded on the website of the Company, be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or



expedient, including filing the requisite forms with the Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

7. To revise the managerial remuneration payable to Mr. Shailesh Siroya (DIN # 00048109), Managing Director:

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

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 and rules made thereunder or any amendment(s) or modification(s) thereof and subject to the applicable clauses of the Articles of Association of the Company, the managerial remuneration payable to Mr. Shailesh Siroya, Managing Director of the Company as recommended by the Nomination and Remuneration Committee and the Board be and is hereby fixed at Rs 11,05,000/- (Rupees Eleven Lakh Five Thousands only) per month for the remaining period of 2 (Two) years with effect from 01.08.2022, which is inclusive of salary and perquisites, but exclusive of the followings:

1. Variable commission not exceeding 5% of the net profits of the Company or such other percentage as may be decided by the Board from time to time.
2. Contribution to provident fund, superannuation fund or annuity fund to the extent they singly or together are not taxable under the Income Tax Act, 1961.
3. Gratuity payable at a rate not exceeding half a month’s salary for each completed year of service and
4. Encashment of leave at the end of the tenure.

Annual revision in the salary:

Annual revision in the salary, if any shall be decided by the Nomination and Remuneration Committee and Board of Directors based upon Company’s performance and personal performance measured against agreed objectives for the year as decided by the Board from time to time, subject to the condition that the overall remuneration shall not exceed the limits specified under the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.

- i. He will not be paid any sitting fees for attending Meetings of the Board of Directors or Committees thereof.
- ii. He is liable to retire by rotation

Minimum Remuneration

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

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to vary the terms and conditions of appointment of Mr. Shailesh Siroya as Managing Director, subject to the limits prescribed under the Schedule V of the

Companies Act, 2013.”

8. To revise the managerial remuneration payable to Mr. Virupakshaya Himesh (DIN #08554422) Whole-Time Director:

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

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 and rules made thereunder or any amendment(s) or modification(s) thereof and subject to the applicable clauses of the Articles of Association of the Company, the managerial remuneration payable to Mr. Virupakshaya Himesh, Whole-Time Director of the Company as recommended by the Nomination and Remuneration Committee and the Board be and is hereby fixed at Rs 3,01,280/- (Rupees Three Lakh One Thousand Two Hundred and Eighty only) per month for the remaining period of 2 (Two) years with effect from 28.09.2022, which is inclusive of salary and perquisites, but exclusive of the followings:

- a). Variable commission not exceeding 2% of the net profits of the Company or such other percentage as may be decided by the Board from time to time.
- b) Contribution to provident fund, superannuation fund or annuity fund to the extent they singly or together are not taxable under Income Tax Act, 1961.
- c) Gratuity payable at a rate not exceeding half a month salary for each completed year of continued service.
- d) Encashment of leave at the end of the tenure.

Annual revision in the salary:

Annual revision in the salary, if any shall be decided by the Nomination and Remuneration Committee and Board of Directors based upon Company’s performance and personal performance measured against agreed objectives for the year as decided by the Board from time to time, subject to the condition that the overall remuneration shall not exceed the limits specified under the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.

Minimum Remuneration

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

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to vary the terms and conditions of appointment of Mr. Virupakshaya Himesh as Whole-Time Director, subject to the limits prescribed under the Schedule V of the Companies Act, 2013.”

9. To appoint Mr. H S Venkatesh (DIN# 01776040) as Director and also as an Independent Director of the Company for second term.

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



“RESOLVED THAT pursuant to the provisions of the Articles of Association of the Company, Mr. H S Venkatesh (DIN:01776040) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 23rd May, 2022 and who holds office until the date of this AGM, in terms of Section 161 of the Companies Act, 2013 and the Rules made there under and other applicable laws, if any, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Schedule IV and all other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. H S Venkatesh, be and is hereby appointed as an Independent Director of the Company for second term of 3.4 Years (Three Years Four Months) commencing from 23.05.2022 to 30.09.2025 and whose office shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, things and take all such steps as may be necessary, proper and expedient to give effect to the above said resolution also to take necessary steps to file necessary returns with the Registrar of Companies and comply with other formalities, if any as may be required pursuant to the provisions of Companies Act, 2013 or such other Regulations.”

10. To appoint Mr. Kotian Chittananda Damodar (DIN # 09613054) as Director and also as Whole Time Director of the Company.

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

RESOLVED THAT pursuant to the provisions of the Articles of Association of the Company, Mr. Kotian Chittananda Damodar (DIN # 09613054) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30th May 2022 and who holds office until the date of this AGM in terms of Section 161 of the Companies Act, 2013 and the Rules made there under and other applicable laws, if any, be and is hereby appointed as Director of the Company who shall be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013, the consent of the Members of the Company be and is hereby accorded to appoint Mr. Kotian Chittananda Damodar as a Whole-Time Director of the Company for a period of 5 (Five) years with effect from 30th May 2022 to 29th May, 2027 on the following terms and conditions:

- i. Basic Salary - Rs 1,41,206/- for a period of 3 (Three) years which is inclusive of salary and perquisites but exclusive of the following:
- a) Contribution to provident fund, superannuation fund or annuity fund to the extent they singly or together are not taxable under Income Tax Act, 1961.

- b) Gratuity payable at a rate not exceeding half a month salary for each completed year of continued service.

- c) Encashment of leave at the end of the tenure.

Annual revision in the salary

- ii. Annual revision in the salary, if any shall be decided by the Nomination and Remuneration Committee and Board of Directors based upon Company's performance and personal performance measured against agreed objectives for the year as decided by the Board from time to time, subject to the condition that the overall remuneration shall not exceed the limits specified under the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.
- iii. He will not be paid any sitting fees for attending Meetings of the Board of Directors or Committees thereof.
- iv. He is liable to retire by rotation

RESOLVED FURTHER THAT any of the Directors or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, things and take all such steps as may be necessary, proper and expedient to give effect to the above said resolution also to take necessary steps to file necessary returns with the Registrar of Companies and comply with other formalities, if any as may be required pursuant to the provisions of Companies Act, 2013 or such other Regulations.”

11. To ratify the remuneration payable to Cost Auditors for the financial year 2022-23:

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof), the remuneration payable to Mr. M.R Krishna Murthy, Bengaluru, Cost Auditors (Membership No.7568), appointed by the Board of Directors based on the recommendation of the Audit Committee of the Company to conduct the audit of the Cost records of the Company for the financial year 2022-23 amounting to Rs. 40,000/- (Rupees Forty Thousand only) including applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the audit of cost records, be and is hereby ratified and approved.

RESOLVED FURTHER THAT any of the Board of Directors or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary and expedient in order to give effect to the above said Resolution.”

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

Place: Bengaluru
Date: 30th May, 2022

Preeti Singh
Company Secretary
M.No A51854

**Note**

- a) Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 ("Act"), in respect of the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.
- b) Pursuant to the General Circular nos. 20/2020 dated 05.05.2020, 14/2020 dated 08.04.2020, 17/2020 dated 13.04.2022, 02/2021 dated 13.01.2021, 02/2022 dated 05.05.2022 issued by the Ministry of Corporate Affairs ("MCA") and Circular no. SEBI/HO/CFD /CMD1/CIR/P/2020/79 and SEBI/HO/CFD /CMD2/CIR/P/2021/11 issued by the SEBI (hereinafter collectively referred to as "the Circulars"), Companies are allowed to hold AGM through VC, without the physical presence of Members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
- c) A Member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, pursuant to the MCA Circulars and SEBI Circular, the AGM will be held through VC/OAVM and the physical attendance of Members in any case has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form, Route Map and Attendance Slip are not annexed to this Notice.
- d) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- e) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 15th September, 2022 to Monday, 19th September, 2022 (both days inclusive).
- f) Members holding more than one Share Certificate in different folios are requested to apply for consolidation of the folios and send the relative Share Certificates to the Company's Registrar and Share Transfer Agent, TSR Consultants Private Limited, # C-101, 1ST Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai-400083.
- g) Institutional Shareholders / Corporate Members (i.e. other than individuals / HUF, NRI, etc.) are required to send a certified true copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to the Scrutinizer by email through its registered email address to parameshwar@vjkt.in with a copy marked to evoting@nsdl.co.in.
- h) Dividend, if any, that may be declared at the Meeting will be paid on or before 9th October, 2022 to those Members entitled there to, whose names appear in the Register of Members of the Company at the close of business hours on 14th September, 2022 and for those holding the Shares in demat mode, the dividend will be paid to the Members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners on that date and the bank particulars registered with the respective Depository Accounts will be used for this purpose.
- i) Members holding shares in electronic form may please note that as per the regulations of National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL), the Company is obliged to print the bank details on the dividend warrants as furnished by these Depositories to the Company and the Company cannot entertain any request for deletion/change of bank details already printed on dividend warrants as per information received from the concerned Depositories. In this regard, Members should contact their Depository Participant (DP) and furnish particulars of any changes desired by them.
- j) Pursuant to Section 124 of the Companies Act, 2013 any money transferred to Unpaid Dividend Account and remaining unclaimed for a period of 7 (Seven) years from the date of such transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, and thereafter, the Shareholders shall not be able to claim any Unpaid Dividend amount from the Company. The Company has transferred the amount lying in the credit of Unpaid Dividend Account for up to the financial year 2013-2014 to Investor Education and Protection Fund as stipulated under Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. The Members who have not en-cashed the Dividend Warrants for the financial years 2014-15 onwards are requested to write to the Company directly or to TSR Consultants Private Limited, the Registrar and Share Transfer Agents of the Company.
- k) The Members may now avail of the facility of nomination, by nominating in the prescribed form, a person to whom your Shares in the Company shall vest in the event of death of the Member. Interested Members may write to the Company's Registrar & Share Transfer Agent for the prescribed form.
- l) Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agents, TSR Consultants Private Limited, Mumbai.
- m) In compliance with the aforesaid MCA Circulars and SEBI Circular Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.balpharma.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at • www.bseindia.com and • www.nseindia.com respectively, and on the website of NSDL • <https://www.evoting.nsdl.com>.
- n) As per Regulation 40 of SEBI Listing Regulations, as amended, Securities of listed Companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of Securities. In



view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents (RTA), TSR Consultants Private Limited for assistance in this regard.

- o) Relevant documents referred to in the accompanying Notice and the Explanatory Statement, Registers and all other documents will be available for inspection in electronic mode. Members can inspect the same by sending an email to the Company at • secretarial@balpharma.com.
- p) Members seeking any information/desirous of asking any questions with regard to the accounts, operations or any matter of the Company are requested to send email to the Company at • investor@balpharma.com at least 7 days before the Meeting. The same will be replied by the Company suitably.
- q) The Company has designated an exclusive email id called • investor@balpharma.com to redress Members' complaints/grievances. In case you have any queries/ complaints or grievances, then please write to us at • investor@balpharma.com.
- r) To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with TSR Consultants Private Limited in case the Shares are held by them in physical form.
- s) The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.

INFORMATION FOR MEMBERS RELATING TO E-VOTING AREAS UNDER:

- a) In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No.02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
- b) Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.
- c) The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM

will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

- d) The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- e) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
- f) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at www.balpharma.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- g) EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No.2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER





The remote e-voting period begins on 16th September 2022 at 09.00 A.M. and ends on 18th September 2022 at 05.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 12th September 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 12th September 2022.
How do I vote electronically using NSDL e-Voting system?

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

Step 1: Access to NSDL e-Voting system
A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>i. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>ii. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>iii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>iv. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> </div>



Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> i. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. ii. After successful login of Easi/Easiest the user will be also able to see the EVoting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. iii. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration iv. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login Type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43



B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding Shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold Shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold Shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c. How to retrieve your ‘initial password’?
 - i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:

- a. Click on **Forgot User Details/Password?** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b. **Physical User Reset Password** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d. Members can also use the OTP (OneTime Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.



Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to parameshwar@vjkt.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@balpharma.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@balpharma.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.



INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM AREAS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@balpharma.com. The same will be replied by the company suitably.

Shareholders who have registered their names as speaker will only be allowed to express their views / ask questions during the meeting.

Other Instructions:

- (i) This AGM Notice is being sent to all the Members, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on 18th August, 2022. Any person, who acquires Shares of the Company and becomes a Member of the Company after sending of the Notice and holding Shares as of the cut-off date of 12th September, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- (ii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (iii) The Board of Directors has appointed Mr. Parameshwar G Bhat, Practising Company Secretary (Membership No. FCS 8860) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- (iv) The Scrutinizer shall within a period not exceeding forty eight (48) hours from the conclusion of the e-voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Managing Director or designated Director of the Company.
- (v) The Results shall be declared within 2 working days from the conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.balpharma.com and on the website of NSDL within two (2) working days of passing of the resolutions at the AGM of the Company and also be communicated to BSE and NSE.
- (vi) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Monday, 19th September, 2022

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

Item No. 5:

The Companies Act, 2013, has prescribed new format of Memorandum of Association ("MOA") for public companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter Memorandum of Association so as to align the same with Companies Act, 2013.

The Board at its meeting held on 30.05.2022 has approved alteration of the MOA of the Company and recommended the Special Resolution set forth in Item No.5 of the Notice for approval of the Members. Gist of proposed amendments to Memorandum of Association is appended to this Explanatory Statement as Annexure-I.

Also, a copy of the proposed MOA of the Company would be available for inspection for the Members at the Registered Office/Corporate Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11:00 A.M. to 01:00 P.M. and also on the date of AGM.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise except to the extent of their shareholdings in the resolution set out at Item No. 5 of the Notice.

Item No. 6:

The Articles of Association ("AOA") of the Company as presently in force are based on the erstwhile Companies Act, 1956 and several regulations in the existing AOA are no longer in conformity with the Companies Act, 2013. Further, several regulations / articles of the existing AOA of the Company require alteration or deletion pursuant to changes in applicable laws.

Therefore, it is considered expedient to alter Articles of Association so as to align the same with Companies Act, 2013. The new AOA to



be substituted in place of the existing AOA are based on "Table-F" of the Act which sets out the model Articles of Association for a company limited by shares. Gist of proposed amendments to Articles of Association is appended to this Explanatory Statement as Annexure-II.

Also, a copy of the draft Articles of Association of the Company would be available for inspection by the members at the Registered Office/Corporate Office of the Company on any working day between 11:00 A.M. to 01:00 P.M. and also on the date of AGM.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise except to the extent of their shareholdings in the resolution set out at Item No.6 of the Notice.

Item No. 7:

Keeping in mind the industry norms and remuneration paid to similar appointees in other companies and the active role played by Mr. Shailesh Siroya as Managing Director of the Company, the Nomination and Remuneration Committee of the Company and the Board in their Meetings held on 30.05.2022 have considered and recommended a remuneration of Rs 11,05,000/- per month, with effect from 01.08.2022 and for a period of 2 (Two) years, as per the provisions of Schedule V of the Companies Act, 2013 and subject to the approval of the Members of the Company.

The remuneration recommended may be revised to the minimum remuneration payable in the event of loss or inadequacy of Profits, as per Schedule V of the Companies Act, 2013.

Remuneration based on net profits:

In addition to the salary, perquisites and allowances as set out above, Mr. Shailesh Siroya shall be entitled to receive the remuneration based on the net profits of the Company with a ceiling of 5% and the same will be determined by the Board and/or the Nomination and Remuneration Committee of the Company, for each financial year.

Reimbursement of Expenses:

Expenses incurred for travelling, boarding and lodging including for his spouse during business trips, any medical assistance provided including for his family members, and provision of cars for the use of Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.

General:

The Managing Director will perform his duties with regard to all works of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board.

The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to the duties of the Directors.

Except Mr. Shailesh Siroya, none of the other Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise except to the extent of their shareholdings, if any, in the resolution set out at Item No.7 of the Notice.

Item No.8:

Keeping in mind the industry norms and remuneration paid to similar appointees in other companies and the active role played by Mr. Virupakshaya Himesh as Whole-Time Director of the Company, the Nomination and Remuneration Committee of the Company and the Board in their Meetings held on 30.05.2022 have considered and recommended a remuneration of Rs 3,01,280/- per month, with effect from 28.09.2022 and for a period of 2 (Two) years, as per the provisions of Schedule V of the Companies Act, 2013 and subject to the approval of the Members of the Company.

The remuneration recommended may be revised to the minimum remuneration payable in the event of loss or inadequacy of Profits, as per Schedule V of the Companies Act, 2013.

Remuneration based on net profits:

In addition to the salary, perquisites and allowances as set out above, Mr. Himesh.V shall be entitled to receive the remuneration based on the net profits of the Company with a ceiling of 2% and the same will be determined by the Board and/or the Nomination and Remuneration Committee of the Company, for each financial year.

Reimbursement of Expenses:

Expenses incurred for travelling, boarding and lodging including for his spouse during business trips, any medical assistance provided including for his family members, and provision of cars for the use of Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.

Except Mr. Virupakshaya Himesh, none of the other Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise except to the extent of their shareholdings, if any, in the resolution set out at Item No.8 of the Notice.

Item No.9:

Based on the recommendation of the Nomination and Remuneration Committee, Mr. H S Venkatesh was appointed as an Additional Director of the Company by the Board w.e.f 23.05.2022 and he holds office till the date of the ensuing AGM and is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Independent Director and his office shall not be liable to retire by rotation.

The Board considers that the appointment of Mr. H S Venkatesh as an Independent Director for second term of 3.4 Years (Three Years Four Months) would be of significant value to the Company.



In the opinion of the Board, Mr. H S Venkatesh fulfils the conditions specified in the Companies Act, 2013 and SEBI (LODR) Regulations for his appointment as an Independent Director of the Company.

A brief profile of Mr. H S Venkatesh is set out in the Annexure III to the Notice.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of Institute of Company Secretaries of India.

The terms and conditions of appointments of Mr. H S Venkatesh shall be open for inspection by the Members at the Registered Office of the Company on all working days, between 11:00 A.M. and 01:00 P.M. up to the date of the Annual General Meeting.

Except Mr. H S Venkatesh, none of the other Directors, Key Managerial Personnel or their relatives financially or otherwise, are either interested or concerned in the said Resolution.

Accordingly, the Board recommends his appointment as an Independent Director of the Company as an Ordinary Resolutions set forth in Item No.9 of the Notice for approval of the Members.

Item No. 10:

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Kotian Chittananda Damodar (DIN # 09613054) was appointed as an Additional Director of the Company by the Board w.e.f 30.05.2022 to hold office till the date of the ensuing AGM and is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Whole Time Director and his office shall be liable to retire by rotation.

The Board considers that the appointment of Mr. Kotian Chittananda Damodar as Director for a term of 5 years, would be of significant value to the Company.

A brief profile of Mr. Kotian Chittananda Damodar (DIN # 09613054) is set out in the Annexure III to the Notice.

In the opinion of the Board, Mr. Kotian fulfils the conditions specified in the Companies Act, 2013 and SEBI (LODR) Regulations, as amended from time to time, for his appointment as Whole Time Director of the Company.

The Nomination and Remuneration of the Company and the Board at their respective Meeting held on 30.05.2022 has considered the need to have one more Whole time Director for the Company in view of varied activities and recommended the above appointment at a remuneration of Rs 1,41,206 per month with immediate effect for a period of 3 (Three) years, as per the provisions of Schedule V of the Companies Act, 2013 and subject to the approval of the Members of the Company.

Remuneration recommended may be revised to the minimum remuneration payable in the event of loss or inadequacy of profits, as per Schedule V of the Companies Act, 2013.

This Explanatory Statement together with the accompanying Notice may also be regarded as disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of Institute of Company Secretaries of India.

Except Mr. Kotian Chittananda Damodar, none of the other Directors, Key Managerial Personnel or their relatives financially or otherwise, are either interested or concerned in the said Resolutions.

Accordingly, the Board recommends his appointment as Director and as Whole-Time Director of the Company by an Ordinary Resolutions set forth in Item No. 10 of the Notice for approval of the Members.

Item No. 11:

The Board of Directors of the Company at its Meeting held on 30.05.2022, on the recommendation of the Audit Committee, approved the appointment of Mr. M. R. Krishna Murthy, Cost Accountant, Bangalore (Membership No.7568) as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2022-23 as per the Companies (Cost Records and Audit) Rules, 2014, on remuneration of Rs. 40,000/- (Rupees Forty Thousand only) including applicable taxes and out of pocket expenses at actual.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors, Key Managerial Personnel of the Company, and their relatives are in any way, concerned or interested, financial or otherwise, in the said Resolution.

The Board recommends the Ordinary Resolution set forth in Item No. 11 of the Notice for the approval of Members.

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

Preeti Singh
Company Secretary
M. No A51854

Place: Bengaluru
Date: 30th May, 2022



Annexure-I

**MEMORANDUM OF ASSOCIATION
OF
BAL PHARMA LIMITED**

(Public Company Limited by Shares)

(Incorporated under the Companies Act, 1956 as amended under the Companies Act, 2013)

1st The name of the Company is BAL PHARMA LIMITED.

2nd The Registered Office of the Company will be situated in the State of Karnataka.

3rd (a) THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE

1. To Carry on the business of analytical chemists, druggists, dry salters and manufacturers, importers, repackers of and dealers in pharmaceutical, medicinal, chemical, biological, biochemical and electrolytic drugs, chemicals, ingredients, products and compounds.
2. To manufacture, prepare, import, export, buy, sell, supply, distribute, store, stock, maintain and otherwise handle, deal in and carry on business in all kinds and varieties of patent medicines, drugs, mixtures, tablets, capsules, pills, powders, pharmaceuticals, chemicals, medicinal and medicinal products, preparations and materials, sterilised injections, vaccines, sera, immunogens, phylacogens and surgical dressings.
3. To purchase, produce, manufacture, grow, raise, sell or otherwise handle raw materials of all kinds for manufacture of pharmaceuticals, medicines and drugs.
 - a. To Carry on the business of Exporters, Merchant Exporters, Importers, Merchant Importers, Traders, Distributors and Dealers in all products and services

3rd (b) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE 3(a) ARE:—

4. To establish, maintain, conduct or contribute for maintenance of laboratories, workshops, factories or other establishments necessary for the purpose of experiments, research, technical studies and investigations and experiments considered useful for the attainment of objects of the Company.
5. To acquire and take over as a going concern any business engaged in or carrying out any of the activities and objects stated in preceding Sub-Clause (1) and or (2) and take over any assets or part of the assets or manufacturing units such as land, building, plant and machinery, furniture and fittings of such business concerns.
6. To establish and maintain, blood banks and research and biological laboratories, farms and stables etc., for the purpose generally of promoting the interests of the Company by actively working about the problems involved in the manufacture of the Company's products or for conducting further researches necessary for the successful working of and promoting the endeavour of the Company.
7. To establish well equipped laboratory and carry on analytical, experimental and other work or undertaking in relation to the works and the general objects of the Company or otherwise
8. To buy, sell, manufacture, refine, manipulate, import, export and deal in all substances, apparatus and things capable of being used in any such business as aforesaid or required by any customer or of persons having dealings with the Company either wholesale or retail.
9. To erect all necessary or convenient refineries, works machinery, laboratory, workshops, dwelling houses for workmen and others and to aid in or subscribe to any such objects.
10. To purchase, take on lease, or in exchange, hire or otherwise acquire, any estates, land or lands, buildings, mills plants, engines, and machinery in India or elsewhere and any rights, privileges, easements connections factories, machinery, implements, tools, live and dead stock, stores, effects and other property, real or personal immovable of any kind.
11. To establish pharmaceutical and chemical manufacturing factories, refineries, distilleries for the purpose of turning into account any raw materials, minerals, tailings, by-products, or sewage connected with the Company's operations or owned by them.
12. To acquire from any sovereign state or authorities in India or elsewhere, any concessions, grants, decrees, rights, powers, and privileges whatsoever, which seem to the Company, capable of being turned to account, and to work, develop, carry out, exercise and turn to account the same.
13. To plant, grow and produce agriculture products and other products of any kind in India or elsewhere necessary or useful for the business of the Company.
14. To enter into any agreement or arrangement with any Government, State or authority, Municipal, local or otherwise, or any corporation, Companies or persons, that may deem conducive to the attainment of the Company's objects or any of them and to obtain from any such Government, State, Authority, Corporation, Company or persons any rights, privileges or concessions and to carry out, exercise and comply with such arrangement or agreement.



15. To apply for, promote and obtain any act of legislature or other authority for enabling the Company to carry out any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest.
16. To exercise, conduct, research, develop, grant licenses in respect of, sell, let, or otherwise turn to account any inventions, processes, letters patent, licenses, concessions, right or privileges belonging to the Company or which it may acquire or any interest in the same, and to apply for, take out and register any patent or patents for any invention or inventions or obtain exclusive or other privileges in respect of the same, in any part of the world and to manufacture and produce and trade and deal in all machinery, plant articles, appliances and things capable of being manufactured, produced or traded in by virtue of or in connection with any such inventions, processes, letters patent, brevet D inventions licenses, concessions, rights or privileges as aforesaid.
17. To manufacture, buy, sell, import, export, install, work and generally deal in any plant, machinery substances, tools, materials, goods or things of any description, which in the opinion of the Company may be conveniently dealt with by the Company in connection with any of its objectives.
18. To construct, improve, maintain, develop, work, manage, carry out or control any roadways, railways, branches or sidings, bridges, reservoirs, water courses, wharves, factories, warehouses, electric works, shops, stores and other works and conveniences, which may seem calculated directly or indirectly to advance the Company's interest and to contribute, to subsidise or otherwise assist or take part in the construction, improvement, maintenance, working, management carrying out or control thereof.
19. To send out to foreign countries, directors, employees or any other persons for investigating possibilities of any business, trade or for procuring and buying any machinery or establishing trade connection or in promoting the interest of the Company and to pay all expenses incurred in this connection.
20. To form, promote, subsidise, organize and assist or aid in forming, promoting, subsidizing, organizing or aiding Companies, syndicates or partnership of all kinds for the purpose of acquiring and undertaking any property and liabilities of the Company or of advancing directly or indirectly the objects thereof or for any other purposes which this Company may think expedient and to take or otherwise acquire and to hold shares in any other Company having objects similar to those of this Company or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
21. To draw, make, accept, endorse, execute, issue and negotiate bills of exchange, promissory notes, cheques, drafts, hundies and other instruments of every description.
22. To issue debentures, debenture stocks, to grant and issue letters of credit, circular notes, bills, drafts and other instruments and securities, whether payable to bearer or otherwise and to make the same or any of them assignable free from equities.
23. To borrow or raise money on any terms without security or on the security of land, buildings. Factories, machinery, tools, bills of exchange, promissory notes, bonds, bills of lading, warrants, stocks, shares, debts, book debts, undertaking of the Company and properties of every description or any one of them or more of them.
24. To receive money or to accept deposits at interest or otherwise and to lend and advance money with or without security to such persons and Companies and on such terms as may seem expedient, however the Company shall not do the business of banking as defined in the Banking Regulation Act, 1949. The acceptance of deposits shall be subject to the provisions of Section 58-A of the Companies Act, 1956, and the rules framed thereunder and the issue of directions by the Reserve Bank of India in this regard from time to time as may be applicable.
25. To pay out, advance, invest and deal with the Company's moneys to such person or Company and in or upon such investments or securities and generally in such manner as may from time to time be determined.
26. To give donations or subscription to any religious, charitable or social institutions or to give any charity incidental or conducive to any business that may be carried on by the Company.
27. To pay for any property or rights acquired by the Company either in cash or fully or partly paid shares with or without preferred or deferred right in respect of dividends or repayment of capital or otherwise or by any securities with which the Company has power to issue or partly in one mode and partly in another and generally on such terms as the Company may determine.
28. To take part in management, supervision, or control of the business or operation of any Company or undertaking and for that purpose to appoint and remunerate any Directors, Accountants or other experts or officers.
29. To sell, exchange, mortgage (with or without power of sale) assign, lease, sublet and generally otherwise deal with whole or any part of the business, estate, property or undertaking of the Company as a going concern, to any persons, association or otherwise of such consideration as the Company may think fit, either for cash or for shares, debentures or securities of any other Company having objects altogether or in part, similar to the objects of this Company and hold or distribute among the members in specie or otherwise the whole or part of the consideration for such sale or amalgamation with any person, Company or association.
30. To establish or aid in the establishment of association, institution, funds, trusts and charities and other conveniences intended to benefit employees or ex-employees of the Company or other dependent and to grant pension or allowances and generally to subscribe money for any public, or useful objects.



31. To pay all or any part of the expenses incurred in connection with the promotion, formation and incorporation of the Company.
32. To insure with any person, firm, association or Company against losses damages, risks and liabilities of any kind which may affect the Company either wholly or partly and if thought fit, to effect any such insurance by joining or becoming a member of any mutual insurance, production or indemnity, association, federation or society and to accept any such insurance or any part thereof for the account of the Company.
33. To establish branches and appoint agencies for or in connection with any of the objects of the Company in any part of the world provided however that the Directors may always circumscribe the scope of business of a special nature and execute power or powers of attorney to the agents of such business defining the limits of his authority in carrying on the business.
34. To lend money, either with or without security, and generally to such persons and upon such hire purchase or such other terms and condition as the Company may think fit.
35. To remunerate any person or Company for services rendered or to be rendered in placing or assisting to place or for guaranteeing the placing of any of the shares in the Company's capital or any debentures, debenture stock or other securities of the Company or in or about the formation of the Company or the conduct of its business.
36. To place, to reserve or to distribute as dividends or bonus among the members or otherwise to apply as the Company may from time to time think fit any moneys received including those received by way of premium on shares or debentures issued at premium by the Company and any moneys in respect of dividends accrued on forfeited shares or from unclaimed dividends.
37. To invest and deal with moneys of the Company not immediately required in such manner as may from time to time be determined.
38. To amalgamate with any other Company.
39. To provide for the welfare of persons employed or formerly employed by the Company and the wives, widows and families of such persons by grants of money, pensions or provident fund or other aid or otherwise as the Company shall think fit.
40. To engage, employ, suspend and dismiss, agents, managers, superintendents assistants, Medical Representatives, Clerks, coolies, and other servants and labourers and to remunerate any such persons at such rates as shall be thought fit, to grant pensions or gratuities to any such person or to widow or children and generally to provide for the welfare of all employees.
41. To adopt such means for making known the products of the Company as may seem expedient and in particular by all kinds of advertising.
- 4th The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
- 5th The Authorised Share Capital of the Company is Rs 20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores) equity shares of Rs 10 (Rupees Ten only) each, with powers to increase or decrease or reclassify and to vary, modify or abrogate any such rights, privileges or conditions in such manner as provided by resolution of the Company. (Amended vide special resolution passed by the members on 23.09.2019).
- 6th We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set against our respective names:

Sl.No.	Names, Address, Description and Occupation of subscriber	Number of Shares taken by each Subscriber	Signature of Subscriber	Signature, Names, Address, description and occupation of witness
1	DILIP SURANA 202/203, 'C' Wing Queens Corner Apts. Queens Road, Bangalore-1 (Industrialist)	10 (Ten)	Sd/- Dilip Surana	Sd/- L.G.PUTHRAN Advocate HIG 9, KHB Colony Basaveswara Nagar, Bangalore-79
2	GHEWARCHAND SURANA 202/203, 'C' Wing Queens Corner Apts. Queens Road, Bangalore-1 (Industrialist)	10 (Ten)	Sd/- Ghewarchand Surana	
	Total	20 (Twenty)		

Bangalore
This is the 7th Day of May, 1987.



Annexure-II

ARTICLES OF ASSOCIATION OF BAL PHARMA LIMITED

(Public Company Limited by Shares)

(Incorporated under the Companies Act, 1956 as amended under the Companies Act, 2013)

PRELIMINARY

(1) In these Articles —

"The Act" and reference to any Section or provision thereof respectively means and includes the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force and reference to the Section or provisions of the Act or such statutory modification.

"Article" or "these Articles" means the Articles set out herein.

"Auditors" means and includes those persons appointed as such for the time being by the Company.

"Board" or "Board of Directors" means the Board of Directors and the Directors collectively or a Meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at the Board or the Directors of the Company collectively.

"Capital" means the Share Capital for the time being raised or authorized to be raised for the purpose of the Company.

"Chairman" means the Chairman of the Company or Chairman of the General Meetings and Board as referred to, in these Articles.

"The Company" or "the Corporation" means BAL PHARMA LIMITED.

"Debenture" includes Debenture-Stock.

"Director" means a Director appointed to the Board of the Company.

"Dividend" includes any interim dividend.

"General Meeting" means the Annual General Meeting and Extra Ordinary General Meeting of the Company, as the case may be, as defined by the relevant provisions of the Act.

"Managing Director" means the Managing Director or Managing Directors of the Company for the time being.

"Member" means a duly registered holder of Shares from time to time and includes the subscribers to the memorandum of the Company and beneficial owners as defined in the Depositories Act, 1996.

"Officer" includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act.

"Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto respectively under the Act.

"Month" means Calendar Month.

"Office" means the Registered Office for the time being of the Company.

"Paid up" includes credited as paid-up.

"Person" includes corporations as well as individuals.

"Proxy" includes Attorney duly constituted under a Power of Attorney.

"The Registrar" means the Registrar of Companies of the state in which the registered office of the Company is situated for the time being.

The word "Debenture" includes Debenture-Stock.

"Seal" means the common seal for the time being of the company.

"Securities" means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956.

"Secretary" means any individual possessing qualifications prescribed for the time being by Rules made under the Act and appointed to perform the duties, which may be performed by a Secretary under the Act and any other ministerial or administrative duties.

"Shareholder" means any person(s) who is a holder of any class of Shares.

"Shares" and "Shares in the Company" mean all classes of Shares in the Capital of the Company or any class thereof, as the case may be and includes any and all the rights conferred on a person by the ownership of such shares.

"Whole Time Director" includes a Director in the whole-time employment of the Company.

"Year" means the calendar year, and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.

Words importing the masculine gender also include the feminine gender.

Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

"In writing" and "written" include printing or lithography or any other modes of representing or reproducing words in visible form.

- (2) Unless the context otherwise requires, words or expressions contained in these Articles of Association shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the company.



1. APPLICATION OF TABLE 'F'

For the matters not provided herein, the provisions contained in Table 'F' shall apply to the Company.

2. PUBLIC COMPANY

The Company is a Public Company within the meaning of Section 2(71) of the Act, and accordingly:

- (i) Does not restrict the right to transfer its shares;
- (ii) Does not limit the number of its members to be two hundred;
- (iii) Does not prohibit any invitation to the public to subscribe for any securities of the Company.

3. SHARE CAPITAL

- i. The Authorized Share Capital of the Company shall be such amount as stated in the Company's Memorandum from time to time, with such rights, privileges and conditions attaching thereto as may be determined by the Company in the General Meeting, and if no direction be given, as the Directors may determine.
- ii. The Shares of the Company shall be under the Control of the Board, subject to the provisions of the Act and Articles contained herein. The Board may issue, allot, or otherwise dispose off Shares in such manner as it may deem proper subject to the Act and such other applicable laws.

4. ALTERATION OF SHARE CAPITAL

- i. The Company may, from time to time, by Ordinary Resolution, increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the Resolution.
- ii. Subject to the provisions of Section 61 of the Act, the Company may, by Ordinary Resolution:
 - a. consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;
 - b. convert all or any of its fully paid-up Shares into Stock, and reconvert that Stock into fully Paid-up Shares of any denomination;
 - c. sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the memorandum;
 - d. cancel any Shares which, at the date of the passing of the Resolution, have not been taken or agreed to be taken by any person.
- iii. Where Shares are converted into Stock:
 - a. the holders of Stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- b. the holders of Stock shall, according to the amount of Stock held by them, have the same rights, privileges and advantages as regards dividends, voting at Meetings of the Company, and other matters, as if they held the Shares from which the Stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.
- c. such of the regulations of the Company as are applicable to paid-up Shares shall apply to Stock and the words Shares and Shareholders in those regulations shall include Stocks and Stock-holders respectively.
- iv. The Company may, by Special Resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law:
 - a. its Share Capital;
 - b. any Capital Redemption Reserve Account; or
 - c. any Share Premium Account.

5. TRANSFER OF SHARES

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in Depository.

6. TRANSMISSION OF SHARES

- i. On the death of sole member, his nominee(s), if any, shall be the only person(s) recognized by the Company as having any title to his interest in the Shares to the exclusion of succession laws applicable to the deceased member.
- ii. In the case of the death of any one or more of the persons named in the Register of Members as the joint-holder of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability or shares held by him jointly with any other person.
- iii. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two more joint-holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India. Provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary.



- iv. Every member shall deliver to the Company a nomination in accordance with and subject to the Rules made by the Board.
- v. In case, the nomination is not made as provided above, it shall be deemed that a nomination has been made by the deceased member himself, in the following order of precedence:
 - a. a spouse, if any;
 - b. child or children, if any, jointly;

EXPLANATION: This includes both unmarried and married children of both sexes.

7. NOMINATION

Equity holders of Shares/Debtenture holders may nominate a person to whom their Shares in, or the debtentures of the Company, shall vest, in accordance with the provisions contained in the Act.

8. SHARES IN ELECTRONIC FORM

(A). Definition:

‘Depository’ shall mean a Depository as defined under clause (e) of sub Section (1) of Section 2 of the Depositories Act, 1996.

‘Beneficial Owner’ shall mean the beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996.

‘Shareholder’ or ‘Member’ means the duly registered holder of the Shares from time to time and includes the subscribers to the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub Section (1) of Section 2 of the Depositories Act, 1996.

‘SEBI’ means the Securities and Exchange Board of India.

‘Bye-laws’ means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

‘Depositories Act’ means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force.

‘Record’ includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations.

‘Regulations’ means the regulations made by SEBI.

‘Security’ means shares, debtentures and such other security as may be specified by SEBI from time to time.

(B). Dematerialization of securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities, pursuant to the Depositories Act and the rules framed there under, as follows:

- 5(e) ‘The Shares in the Capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the Shares of the Company which are dematerialized in future or issued in future in dematerialized form’.

- 5(f) ‘The Company shall be entitled to dematerialize its existing Shares, rematerialize its Shares held in the Depositories and/or to offer its fresh shares, debtentures and other securities, in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any’.

(C). Option to receive security certificates or hold securities with Depository

- i. Every person subscribing to the securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository.
- ii. Where a person opts to hold a security with a Depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of such information the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

(D). Securities in depositories to be in fungible form

- i. All securities held by a Depository shall be dematerialized and shall be in fungible form.
- ii. Nothing contained in Section 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.
- iii. In case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form, the provisions of the Depositories Act, 1996, shall apply.

(E). Rights of Depositors and Beneficial Owners

- i. Notwithstanding anything to the contrary contained in the Articles or in any other law for the time being in force, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of a beneficial owner.
- ii. Save as otherwise provided in article (i) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.
- iii. Every person holding securities of the Company and whose name is entered as beneficial owner in the records of the Depository shall be deemed to be the member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his securities held by a Depository.
- iv. Nothing contained in the foregoing Article shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of Depository.

(F). Depository to furnish information

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the Company in this behalf.



(G). Option to opt out in respect of any such security

- i. If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly.
- ii. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company.
- iii. The Company shall, within (30) days of the receipt of intimation from a Depository and fulfilment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the beneficial owner or the transferee, as the case may be.

(H). Section 56 of the Act not to apply

Notwithstanding anything to the contrary contained in the Articles:

- i. Nothing contained in Section 56 of the Act shall apply to a transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

(I). Registers and Index of beneficial owners

- i. The Register and index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and index of members for the purposes of the Act and these Articles.
- ii. Except as ordered by a court of competent jurisdiction or by Law required, the Company shall be entitled to treat the person whose name appears on the Register of members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognize any trust, or equity and equitable contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.
- iii. The Company shall keep a Register and index of Members in accordance with all applicable provisions of the Companies Act and the Depositories Act, 1996 with details of Shares held in material and dematerialized forms in any media as may be permitted by Law including in any form of electronic media. The Company shall be entitled to keep in any State or Country outside India, a branch Register of members resident in that State or Country.
- iv. The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered on the Register of Members in respect thereof.

9. DIVIDEND

i. DIVISION OF PROFITS

The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles shall be divisible among the members in proportion to the

amount of capital paid-up or credited as paid-up on the Shares held by them respectively.

ii. THE COMPANY IN GENERAL MEETING MAY DECLARE A DIVIDEND

The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

iii. DIVIDENDS ONLY TO BE PAID OUT OF PROFITS

No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profit of the Company and remaining undistributed or out of both, provided that;

- (a) If the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
- (b) If the Company has incurred any loss in any previous financial year or years, the amounts of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both case after providing for depreciation in accordance with the provisions of Section 123 of the Act or against both.

iv. INTERIM DIVIDEND

The Board may subject to provisions of the Act, from time to time, pay to the members, such interim dividend as in its judgment the position of the Company justifies.

v. CAPITAL PAID UP IN ADVANCE AT INTEREST NOT TO EARN DIVIDEND

Where capital is paid in advance of call, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits or voting rights.

vi. DIVIDEND IN PROPORTION TO AMOUNT PAID-UP

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend accordingly.

vii. RETENTION OF DIVIDENDS UNTIL COMPLETION OF TRANSFER

The Board may retain the dividends payable upon Shares in respect of which any person is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.



viii. DIVIDEND ETC., TO JOINT HOLDERS

Any one of several persons who are registered as the Joint holders of any share may give effectual receipts for all dividends or bonus or other moneys payable in respect of such Shares.

ix. NO MEMBER TO RECEIVE DIVIDEND WHILE INDEBTED TO THE COMPANY AND COMPANY'S RIGHT OF REIMBURSEMENT THEREOF

No member shall be entitled to receive payment of any interest or dividend in respect of his Share or Shares, while any money may be due or owing from him to the Company in respect of such Share or Shares, or otherwise, however, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of the money so due from him to the Company.

x. TRANSFER OF SHARES MUST BE REGISTERED

A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

xi. DIVIDEND HOW REMITTED

Unless otherwise directed, any dividend may be paid by Cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint holders to that one of them first named in Register in respect of the joint holders. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission; or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

xii. UNCLAIMED DIVIDEND

Any amount remains unpaid in the Dividend account as mentioned in the Article '9.xiv' and '9.xv' below, may be treated in the manner prescribed under the Act.

xiii. NO INTEREST ON DIVIDENDS

No unpaid dividend shall bear interest as against the Company.

xiv. TRANSFER TO SPECIAL BANK ACCOUNT

The Company after having declared the dividend must transfer the unpaid or unclaimed dividend, if any, to special account in a Scheduled Bank to be named suitably to represent the Unpaid Dividend Account of BAL PHARMA INDIA LIMITED within 7 days after the expiry of 30 days commencing from the date of declaration of dividend.

xv. TRANSFER TO GENERAL REVENUE ACCOUNT

If any dividend remains unpaid or unclaimed for a period of seven years after the amount is transferred to the special bank Account, the amount remaining in the special bank Account will

have to be transferred to the General Revenue Account of the Central Government (including such specified accounts), containing the details of the Shareholders who have not been paid the dividend and the amount of dividend unclaimed.

xvi. DIVIDEND AND CALL TOGETHER

Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the Meeting fixes, but so that call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged, between the Company and the member, be set off against the calls.

10. CAPITALIZATION OF PROFITS

i. The Company in General Meeting, may upon the recommendation of the Board, resolve:

- a. That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- b. That such sum be accordingly set free for the distribution in the manner specified in clause (2) amongst the members who have been entitled thereto, if distributed by way of dividend and in the same proportions.

ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3), either in or towards:

- a. Paying up any amounts for the time being unpaid on any Shares held by such members respectively.
- b. Paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid. Or
- c. Partly in the way specified in sub clause 2(a) and partly in that specified in sub clause 2(b).

iii. A Share Premium Account and a capital redemption reserve account may for the purpose of this regulation, only be applied in the paying up of unissued Shares to be issued to members of the company as fully paid bonus shares.

iv. The Board shall give effect to the Resolution passed by the Company in pursuance of this article.

11. NUMBER OF DIRECTORS

There shall be a minimum of 3 and maximum of 15 Directors including all kinds of Directors.

12. APPOINTMENT AND TENURE OF DIRECTORS

i. The Directors shall cease to be Directors in case of death, resignation or removal as per the Act or disqualification or withdrawal of nomination by the nominating authority.

ii. The Board may appoint Additional Directors in accordance with the provisions of Section 161(1) of the Act for the benefit of the Company in general, and in particular, when there is no quorum



at the Board Meeting, and such Meeting has to be conducted without adjournment.

- iii. The Board may appoint Alternate Directors as and when required subject to the provisions of Section 161(2) of the Act.
- iv. Nominee Director
 - a) Not with standing anything contained in sub-article (i) and (ii) hereof, financial institutions or banks who have granted long term loans to the Company may appoint Nominee Directors, during the period of their loans remaining unpaid, subject to the provisions of Section 25 of the Industrial Finance Corporation Act, 1948 and Section 27 of the Finance Corporation Act, 1951, as the case may be, or such agreement or arrangement, as has been mutually agreed upon and by virtue of any Agreements with any Investors, Institutions, Strategic or otherwise, the Company may appoint Investor's Nominee Directors in accordance with the terms and conditions of the Agreements.
 - b) The Nominee Directors so appointed shall not retire by rotation.
 - c) The Nominee Directors shall have the same rights and privileges in respect of voting rights at the Board Meetings, payment of sitting fee and reimbursement of travelling expenses in the same manner as admissible to other Directors.

13. QUALIFICATION OF DIRECTORS

No Director shall be required to hold Qualification Shares.

14. SITTING FEE, COMMISSION AND EXPENSES

- i. The Company may pay sitting fees to any Director for attending the Board, Committee or General Meetings of the Company as may be decided by the Board of Directors from time to time. Subject to the requisite approvals, the Directors may be paid commission on profits also.
- ii. The Directors may however be paid all travelling, hotel and other expenses properly incurred by them:
 - a. In attending and returning from Meetings of the Board or any Committee thereof or General Meeting of the Company; or
 - b. In connection with the activities of the Company.

15. APPOINTMENT OF MANAGING/ WHOLE TIME DIRECTOR

- i. The Board may appoint one or more of its body to the office of the Managing Director or Whole Time Director by whatsoever designation on such terms and conditions, including remuneration and privileges, as may be thought proper.
- ii. The Board may vest in such appointee(s) such powers and discretion as may be deemed necessary and expedient.
- iii. Notwithstanding anything contained herein, the Board shall have power to revoke such appointments before expiry of their tenure in the best interest of the Company and such revocation shall not be deemed to be removal within the meaning of Section 169 of the Act.

16. POWERS OF THE BOARD

Without prejudice to the general powers conferred on the Board by the Act and the Articles of Association of the Company, the Board shall have the following powers:

- i. to borrow, with or without security, from any source, without any restrictions as to ceiling, however, subject to the provisions of the Act.
- ii. sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;
- iii. to make loans or lend money to anyone with security and interest as may be deemed appropriate to achieve the objectives of the Company.
- iv. to invest the funds of the Company in any manner as may be deemed appropriate to achieve the objectives of the Company.
- v. to give guarantee or provide any security for any amount, with or without consideration.
- vi. to draw, make, accept, negotiate, endorse, discount, assign, execute, issue, buy or sell, promissory notes, bills of exchange, bills of lading and other negotiable instruments.
- vii. to make donations in any form, statutorily required or otherwise for the purpose of contribution to:
 - a. financial health of the Company or
 - b. welfare of the members and the employees of the Company (and their families) present or past.
- viii. to remit or give time for the payment, any debt due by a customer or buyer or an employee.
- ix. to write off any bad debts.
- x. to pay preliminary expenses, including those of any Company promoted by the Company.
- xi. to adopt, execute any or all the pre-incorporation contracts.
- xii. to delegate any or all the powers contained herein to any functional Directors, with an authority for further sub-delegation.
- xiii. to purchase any property movable or immovable in India.
- xiv. to appoint an attorney(ies) of the Company, with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) as may be deemed proper and to revoke such appointments.
- xv. to frame rules where required by the provisions of these Articles.
- xvi. sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;
- xvii. to issue securities, including debentures, whether in or outside India and



xviii. Generally to do all deeds and things as the expedience of the business warrants.

17. CHAIRMAN

- i. The Board of Directors or Shareholders may appoint one of the Directors as Chairman of the Company.
- ii. The Chairman shall preside over every Board Meeting and General Meeting.
- iii. The Chairman shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting, or if he shall be unable or unwilling to take the chair, then the Managing Director/Whole time Director shall be the Chairman of the meeting. If no Director be present or if all the Directors present decline to take the chair, then the Members present shall elect one of their number to be Chairman.
- iv. No business shall be discussed at any General Meeting except the election of a Chairman, if while the Chair is vacant.
- ii. In the event of equality of votes, the Chairman shall have a casting vote, in addition to his own vote as a Director or a member as the case may be.
- iii. The Chairman may adjourn Board Meeting or a General Meeting or a Meeting of any Committee, as he may deem proper, if and when;
 - a. a quorum is not present within 15 minutes from the time appointed for holding the Meeting;
 - b. a poll is demanded;
 - c. a member raises a point of order (strictly confined to incorrect procedure, irrelevancy and unparliamentary language or transgressing the provisions of Articles of Association of the Company);
 - d. the meeting is turned into a mock show
- iv. The Chairman may at his discretion close a debate of motion by the member, if he is satisfied that such debate serves no useful and constructive purpose.

18. PROCEEDINGS OF THE BOARD

- (i) (a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
 - (b) A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
- (ii) (a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
 - (b) The Chairman shall not have a second or casting vote.
- (iii) The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the

continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

- (iv) (a) The Board may elect a Chairman of its meetings and determine the period for which he is to hold office.
 - (b) If there will be no Chairman or the Chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of the Directors to be Chairman of the meeting.
- (v) (a) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
 - (b) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- (vi) (a) A committee may elect a Chairman of its meetings.
 - (b) If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the Directors/members present may choose one of their Directors/members to be Chairperson of the meeting.
- (vii) (a) A Board /Committee may meet and adjourn as it thinks fit.
 - (b) Questions arising at any meeting of a Board/committee shall be determined by a majority of votes of the Directors /members present, and in case of an equality of votes, the Chairman shall have a second or casting vote.
- (viii) All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a Director.
- (ix) Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

19. AUTHORITY TO CALL BOARD MEETINGS

- i. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its Meetings, as it thinks fit.
- ii. A Director may, and the Manager or Secretary on the requisition of a Director shall, at any time, summon a Meeting of the Board.

20. MEETINGS

- i. The Board and General Meetings of the Company can be convened through video conference as per the Act.



- ii. The Company shall adhere to the Secretarial Standards issued from time to time by the Institute of Company Secretaries of India relating to the Board and General Meetings, if so directed by the Central Government.

21. QUORUM

- i. Quorum for the General Meetings shall be as per the provisions of the Act.
- ii. Two (2) Directors or one third of the total number of Directors as on the date whichever is higher shall be the quorum for the Meetings of the Board/Committee.
- iii. If at the adjourned General Meeting a quorum is not present within half-an-hour from the time appointed for holding the Meeting, the members present shall be a quorum.

22. PERIOD OF NOTICE FOR CALLING GENERAL MEETING

- i. A written notice of not less than 21 (Twenty-one) days shall, for every General Meeting, be given to the members to their addresses recorded in the Register of Members or through electronic mode. However, the General Meeting may be convened by giving shorter notice with the consent of the Shareholders as per the provisions of the Act.
- ii. The period of notice, provided in the foregoing sub-article, shall exclude the day of posting and delivery of a notice and the day of holding the Meeting and the 48 hours time of postal transit.
- iii. A notice, in pursuance of sub-article (1) shall be required to be given for every adjourned Meeting of the Company.

23. CONTENTS OF NOTICE AND PERSONS TO WHOM IT IS TO BE SERVED

- i. Every notice of a General Meeting shall specify the place, the day and the time of the Meeting and the agenda of business to be transacted thereat.
- ii. Notice of every General Meeting shall be served on the members of the Company, who are entitled to vote thereat, and the Auditors of the Company, in case of the Annual General Meeting.

24. ACCOUNTS

- i. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the account and books of the Company or any of them shall be open to the inspection of members (not being Directors).
- ii. No member (not being a Director) shall have any rights of inspection any accounts or books of accounts of the Company except as conferred by the law or authorized by the Board or by the Company in General Meeting.

25. REGISTERS & INSPECTION

The Register of Charges, Register of Investments, Register of Members and the Minutes of the Meeting of the Shareholders and Annual Returns shall be kept at the Registered Office of the

Company and shall be open, during business hours on all working days, for such periods not being less in the aggregate than two hours in each day (11 am to 1 pm) for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the above mentioned documents requires extracts of the same, the Company may, except where the extract is to be given free of charge as per the Act or other application provision of law, charge a fee which shall not exceed rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.

26. BUY BACK OF SHARES

The Company may purchase its own Shares/securities in accordance with the provisions contained in Sections 68 to 70 of the Act and the rules made there under in pursuance of the guidelines issued by the Central Government.

27. AUDIT

The Auditors of the Company shall be appointed as per the Act.

28. WINDING UP

Subject to the provisions of the Act and rules made there under:

- i. If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- ii. For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- iii. The Liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories, if he considers necessary, but so that no member shall be compelled to accept any Shares or other securities whereon there is any liability.

29. INDEMNITY

- i. The Board shall be entitled to meet out of the funds of the Company to defend, every officer of the Company as defined by Section 2(59) of the said Act, or any person (whether an officer of the Company or not) employed by the Company, against all claims made on them (including losses and expenses), in or about the discharge of their respective duties.
- ii. Every Officer of the Company, as defined by Section 2(59) of the said Act, or any person (whether an Officer of the Company or not) employed by the Company, shall be indemnified from all claims, losses and expenses expended by them, respectively in or about the discharge of their respective duties, out of the funds of the Company against all liabilities, including attorney fees, incurred by them in defending any proceedings under the Act, or other laws applicable to the Company, and/or its subsidiaries in any jurisdiction.



- iii. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors, key managerial personnel and others employed by the Company, for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.
- iv. No Director of the Company, Manager, Secretary, Trustee, Auditor and other officer or servant of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or servant or for joining in any receipts or other act for the sake of conformity merely or for any loss or expenses happening to the Company through the insufficiency or deficiency in point of titles or value of any property acquired by the order of the Directors for or on behalf of the Company or mortgaged to the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation to or with whom any moneys, securities or effects of the Company shall be entrusted or deposited or for any loss occasioned by any error of judgement, omission default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution or performance of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

30. COMMON SEAL

The Board may provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof. The Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

Subject to (a) above, every Deed or other instrument, to which the seal of the Company is required to be affixed may, unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose, provided that in respect of the Share Certificate.

30. SECRECY

- (a) Every Director, Manager, Auditor, Treasurer, Trustee, member of a committee, officer, servant, agent, accountant, or other person employed in the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these Articles and to sign any documents in connection with the above as may be decided by the Board from time to time.
- (b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of trade secret, mystery of trade, secret process or any other matter which may relate to conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

***Altered vide Special Resolution passed at the 35th Annual General Meeting of the Company held on 19th September, 2022.**

Sl.No.	Names, Address, Description and Occupation of subscriber	Signature of Subscriber	Signature, Names, Address, description and occupation of witness
1	DILIP SURANA 202/203, 'C' Wing Queens Corner Apts. Queens Road, Bangalore-1 (Industrialist)	Sd/- Dilip Surana	Sd/- L.G.PUTHRAN Advocate HIG 9, KHB Colony Basaveswara Nagar, Bangalore-79
2	GHEWARCHAND SURANA 202/203, 'C' Wing Queens Corner Apts. Queens Road, Bangalore-1 (Industrialist)	Sd/- Ghewarchand Surana	

Bangalore
This is the 7th Day of May, 1987.

**Annexure-III**

Additional Information of Director seeking the appointment /reappointment of
Directors at the forthcoming Annual General Meeting
(pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015
(as amended from time to time) and Secretarial Standards on General Meetings issued by ICSI.

Name of the Director	Mr.H SVenkatesh	Mr.Kotian Chittanand Damodar
Director Identification Number (DIN)	01776040	09613054
Date of Birth	02/12/1955	31/05/1961
Original Date of Appointment / re-appointment	23/05/2022	30/05/2022
Educational Qualifications	Chartered Accountant	MSC and MBA
Expertise in functional areas	Audit, Finance & Fund Management	Operations, Administration, Quality Assurance and Projects
Experience in Years	37 Years	33 Years
Terms and conditions of Appointment/ re-appointment and Remuneration	As per the Nomination and Remuneration Policy	As per the Nomination and Remuneration Policy
Remuneration last drawn	NA	NA
No. of Board Meetings attended during Financial Year 2021-22	5	NA
Relationship with other Directors and Key Managerial Personnel.	NA	NA
Directorship in other Companies /LLP's	Mro-Tek Realty Limited	NA
Directorship in other listed Entities	Mro-Tek Realty Limited	NA
Membership/Chairmanship of committees in public limited companies	1. Chairman of Audit Committee- Bal Pharma Ltd. 2. Chairman of Audit Committee- Mro-Tek Realty Ltd. 3. Chairman of Nomination and Remuneration Committee- Bal Pharma Ltd. 4. Chairman of Stakeholders Relationship Committee- Bal Pharma Ltd. 5. Member of Stakeholders Relationship Committee- Mro-Tek Realty Ltd. 6. Chairman of CSR Committee- Bal Pharma Ltd.	NA
No. of shares held in the Company (either directly or indirectly)	NA	NA



**Information about Executive Directors whose proposed remuneration
is under review**

SL.No.	Name of the Director	Mr. Shailesh Siroya	Mr. Virupakshaya Himesh
1	Brief background	Mr. Shailesh Siroya has been associated with the Company from its inception.	Mr. Virupakshaya Himesh has been associated with the Company from last 3 Years.
2	Immediate past remuneration	Rs 8,50,000/- per month was paid as salary and perquisites during FY 2021-22.	Rs 2,40,000/- per month was paid as salary and perquisites.
3	Job profile and suitability	Mr. Shailesh Siroya is the Managing Director of the Company with marketing and finance aspects of the Company as his core focus areas. He has the experience of more than 30 years in the field of pharmaceuticals.	Mr. Virupakshaya Himesh is the Whole-Time Director of the Company with API Manufacturing and R&D aspects of the Company as his core focus areas. He has the experience of more than 34 years field of manufacturing of API and has served several reputed pharmaceutical Companies including Bal Pharma Limited
4	Remuneration proposed	Details of remuneration proposed have been given in the notice. Taking into consideration the size of the Company, profile of the appointee, responsibilities shouldered by them, the remuneration proposed is commensurate with the remuneration packages paid or is comparable to other companies' in the industry.	Details of remuneration proposed have been given in the notice. Taking into consideration the size of the Company, profile of the appointee, responsibilities shouldered by them, the remuneration proposed is commensurate with the remuneration packages paid or is comparable to other companies' in the industry.
5	Pecuniary relationship with the managerial personnel, if any.	Mr. Shailesh Siroya, besides drawing the prescribed remuneration and holding 17.63% of the paid up equity share capital of the Company, does not have any other pecuniary relationship with the managerial personnel of the Company.	Mr. Virupakshaya Himesh besides drawing the prescribed remuneration does not have any other pecuniary relationship with the managerial personnel of the Company

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

**Preeti Singh
Company Secretary
M. No A51854**

Place: Bengaluru
Date: 30th May, 2022



Trends in Pharma Industry

The pharmaceuticals sector is undergoing a significant transformation. Due to the development of various technologies, technology's traditionally slow adoption is undergoing rapid changes today. Other than technology advancements, pharma firms are influenced by several other factors. The primary driving forces of price and quality of the medicines/treatments have also moved beyond success in the pharmaceuticals business. The prominent pharma industry trends include:

- **Amalgamations of Artificial Intelligence:**

The pharmaceuticals business will benefit from artificial intelligence (AI) in developing new, automated algorithms. It will aid in producing speedier, more precise, and reproducible results. AI could also be used in molecular analysis and drug discovery fields. AI will help treat challenging diseases, comprehend complex clinical data, monitor drug adherence, and improve clinical trial inclusion and exclusion criteria.

The global AI in the pharma market was predicted to increase at a 32.3% compound annual growth rate (CAGR) from \$934.56 million in CY2021 to \$1,236.09 million in CY2022. The Global Healthcare AI software market is predicted to reach \$354.47 billion by CY2030 with a CAGR of 48.2%.

<https://www.ibef.org/industry/pharmaceutical-india>

- **New Use of Marketed Products:**

In the wake of the Covid-19 Pandemic, pharmaceuticals and biotech businesses continue innovating treatments and vaccines and the science behind their developments. Emerging technologies are being used to develop medications, and established scientific procedures are being adapted to find novel therapeutic approaches in the RNA (Ribonucleic acid) sector and clinical trials.

Tapping Unpenetrated Markets:

Besides increasing business in established countries, CY2021 witnessed companies moving into largely untapped markets. The preferred destinations in this context were China and Japan. Indian drug companies have around 1% share in the Japanese Pharmaceuticals Industry. These companies would require inter-governmental relations, trade policies, and novel business models to penetrate further.

- **Leveraging OTC Arena:**

The pharmaceuticals and over-the-counter (OTC) industry is expected to grow significantly. Thanks to critical players' increasing adoption of tactics, the market is likely to develop steadily.

Over-the-counter drugs will see an increase in volume, value, and reach. With greater penetration in the rural market, OTC consumerisation will aid in alleviating the problems caused by a doctor shortage. Chemists would be better equipped to provide over-the-counter medications for common ailments.

Company Overview

Bal Pharma is a fully integrated pharmaceutical company specialized in Bulk Actives, Prescription Drugs, Generics and pharma intermediates. Bal Pharma's focused therapeutic areas are Anti-diabetes, Anti-histamine, Anti-inflammatory, Acne Treatment, Gastroenterology, Cardiology, 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 market, besides and having domestic presence. Backed by strength in Research and Development, and strong infrastructure, Bal Pharma is poised to become a significant company in the pharmaceutical industry.



Company Advantages

- **Integrated Player-** Bal Pharma is a fully integrated pharmaceuticals company and is present across all segments. It specialised in Bulk Actives, Prescription Drugs, Generics, and pharma intermediates.
- **PLI Scheme –** Bal Pharma is a beneficiary of the Production Linked Incentive (PLI) scheme for the Pharmaceuticals Sector under "Atmanirbhar Bharat", through which The Company is expected to improve its risk profile. The Company has been placed under 'Category C' of the said scheme, wherein it is eligible for incentives that will spread INR 500 mn over six years. The incentives under this scheme are expected to flow through the Company's cash flow directly. The Company's various products in API and intermediates are eligible for 10% incentives per annum, and other drugs like Anti Diabetic, Anti-infective and Cardiovascular diseases are eligible for 5%. The Company expects an average annual turnover of INR 1,250 mn p.a from these eligible products.
- **Strong product portfolio-** The Company is constantly working toward improving all-around business performance. The product portfolio in both API and Formulations business is strengthened. The group's diversified product profile includes 200 generic formulations in 20 different therapeutic segments and 22+ Niche APIs. The Company is expanding existing formulations and API both in the newer geographies. The Company's diversified product profile, strong global presence, and fully regulated and approved manufacturing facility will support improve the overall performance of Bal Pharma in the coming years.
- **Medical Representative (MR) strengthening -** To improve operational excellence and market reach, Company is constantly strengthening the medical representative base for the domestic formulation business. Currently, The Company have 400+ medical representative, and the prime focus is on strengthening productivity per MR through various strategies. With these initiatives Company plans to increase its market share in the Domestic FDF along with its new launches
- **Enriched product pipeline-** The Company has a strong product pipeline and robust order book in both API and Product segments. Backed by a strong pipeline company overall business outlook looks positive and promising
- **Herbal Division -** The Herbal product division is getting good traction and improved business, and the Company is planning to expand its footprint of the Herbal product division in the domestic market. A separate team is formed to gain more momentum and better market penetration.

Financial Overview

Business Highlights (Standalone)

The financial performance of the Company is solid and resilient during the year. The incremental growth showcases the Company's inherent strength built over time. The Company reported total revenue of INR. 2,868.56 Mn in FY2022 as compared to INR. 2520.01 Mn in FY2021 registered total growth of 13.83%. EBITDA for FY2022 stood at INR. 296.92 Mn as compared to 290.11 Mn in FY2021. PBT increased by 23.07% YoY to INR 120.56 Mn in FY2022 compared to INR 97.96 Mn in FY2021. PAT for the year FY2022 stood at INR 85.74 Mn versus INR 91.85 Mn in FY2021.

The API segment's revenue reported an increase of 22% YoY to INR 1,598.55 Mn in FY2022 compared to INR 1,308.7 Mn in FY2021. The share of API in total revenue increased to 57% in FY2022 from 53% in FY2021. API exports witnessed a robust growth of 46% YoY for FY2022. The Company exports its API across various regions, with Ireland, Spain, Slovenia, Indonesia, Japan, Mexico, Turkey, and Bangladesh being the top destinations. Exports: Domestic mix was 67:33 in FY2022 versus 69:31 in FY2021.

Formulations segment revenue stood at INR 1,189.94 Mn in FY2022 compared to INR 1170.73 Mn in FY2021. Domestic Formulations have witnessed positive momentum and have reported 11% growth YoY. Domestic to exports was at 28:72 in FY2022 versus 25:75 in FY2021.

Internal Controls

A reputable external agency is auditing the Company's internal controls. This results in an unbiased and independent examination of the adequacy and effectiveness of the internal control systems in achieving the Company's goal of optimal operation. The activities are safeguarding and protecting the Company's assets from unauthorised use or disposition, keeping proper accounting records, and verifying the authenticity of all transactions.

Bal Pharma Limited has an effective compliance management system that issues preventative warnings in the event of any violations. The independent Audit Committee and the Board of Directors regularly review the Company's performance to ensure that it is by overall corporate policy and in line with predetermined objectives. Company's internal auditors, guiding the smooth operation of risk management policies, raising organisational awareness of risks across businesses and corporate functions, developing formal reporting and monitoring processes, and developing risk management maintenance plans to keep the information updated and refreshed, deploying an ERM framework in key business areas and corporate functions, and aligning risk management with the business plan.



Risk and Concerns

Bal Pharma Limited faces risks and uncertainties typical to that faced by global pharmaceuticals industry players, which could have a material impact on earnings and the ability to operate in the future. These are determined via robust assessment considering our risk context by the Board of Directors with inputs from the executive management. The Board is satisfied that these risks are being managed appropriately and consistently.

Research and Development

Market research is a critical business catalyst, allowing Bal Pharma Limited to develop and market differentiated generics and specialty products globally. Best-in-class technologies support the Company's R&D capabilities, allowing it to deliver affordable products globally. The Company is making proactive investments to build a global pipeline of generics, over-the-counter drugs, and specialty products. Long-term pipeline development investments are expected to continue and expand in scale and scope. The Company is also investing in research and development. It is developing specific products for emerging frontier markets.

Information Technology

The Company is automating as many business processes as possible to increase efficiency and accuracy. A framework has been developed within the organisation to capitalise on the opportunities presented by the proliferation of new-age digital technologies and transform into a digitally savvy company. Technologies and platforms have been piloted as part of the plan to provide our customers with a better and more integrated experience.

CAUTIONARY STATEMENT

The Management Discussion and Analysis statements describing Bal Pharma Limited's objectives, projections, estimates, and expectations may be "forward-looking statements" within applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand-supply and price conditions in the domestic and overseas markets. It operates changes in the government regulations, tax laws, and other statutes & other incidental factors.



Your Directors are pleased to present the Thirty Fifth (35th) Annual Report and the audited financial statements of the Company, for the financial year ended 31.03.2022.

FINANCIAL SUMMARY/ REVIEW OF OPERATIONS/ STATE OF COMPANY'SAFFAIRS

Following is the analysis of the standalone financial statements of the Company during the year under review:

(in Rs. Crores)

Particulars	F.Y 2021-2022	F.Y 2020-2021
Total income from operations	286.85	252.00
Profit from operations before interest, other income and exceptional items	12.05	9.79
Tax Expense	3.47	0.69
Profit after tax	8.58	9.09
Total Comprehensive Income	8.57	9.18
Earnings per share (In Rs)		
Basic:	5.79	6.41
Diluted:	5.67	6.41

The financial year 2021-22 was a year of satisfactory performance by the Company. During the year, the revenue from operations recorded a growth of 13.83 % in comparison to the revenue from previous financial year. Though Profit after Tax (PAT) recorded a slight decrease of 5.63 %.

Highlights of Company's performance are covered in detail in the Management Discussion and Analysis Report (MDA), included in this Annual Report as required under Schedule V of the SEBI (LODR) Regulations, 2015.

DIVIDEND

The Board of Directors is pleased to recommend a Dividend of Re. 1/- per Equity Share of Rs.10/- each, i.e 10% of the Equity Share Capital of the Company thereby appropriating an amount of Rs 1.55 Crores towards Dividend for the F.Y 2021-22.

UNCLAIMED DIVIDEND

Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules) provides that the dividend that has remained unclaimed or unpaid for a period of seven years is to be transferred to Investor Education and Protection Fund (IEPF). Further, the Rules mandate that the shares on which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to the IEPF.

During the year under review, the Company has transferred 9,111 Equity Shares of the shareholders, whose dividend is outstanding for 7 consecutive years and an amount of Rs 2,32,312/- to the IEPF account as per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Details of the shareholders whose shares and unpaid dividend that was transferred to the IEPF a/c is updated on Company's website www.balpharma.com.

Shareholders holding shares in physical form are advised to encash their Dividend on time to avoid transfer of their shares to IEPF account.

TRANSFER TO RESERVE

The Company does not propose to transfer any amount to general reserves.

SHARE CAPITAL

Rs.14,82,23,720/- comprising of Rs.1,48,22,372 Equity Shares of Rs.10 each continued to be the Issued and Paid Up Capital of the Company.

During the financial year 2021-22 the Company has not issued any Equity Shares with differential voting rights, nor issued sweat Equity Shares.

During the financial year 2021-22 the Company has the granted Rs. 4,16,500 (Four Lakh Fifteen Thousand Five Hundred) stock options to the permanent employees of the Company under Bal Pharma Ltd – Employees Stock Option Scheme – 2014, with each option convertible into 1 Equity Share of Rs.10 (Rupees Ten only) each of the Company.

As on the date of this report 7,50,000 warrants were converted into Equity Shares thereby the paid up capital of the Company was enhanced to Rs.15,57,23,720 divided into 1,55,72,372 Equity Shares of Rs.10 each.

CONSOLIDATED FINANCIAL STATEMENTS

The Annual consolidated financial statements together with the Auditors Reports' is annexed along with standalone financial statements for the financial year ended 31.03.2022.

NEW PROJECTS/ EXPANSION

The Company plans in advance on any future infrastructure requirements, growth opportunities and invest on the same. During the financial year under review, the Company has spent Rs. 285.23 Lakhs towards capital expenditure.

AUDITORS AND AUDITORS REPORT

a) Statutory Auditors:

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

However, the tenure of Messrs NSVM & Associates, Statutory Auditor will be completed in the ensuing AGM and hence, based on the recommendation of the Audit Committee, the Board of



Directors at its Meeting held on 30th May, 2022 recommended to the Shareholders the appointment of Messrs S S J N B & Co, Chartered Accountants (FRN #013976S) as Statutory Auditor of the Company for the term of Five Years i.e from the conclusion of 35th Annual General Meeting till the conclusion of 40th Annual General Meeting.

There are no other observations, qualifications or adverse remarks by the Statutory Auditors in their report, issued for the financial year 2021-2022.

b) Cost Auditors:

As required by the provisions of Section 148 of the Companies Act, 2013, Mr. M.R Krishna Murthy, Cost Accountant, (FCMA # 7568) was reappointed as the Cost Auditor of the Company for the financial year 2022-23, to conduct cost audit of the cost records maintained by the Company.

Cost Audit Report for the FY 2020- 2021 has been filed with the Ministry of Corporate Affairs on 21/10/2021.

c) Secretarial Auditor:

Pursuant to Section 204 of the Companies Act, 2013 and rules made thereunder and in compliance with Regulation 24 A of SEBI (LODR) Regulations, Mr. Parameshwar G Bhat, Practising Company Secretary (CP# 11004) was appointed by the Board of Directors as the Secretarial Auditor of the Company for the financial year 2021-2022.

Secretarial Audit Report for the F.Y 2021-22 in Form MR-3 is annexed to this report as Annexure - I. No comments or remarks were made by the Auditor in his report for the F.Y 2021-22.

d) Internal Auditors:

Messrs Murugesh & Co, Chartered Accountants (M # 002233S) were appointed as the Internal Auditors of the Company for the F.Y 2021-22 and the internal audit reports issued by them were periodically reviewed by the Audit Committee and the Management of the Company is apprised about the observations of the internal auditor and on corrective actions, if any, that needs to be taken.

RISK MANAGEMENT

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

The Risk Management Policy implemented by the Company which is designed to enable risks to be identified, assessed and mitigated appropriately, is available on the website of the Company <https://www.balpharma.com/balpharmacom/pdf/investors/irl/Risk%20Management%20Policy.pdf>

INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. That in preparing the annual accounts, all the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit and loss of the Company for that period.
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing / detecting fraud and other irregularities.
4. That the Directors had prepared the annual accounts on a going concern basis.
5. That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
6. That the Company had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

RELATED PARTY TRANSACTIONS (RPTs)

All contracts /arrangements / transactions entered by the Company during the financial year with related parties were in ordinary course of business and at arms' length basis and the same were undertaken after prior omnibus approval of the Audit Committee.

During the year, the Company has not entered into any contract/arrangement/transaction with the related parties that could be considered as material, as per the policy of the Company on materiality of related party transactions.

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

The Company's policy on the related party transactions as approved by the Board can be accessed from the website i.e <https://www.balpharma.com/balpharmacom/pdf/investors/irl/Policy%20on%20Dealing%20with%20Related%20Party%20Transaction.pdf>



The statement relating to related party transactions are provided as form AOC - 2, which is annexed to this report in Annexure - 2.

All the RPTs undertaken during the financial year are disclosed in the notes to the financial statements. For Further Details, your attention is drawn to the Related Party disclosures set out in the Standalone Financial Statements.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

During the year under review, the following Companies continued to be the subsidiaries of Bal Pharma Ltd. A report on the financial performance of each of the subsidiaries as per Section 129(3) of the Companies Act, 2013 in the prescribed format AOC-I is provided in Annexure- 3 to the Board's Report and hence not repeated here, for the sake of brevity:-

Sl No	Name of the Company/LLP	Nature of Business	% of stake with Bal Pharma, as on 31.03.2022
1	Lifezen Healthcare Private Limited.	Marketing of OTC products.	99.45%
2	Bal Research Foundation	Research and Development.	80%
3	Balance Clinics LLP.	Diabetic care clinics.	80%
4	Golden Drugs Private Limited.	Manufacturing of API's	100%

SECRETARIAL STANDARDS

Secretarial Standards i.e SSI & SS2 issued by the Institute of Company Secretaries of India (ICSI) relating to the Meetings of Board of Directors and General Meetings, respectively have been duly followed by the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP'S)

Mr. Jatish Sheth's appointment as Director was approved by the Shareholders in the 34th Annual General Meeting held on 24.09.2021 and he was appointed as an Independent Director.

Mr H S Venkatesh having completed his term, ceased to be Independent Director on 22nd May, 2022 and based on the recommendation of the Nomination and Remuneration Committee, the Board appointed him as Additional Non Independent Director and he will hold office till the date of the ensuing Annual General Meeting and is proposed to be appointed as Independent Director for second term at the said Annual General Meeting.

Based on the recommendations of the Nomination and remuneration Committee, the Board has appointed Mr. Kotian Chittananda Damodar (DIN: #09613054) as an Additional Director of the Company and to hold office until the conclusion of the ensuing AGM of the Company. The Company proposed to appointment him as Executive Director of the Company for a period of 5 years, subject to the approval of the members. Mr. Shailesh Siroya (DIN #00048109) Managing Director, Mr.

Virupakshaya Himesh (DIN # 08554422) Whole Time Director, Mr. Rengarajan Gopalakrishnan, Chief Financial Officer and Mrs. Preeti Singh, Company Secretary are the Key Managerial Personnel of the Company as on the date of this report.

DECLARATION OF INDEPENDENCE

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

The Independent Directors have also confirmed under Regulation 16(b) of SEBI (LODR) Regulations, 2015 that they are not Non-Independent Director of another Company on the Board of which any non-independent Director of the listed entity is an independent Director.

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

BOARD EVALUATION

The Company has devised a policy for performance evaluation of the Board, Committees and Individual Directors. The evaluation process among others considers attendance of Directors at the Board and Committee Meetings, acquaintance with business, communication within the Board members, effective participation, domain knowledge, compliance with the internal code of conduct, vision and strategy.

The Company has also in place a Policy for Nomination and Remuneration of KMPs, Senior Management personnel and Directors of the Company, which is in compliance with Section 178 of the Companies Act, 2013. Policy guiding the nomination and remuneration of the Directors and KMP's can be accessed from the Company's website <https://www.balpharma.com/balpharmacom/pdf/investors/irl/Nomination%20and%20Remuneration%20Policy.pdf>

The Board carried out annual performance evaluation of itself, Committees, Individual Directors and Chairman at their Meeting held on 10/02/2022.

Report on performance evaluation of the individual Directors, and Committees was reviewed by the Chairman and feedback was given to the Directors. The Board has expressed satisfaction over the overall functioning of the Board Members and their Committees, which are in line with the objectives and goals of the Company.

MEETINGS OF THE BOARD

During the year under review, Five (5) Meetings of the Board of Directors were held on 29th June, 2021, 10th August 2021, 11th November, 2021, 10th February, 2022, and 9th March 2022.

The intervening gap between two Board Meetings was within the maximum period prescribed under the Act. The detailed information regarding Board and Committee meeting is furnished in the Corporate Governance Report, forming part of the Annual Report were held during the year under review.



VIGIL MECHANISM

The vigil mechanism of the Company which also incorporates Whistle Blower Policy as prescribed by SEBI(LODR) Regulations, 2015 includes compliance task force comprising of senior executives of the Company.

The policy of whistle blower is available on the Company’s website. The policy is reviewed by the Audit Committee from time to time and no concerns and/or irregularities were reported by the employees till date. Please access the Company’s website <https://www.balpharma.com/balpharmacom/pdf/investors/irl/Whistle%20Blower%20Policy.pdf>

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOW

As per the provisions of Section 134 of the Companies Act, 2013, details relating to the conservation of energy, technology absorption, foreign exchanges earnings and outflow are given as Annexure -4 to this report.

CORPORATE GOVERNANCE

Your Company is committed to maintaining highest standards of Corporate Governance requirements set out by the Securities and Exchange Board of India. A detailed report on the corporate governance system and practises of the Company along with a certificate from the practising Company secretary confirming the compliance with the corporate governance requirements, are given in a separate section of this report as Annexure-5.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEE’S GIVEN OR SECURITY PROVIDED BY THE COMPANY

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

DEPOSITS

Your Company has not accepted any deposits from the public falling within the purview of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Disclosure as per the Companies (Acceptance of Deposits) Second Amendment Rules, 2015.

The Company has not accepted any unsecured loan from the Directors of the Company and/or relatives of the Directors during the year under consideration.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND UP TO THE DATE OF THIS REPORT

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

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, Copy of the Annual Return as on March 31st, 2022 is available on the Company’s website www.balpharma.com.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the provisions of Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee. As on the date of report following is the composition:

- | | | |
|-----------------------|---|----------|
| 1. Mr.HSVenkatesh | - | Chairman |
| 2. Dr.C.V Srinivas | - | Member |
| 3. Mr.Shailesh Siroya | - | Member |

The Committee has formulated a Corporate Social Responsibility policy which recommends the social activities to be undertaken by the Company, as specified in Schedule VII of the Companies Act, 2013. A copy of the said policy is available on the website i.e <https://www.balpharma.com/balpharmacom/pdf/investors/irl/CSR%20Policy%202022.pdf>

The Committee has recommended CSR budget of Rs 3,50,000 (Rupees Three Lakhs Fifty Thousand only) for the financial year 2021-22 as per the provisions of Section 135 of the Companies Act, 2013. The CSR budget is spent on providing education to the under privileged children through a social welfare organisation i.e ‘ABHUDAYA’.

The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure- 6 of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

HUMAN RESOURCES

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

LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company continued to be listed on BSE Limited, and National Stock Exchange of India Limited, and the Company has paid the annual listing fees for F.Y 2022-23 to the Exchanges.



PARTICULARS OF EMPLOYEES

There are no employees who are in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rules 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as "Annexure -7" to this report.

CEO & CFO CERTIFICATION:

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

INSURANCE COVERAGE

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

CREDIT RATING

The discipline with which the Company conducts its financial transactions is reflected in the BBB- rating given by the credit rating agency Acute for the financial year 2021-2022. The Management of the Company aims at further improving its credit rating during the current financial year.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

The following is the summary of the Complaints regarding sexual harassment, received and redressed during the financial year 2021-22.

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

GENERAL INFORMATION:

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

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

REVISION OF FINANCIAL STATEMENT OR THE REPORT:

As per the Secretarial Standards-4 in case the Company has revised its financial statement or the Report in respect of any of the three preceding financial years either voluntarily or pursuant to the order of a judicial authority, the detailed reasons for such revision shall be disclosed in the Report of the year as well as in the Report of the relevant financial year in which such revision is made.

There is no revision of Financial Statement of the Company that took place in any of the three preceding financial years, under consideration.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

There is no such process initiated during the year, therefore said clause is not applicable to the Company.

FAILURE TO IMPLEMENT ANY CORPORATE ACTION:

There were no such events took place during the year under consideration.

APPRECIATION:

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

**For and on behalf of Board of Directors
Bal Pharma Limited**

Place: Bengaluru
Date: 30th May, 2022

**Himesh Virupakshya
Whole-Time Director**

**Shailesh D Siroya
Managing Director**



Annexure-I

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

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

To
The Members
Bal Pharma Limited
Bangalore

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2022 according to the provisions of:

- i) The Companies Act, 2013 and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA, 1956") and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act, 1992"):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018
 - (h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
 - (j) Circulars/Guidelines issued thereunder;
- (vi) The Industry specific laws applicable to the Company are as follows:
 - a) Pharmacy Act, 1948
 - b) Drugs and Cosmetics Act, 1940
 - c) Homoeopathy Central Council Act, 1973
 - d) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
 - e) Narcotic Drugs and Psychotropic Substances Act, 1985
 - f) Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974



- g) The Medicinal & Toilet Preparations (Excise Duties) Act, 1955
- h) Petroleum Act, 1934
- l) Poisons Act, 1919
- j) Food Safety and Standards Act, 2006
- k) Insecticides Act, 1968
- l) Biological Diversity Act, 2002
- m) The Indian Copyright Act, 1957
- n) The Patents Act, 1970
- o) The Trade Marks Act, 1999

(vii) The other general laws as may be applicable to the Company including the following:

(1) Employer/Employee Related Laws & Rules:

- i. The Factories Act, 1948
- ii. The Employees State Insurance Act, 1948
- iii. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- iv. Contract Labour (Regulation and Abolition) Act, 1970
- v. The Minimum Wages Act, 1948
- vi. The Payment of Wages Act, 1936
- viii. The Payment of Gratuity Act, 1972
- ix. The Payment of Bonus Act, 1965
- x. The Maternity Benefit Act, 1961
- xi. The Equal Remuneration Act, 1976
- xii. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- xiii. The Karnataka Labour Welfare Fund Act, 1965
- xiv. The Apprentices Act, 1961
- xv. The Industrial Employment Standing Orders Act, 1946
- xvi. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
- xvii. The Karnataka Industrial Establishments (National & Festival) Holidays Act, 1963
- xviii. The Karnataka Public Safety (Measures) Enforcement Act, 2017
- xix. Karnataka Shops & Commercial Establishment Act, 1961

(2) Environment Related Acts & Rules:

- i. The Environment Protection Act, 1986
- ii. The Water (Prevention & Control of Pollution) Act, 1974
- iii. The Air (Prevention & Control of Pollution) Act, 1981
- iv. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
- v. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

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

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above as may be applicable during the year under review. Certain non material findings made during the course of the audit relating to the provisions of Companies Act, 2013, Secretarial Standards, Labour Laws were addressed suitably by the Management.

With relation to regulation 3 (5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Listed Entity represented that it has robust prevailing system for tracking of sharing the Un-published Price Sensitive Information (UPSI) and is in the process of establishing Structured Digital Database (SDD) in software format.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.



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

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

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

Place: Bangalore
Date: 30.05.2022

Parameshwar G. Bhat
FCS No.: 8860
C P No.: 11004
UDIN: F008860D000433196

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

Annexure

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

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

Place: Bangalore
Date: 30th May, 2022

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



Annexure-2

Form AOC-II

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

I. Details of contracts or arrangements or transactions not at Arm's length basis: NA

II. Details of contracts or arrangements or transactions at Arm's length basis.

(Amount in Crore)

Sl. No.	Name (s) of the related party & nature of relationship	Nature of contracts /arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Micro Labs Limited (Promoter group entity)	Supply of Raw Material	10 Cr	29.06.2021	NA
2	Shailesh Siroya (Promoter & Director)	Commission	1.50 Cr	29.06.2021	NA
3	Siroya Wellness (Mr. Shailesh Siroya is interested as proprietor)	Supply of Raw Material	0.10 Cr	29.06.2021	NA
4	M/s Desa Marketing (Mr. Shailesh Siroya is interested as proprietor)	Sourcing of Raw Materials	2% of the value on domestic sourcing and Market promotion and 3% for International sourcing value: 1.80 Cr	29.06.2021	NA
5	Siroya Constructions (Mr. Shailesh Siroya is interested as Director)	Advances	0.10 Cr	29.06.2021	NA
6	Siroya Properties and Holdings Pvt Ltd (Mr. Shailesh Siroya is interested as Director)	Advances	4.00 Cr	29.06.2021	NA
7	Balance Clinics LLP (Subsidiary of Bal Pharma Ltd)	Supply of Finished Goods	2.00 Cr	29.06.2021	NA
8	Lifezen Healthcare Private Ltd (Subsidiary of Bal Pharma Ltd)	Supply of Finished Goods	10.00 Cr	29.06.2021	NA
9	Bal Research Foundation (Subsidiary of Bal Pharma Ltd)	Supply of Finished Goods	0.10 Cr	29.06.2021	NA
10	Golden Drugs Private Limited (Subsidiary of Bal Pharma Ltd)	Supply of Finished Goods	65.00 Cr	29.06.2021	NA
11	Shailesh Siroya (Promoter & Director)	Salary	1.02 Cr	29.06.2021	NA
12	V. Himesh (Director)	Salary	0.33 Cr	29.06.2021	NA



Annexure-3

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Amount in Rs)

Particulars Sl. No.	1	2	3	4
Name of the subsidiary	Lifezen Healthcare Private Ltd.	Bal Research Foundation	Balance Clinics LLP	Golden Drugs Private Ltd.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA
Share capital	2,00,00,000	10,00,000	10,00,000	3,59,00,000
Reserves & surplus	-17,83,26,326	-18,21,953	-1,91,48,151	-7,40,98,135
Total assets	1,84,68,615	5,16,230	76,22,956	2,29,491,446
Total Liabilities	17,67,94,941	13,38,183	2,57,71,107	26,68,57,095
Investments	0	0	0	0
Turnover	1,23,88,306	0	67,94,493	4,98,05,029
Profit before taxation	-33,78,407	-3,18,900	-15,71,685	-2,34,69,595
Provision for taxation	-165	0	1,663	-9,01,242
Profit after taxation	-33,78,242	-3,18,900	-15,73,348	-2,25,68,353
Proposed Dividend	NIL	NIL	NIL	NIL
% of shareholding	Bal Pharma Ltd=99.45 % Bennett, Coleman & Co Ltd=0.05% Shailesh Siroya=0.5 %	Bal Pharma Ltd=80% Shailesh Siroya=20%.	Bal Pharma Ltd=80% Shailesh Siroya=20%.	Bal Pharma Ltd = 100%

- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year - NA

Part "B": Associates and Joint Ventures : NA

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.



Annexure-4

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTFLOW:

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

- i. Technology absorption & Adaptation:
- ii. Research and Development of the Active Pharmaceutical Ingredient division of Bal Pharma have engaged in working on new products with varied therapeutic segments. In several cases, new routes of manufacture have been developed to reach the final form of novel drugs to economise the routes. Also work carried out to reduce manufacturing process cycle time to increase productivity. These new drug products are generating interest from international markets.
- iii. Drugs that have been worked on belong to the category of treatment of varied applications like constricted blood vessels, spinal cord disorders which are accompanied by muscle spasms, uncontrolled bladder muscle contraction, gastroesophageal reflux disease, anticoagulants, treat hyperparathyroidism, benign prostatic hyperplasia, psychic disorders and allergic rhinoconjunctivitis and urticaria etc. These drug molecules are taken to scale up activities in pilot plant followed by commercial production.
- iv. Process development and pilot plant scale up activities were carried out on a drug, which is used in the treatment of allergic rhinoconjunctivitis and urticaria. Planned to take this drug for commercial production.
- v. Drug molecules worked on anticoagulant, gastroesophageal reflux disease and benign prostatic hyperplasia [BPH] category, the process technology were transferred to production plant and those drugs are now under commercial production.
- vi. Process improvement work carried out on a drug, which is used in the treatment of diuretic. The improved process technology transferred to pilot plant followed by commercial production. Productivity increased for this drug in the way of reducing cost and time cycle in the existing manufacturing process.
- vii. Process fine tuning work carried out on a drug, which is used to treat type 2 diabetics.
- viii. Pilot plant scale up activities are through for the drug which is used to relieve the spasms, cramping and tightness of muscles caused by medical problems, including multiple sclerosis or certain injuries in spine.
- ix. The other category that has received attention is developing a drug to treat anti-anemia.
- x. Process stabilization and optimization work carried out on a drug which is used to treat over active bladder.

**Expenditure on R&D during the financial year ended 31-03-2022:****(Amount in Lakhs)**

i) Revenue Expenditure	202.45
ii) Total Expenditure	202.45
iii) Total R&D expenditure as a percentage of total turnover.	0.80%

Foreign Exchange earnings and outflow:**Amount (In Lakhs)**

	2021-22	2020-21
Total Foreign Exchange Earnings	18,360.18	15,042.68
Total Foreign Exchange outflow		
a) Towards purchase of raw materials	7493.88	5,592.00
b) Towards purchase of capital goods.	NIL	NIL
c) Towards other foreign currency payments		
i) Travelling Expenses	8.26	22.58
ii) Registration fees	54.46	15.80
iii) Commission on Export Sales	61.74	90.86
iv) Export Promotion Expenses	16.00	56.16
v) Inspection Fees	22.55	-

**Annexure-5****CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR-2021-2022**

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

I. BOARD OF DIRECTORS:**I.1 Composition :**

During the year under review, the Board consisted of Seven (6) Directors, of which four (4) Directors are Independent Directors. The composition of Board is in conformity with the relevant Regulations of the SEBI (LODR) Regulations, 2015.

Composition of the Board is as follows:

Sl. No.	Name of the Director	DIN	Designation
1.	Mr. Shailesh Siroya	00048109	Managing Director
2.	Mr. Himesh Virupakshya	08554422	Whole Time Director
3.	Dr. C.V Srinivas	08495304	Independent Director
4.	Mr. H S Venkatesh*	01776040	Independent Director
5.	Ms Nicola Neeladri	01997936	Independent Director
6.	Mr. Jatish Sheth	00581963	Independent Director

*Independent Director till 22nd May, 2022.

All the Independent Directors possess the requisite qualifications and are experienced in their own fields. None of the Directors is a Director in more than Eight (8) Listed Companies or Ten (10) Public Limited Companies or acts as an Independent Director in more than Seven (7) Listed Companies. Further, none of the Directors are the members of more than ten committees or Chairman of more than five Committees in Public Listed Companies in which they are Directors. Necessary disclosures have been obtained from all the Directors regarding their Directorship's and have been taken on record by the Board.

The Board of Directors confirms that all the Independent Directors of the Company full fill the conditions specified under SEBI (LODR) Regulations, 2015 and are Independent of the Management of the Company.

I.2 Board Meetings:

During the financial year under review, 5 (Five) Board Meetings were held on 29-06-2021, 10-08-2021, 11-11-2021, 10-02-2022 and 09-03-2022. Compositions of the Board, attendance of the members of the Board at the Board meetings and Annual General Meeting along with their Chairmanship/Membership on the Boards/Committees as on 31.03.2022, are as furnished below:



Sl. No.	Name of Director	Category	No. of Board Meeting attended during the year	Whether attended last AGM held on September, 24, 2021	Number of Directorships in other Public Companies as on this Report		Number of Committee positions held in other Public Companies as on this Report		Directorship in other listed entity (Category of Directorship) as on this Report
					As Chairman	As Member	As Chairman	As Member	
1	Mr. Shailesh Siroya	Executive Director	5	Yes	0	0	0	0	0
2	Mr. Himesh Virupakshya	Executive Director	5	Yes	0	0	0	0	0
3.	Dr. C.V Srinivas	Non-Executive Independent Director	4	Yes	0	0	0	0	0
4	Mr. H S Venkatesh*	Non-Executive Independent Director	5	Yes	0	1	1	1	I. Mro-Tek Realty Limited-Independent Director
5	Ms Nicola Neeladri	Non-Executive Independent Director	5	Yes	0	2	0	2	I. Mro-Tek Realty Limited: Independent Director
6	Mr. Jatish Sheth	Non-Executive Independent Director	4	Yes	0	0	0	0	0

*Independent Director till 22nd May, 2022

Notes:

1. Other directorships excludes Foreign Companies, Private Limited Companies and alternate Directorships.
2. Only membership in Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee have been reckoned for other Committee memberships.
3. None of the Directors has any Directorship in other listed Companies.
4. All the Directors possess requisite qualifications, experience and expertise in leadership, Mentorship, Business ethics and vision to achieve the goals of the Company, which the Board has identified as key functional areas which a Director should possess and which are in sync with the business and operations of the Company.
5. There are no inter-se relationships between the Board Members.

Declaration under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018:

All the Directors have confirmed that they are neither debarred nor disqualified from being appointed or continuing as Director by Securities and Exchange Board of India / The Ministry of Corporate Affairs or any such statutory authority. The Company has obtained a Certificate to this effect from Mr. Vijaykrishna K.T., Practising Company Secretary, Bangalore as mandated under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

Brief profile of the Directors in the Board of Directors as on date of this Report are:

i) Mr. Shailesh D Siroya, Managing Director

Mr. Shailesh D Siroya is the Chief Promoter and Managing Director of the Company and with over 30 years of pharmaceutical Industry experience. He is Post Graduate in Management Sciences from Akron University, Ohio, USA and is heading the Management team of the Company from the beginning.

ii) Mr. Himesh Virupakshya, Executive Director

Mr. Himesh Virupakshya is a qualified Chemical Engineer with over 34 years of experience in the field of manufacturing of API and has served several reputed pharmaceutical Companies including Bal Pharma Limited.



iii) Dr. CV Srinivas, Independent Director

Dr. CV Srinivas is an ENT Surgeon with over 22 years of experience in the field of Medical Consultation, Health Care, ENT Surgeries, Advisory Services and Clinical Research Studies. He advises the Company in its R & D department and commercialization of new molecules in market.

iv) Mr. H S Venkatesh, Independent Director

Mr. H S Venkatesh is a Chartered Accountant by profession with over 37 years of experience in Audit, Finance, Fund Management and Statutory Compliance.

v) Ms. Nicola Neeladri, Independent Director

Ms Nicola Neeladri is a graduate in Arts with over 12 years of experience in diverse businesses including the wellness industry.

vi) Mr. Jatish Sheth, Independent Director

Mr. Jatish Sheth is a graduate having 25 years of pharmaceutical Industry experience. He has been very actively associated with KDPMA- Karnataka Drugs and Pharmaceuticals Manufacturers' Association since twenty years, and has the credit of holding posts of Joint Secretary, Secretary and President and currently Managing Committee and Steering Committee member of KDPMA. He is also an Executive Member of the CII National Committee of Pharmaceuticals.

In the Opinion of the Board, all the Independent Directors possess integrity, expertise and experience and are the person of high integrity and repute. They fulfil the conditions specified in the Companies Act, 2013 and the rules made thereunder and are independent of the management.

Detail Profiles of the Directors in the Board of Directors of the Company are also uploaded on the website of the Company <https://www.balpharma.com/balpharmacom/pdf/investors/irl/Profile%20of%20Directors.pdf>

1.3 Skills / expertise / competencies fundamental for the effective functioning of the Company currently available with the Board:

Based on the recommendation of the Committee, the Board re-affirmed the matrix setting out the skills/expertise/competence required for the Board in the context of the business and sector. The matrix inter-alia included areas such as Global Business, Strategy and Planning, Governance, Pharma Expertise, Finance and Accounts, Research and Development. As on the date of this Report, details of the Directors and their skills/expertise/competencies are following:

Skills/expertise/competencies	Mr. Shailesh Siroya	Mr. Himesh Virupakshaya	Dr. CV Srinivas	Mr. H S Venkatesh	Ms. Nicola Neeladri	Mr. Jatish Sheth
Global Business	Yes	Yes	Yes	Yes	Yes	Yes
Strategy and Planning	Yes	Yes	Yes	Yes	Yes	Yes
Governance	Yes	Yes	Yes	Yes	Yes	Yes
Pharma Expertise or Industrial Knowledge	Yes	Yes	Yes	-	-	Yes
Finance and Accounts	Yes	-	-	Yes	-	-
Research and Development	Yes	-	Yes	-	-	Yes

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.



I.4 TRANSACTIONS OF THE BOARD

Board Meetings are governed by structured agenda. The Board, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to make informed decisions. Agenda papers and all the supporting information are circulated at least seven working days prior to the Board Meeting date among the Board members.

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

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

I.5 BOARD COMMITTEES:

Currently, the Board has 5 (five) Committees namely (1) Audit Committee (2) Nomination and Remuneration Committee (3) Stakeholders' Relationship Committee (4) Corporate Social Responsibility Committee and (5) Banking Transaction Committee (Non Statutory Committee).

The Board decides the terms of reference of these Committees and the assignment of its Members thereof.

2. AUDIT COMMITTEE:

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

2.1 The terms of reference broadly include:

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

**2.2 The Audit Committee comprises of the following Directors for the year ended 31st March, 2022:**

Sl. No.	Name & Designation of the Member	Category
1.	Mr. H S Venaktesh, Chairman	Independent Director*
2.	Ms. Nicola Neeladri, Member	Independent Director
3.	Dr. CV Srinivas, Member	Independent Director

*Till 22nd May, 2022

As on 31st March, 2022, the Committee comprised of three Independent Directors all of whom are financially literate and have relevant finance/ audit exposure.

The Company Secretary acts as the Secretary to the Committee.

The composition of the Audit Committee is as per the SEBI (LODR) Regulations, 2015. Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company held on 24th September, 2021.

The Audit Committee met five (5) times through audio visual means during the year on 29-06-2021, 10-08-2021, 11-11-2021, 10-02-2022 and 09-03-2022. The details are as follows:

Sl. No.	Name of the Member	Number of Meeting attended
1.	Mr. H S Venaktesh	5
2.	Ms. Nicola Neeladri	5
3.	Dr. CV Srinivas,	4

3. NOMINATION AND REMUNERATION COMMITTEE:

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

3.1 Brief description of terms of reference:

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

3.2 The Nomination and Remuneration Committee comprises of the following Directors:

Sl. No.	Name & Designation of the Member	Category
1.	Mr. H S Venaktesh, Chairman	Independent Director*
2.	Ms. Nicola Neeladri, Member	Independent Director
3.	Dr. CV Srinivas, Member	Independent Director

*Till 22nd May, 2022



The Nomination and Remuneration Committee met once during the year on 10-08-2021. The details are as follows:

Sl. No.	Name of the Member	Number of Meeting attended
1.	Mr. H S Venkatesh	1
2.	Ms. Nicola Neeladri	1
3.	Dr. CV Srinivas,	1

3.3 Remuneration Policy:

The Company has framed detailed Remuneration Policy as per the requirement of the Companies Act, 2013. The policy is available on the website of the Company (<https://www.balpharma.com/balpharmacom/pdf/investors/irl/Nomination%20and%20Remuneration%20Policy.pdf>).

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

3.5 The Remuneration paid to Mr. Shailesh Siroya (Managing Director), Mr. V Himesh (Whole Time Director), and sitting fee paid to Non-executive Director and Independent Directors, during the year 2021-22 are as under:

Sl. No.	Particulars	Mr. Shailesh Siroya	Mr. Himesh Virupakshaya	Dr. CV Srinivas	Mr. H S Venkatesh	Mrs. Nicola Neeladri	Mr. Jatish Sheth
1.	Salary and Perquisites	Rs. 1,02,00,000	Rs. 36,15,360	NA	NA	NA	NA
2.	Sitting Fees	N.A	NA	Rs. 49,000	Rs. 49,000	Rs. 46,000	Rs. 25,000
	TOTAL	Rs. 1,02,00,000	Rs. 36,15,360	Rs. 49,000	Rs. 49,000	Rs. 46,000	Rs. 25,000

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

3.6 There were no pecuniary relationships or transactions of the Non-executive Directors vis-a-vis the Company during the Financial Year ended 31st March, 2022.

3.7 Details of Equity Shares held by Non-executive Directors as on 31.03.2022:

Sl. No.	Name of the Member	Number of Meeting attended
1.	Dr. CV Srinivas,	NIL
2.	Mr. H S Venkatesh	NIL
3.	Ms. Nicola Neeladri	NIL

4. STAKE HOLDERS’ RELATIONSHIP COMMITTEE:

4.1 The Committee consists of the following Members of the Board:

Sl. No.	Name & Designation of the Member	Category
1.	Mr. H S Venkatesh, Chairman	Independent Director*
2.	Ms. Nicola Neeladri, Member	Independent Director
3.	Dr. CV Srinivas, Member	Independent Director
4.	Mr. Shailesh Siroya, Member	Executive Director

*Till 22nd May, 2022



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

4.3 Investor Queries/Requests/ Complaints handled:

Year	Outstanding as on 31.03.2021	Received during the FY 2021-2022	Resolved during the FY 2021-2022	Pending as on 31.03.2022
2021-2022	NIL	0	0	0

As on date of this Report, Mrs Preeti Singh is the Company Secretary and Compliance Officer of the Company.

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

5.1 The Committee consists of the following Members of the Board:

Sl. No.	Name & Designation of the Member	Category
1.	Mr. H S Venkatesh, Chairman	Independent Director*
2.	Dr. CV Srinivas, Member	Independent Director
3.	Mr. Shailesh Siroya, Member	Executive Director

*Till 22nd May, 2022

The Corporate Social Responsibility (CSR) Committee met once during the year on 10-02-2022. The details are as follows:

Sl. No.	Name of the Member	Number of Meeting attended
1.	Mr. H S Venkatesh	1
2.	Mr. Shailesh Siroya	1

5.2 The Committee has recommended CSR budget of Rs 3,50,000/- for F.Y 2021-2022 and the said amount was spent on providing education to the less privileged children through a social welfare organisation known as “ABHYUDAYA”.

6. OTHER COMMITTEES:

6.1 Banking Transactions Committee.

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

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

The Committee comprises of Mr. Shailesh Siroya, Executive Director, Mr. V Himesh Executive Director and Mr. H S Venkatesh, Independent Director.



7. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met on 10-02-2022, to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairperson of the Company and has accessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Company has also during the year conducted familiarization programmes for Independent Directors of the Company and the details of such familiarization programmes were disseminated on the websites of the Company <https://www.balpharma.com/balpharmacom/pdf/investors/irl/Familiarization%20Programmes%20Imparted%20to%20Independent%20Directors.pdf>

8. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Location
2020-2021	24-09-2021	11:00 AM	Through Audio Visual Means
2019-2020	25-09-2020	11:00 AM	Through Audio Visual Means
2018-2019	23-09-2019	10:30 AM	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru - 560001.

8.2 The Special Resolutions passed by the Company in its 32nd,33rd and 34thAGM(s) are as under:

Date of AGM	AGM No.	Business Transacted by Special Resolution
24-09-2021	34th	NA- All resolutions were Ordinary Resolutions
25-09-2020	33rd	i. To authorize Board of Directors to exercise powers pursuant to Section 180 (1) (a) of the Companies Act, 2013. ii. To renew contract with Messrs Desa Marketing International. iii. Issue of Warrants to Promoters on Preferential basis.
23-09-2019	32nd	i. To increase Authorised Share Capital of the Company from the existing capital of Rs. 15,00,00,000/- to Rs. 20,00,00,000/ ii. To Alter the Capital Clause of Memorandum of Association iii. To Alter the Capital clause of Articles of Association iv. To reappoint Mr. Shailesh Dheerajmal Siroya as the Managing Director of the Company and to fix the remuneration. v. To reappoint Mr. Pramod Kumar. S as an Independent Director of the Company.

8.3 E-Voting:

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

8.4 Postal Ballot:

The Company has not passed any resolution by way of Postal Ballot during the Financial year 2021 -2022.

9. SUBSIDIARY /ASSOCIATE COMPANIES:

During the year under review, Lifezen Healthcare Private Limited, Bal Research Foundation, Balance Clinics LLP and Golden Drugs Private Ltd continued to be the Subsidiaries of the Company.



10. WHISTLE BLOWER POLICY:

The Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour.

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

11. DISCLOSURES:

11.1 Related Party Transactions:

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

The Company has also formulated a policy for determining the material Related Party Transactions and detail of such policies for dealing with related party and the related party transactions are disseminated in the website of the Company. (<https://www.balpharma.com/balpharmacom/pdf/investors/irl/Policy%20on%20Dealing%20with%20Related%20Party%20Transaction.pdf>).

11.2. Compliances:

The Company has complied with the statutes applicable to it during the year under review.

11.3. Demat suspense Account:

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

11.4: Transfer of shares to IEPF Suspense Account:

During the year under review, the Company has transferred 9,111 Equity Shares of the shareholders, whose dividend is outstanding for 7 years and above, to the IEPF suspense account, as per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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

11.5 Disclosure under the sexual harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

Details are already mentioned in Board Report, forming part of the Annual Report.

12. MEANS OF COMMUNICATION:

1. The Unaudited quarterly financial results of the Company are published in newspapers such as Financial Express, Bengaluru & Mumbai editions and Sanjevani newspapers. The financial results are uploaded on the website on periodic intervals for the benefit of shareholders.
2. The financial result and other information about the Company were disseminated to the Stock Exchanges for its updation on their respective websites.
3. Pursuant to the Listing Regulations, all data related to quarterly financial results, shareholding pattern, etc are filed in NEAPS within the time frame prescribed in this regard.
4. No presentations have been made to institutional investors or to analysts during the year under review.



13. RISK MANAGEMENT:

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

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

14. GENERAL INFORMATION TO SHAREHOLDERS:

a) Annual General Meeting:

Date of Incorporation	May 19, 1987.
CIN	L85110KA1987PLC008368
Date and time of the 35th Annual General meeting.	19th September 2022 at 11:30AM
Venue of Annual General Meeting	Through Video Conference ("VC") / other Audio Visual Means ("OAVM")
Date of Book Closure	15.09.2022 to 19.09.2022 (both days inclusive)
Financial Year	1st April, 2021 - 31st March, 2022.

b) Financial Calendar 2022-23 (tentative):

Financial reporting for the first quarter ended on 30-06-2022	On or before 13th August 2022
Financial reporting for the second quarter ended on 30-09-2022	On or before 12th November 2022
Financial reporting for the third quarter ended 31-12-2022	On or before 12th February 2023.
Financial reporting for the quarter & year ended on 31-03-2023	On or before 28th May 2023.

c) Particulars of Payment of Dividend for the year ended 31.03.2022:

Date of Declaration (if approved at the General Meeting)	19.09.2022
Rate of Dividend (proposed)	10%
Book Closure Date	15.09.2022 to 19.09.2022 (both days inclusive)
Date of payment of dividend (subject to approval at the general meeting)	On or before 09.10.2022
Amount of dividend to be paid	Rs. 1,55,72,372/-
Share Capital	Rs. 15,57,23,720/-

d) Listing of Shares:

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



The listing fees for the F.Y ended 2022 have been paid for the above stock exchanges.

e) Market Price Data:

Monthly high and low quotations as well as the volume of shares traded at National Stock Exchange of India Limited during F.Y 2021-2022 are as under:

Month	Month's High Price Rs	Month's Low Price Rs	Total volume of shares traded (In Lakhs)
2021-04-01	137.70	53.00	118.83
2021-05-01	119.20	83.30	29.96
2021-06-01	106.00	94.40	8.58
2021-07-01	106.40	92.55	5.83
2021-08-01	109.95	87.65	2779.76
2021-09-01	112.00	94.50	3079.74
2021-10-01	114.40	93.05	16.56
2021-11-01	109.40	90.80	16.84
2021-12-01	108.70	93.65	10.60
2022-01-01	148.85	105.85	86.10
2022-02-01	139.00	98.40	20.68
2022-03-01	122.00	105.40	11.64

Monthly high and low quotations as well as the volume of shares traded at BSE Limited, during 2021-2022 are as under:

Month	Month's High Price	Month's Low Price	Total volume of shares traded
2021-04-01	137.95	53.10	18.75
2021-05-01	118.85	83	6.24
2021-06-01	105.4	93.2	1.70
2021-07-01	107	92.05	1.75
2021-08-01	109.75	88	4.17
2021-09-01	112	94.5	4.52
2021-10-01	114.4	93.65	2.70
2021-11-01	109.7	91.1	4.47
2021-12-01	108.95	93.95	1.27
2022-01-01	148.5	105.75	10.01
2022-02-01	139	95.5	3.53
2022-03-01	122	104.4	1.34



f) Distribution of Shareholding as on 31.03.2022:

SL. NO.	Range			Number of Shareholders	% of Total for the Range	Total Shares Capital	% of Issued
1.	1	to	500	15062	91.3735	1454341	9.8118
2.	501	to	1000	752	4.5620	616122	4.1567
3.	1001	to	2000	340	2.0626	522978	3.5283
4.	2001	to	3000	95	0.5763	241138	1.6269
5.	3001	to	4000	50	0.3033	181926	1.2274
6.	4001	to	5000	42	0.2548	196741	1.3273
7.	5001	to	10000	69	0.4186	501547	3.3837
8.	10001	to	999999999	74	0.4489	11107579	74.9379
	Total		16484	100.0000	14822372	100.0000	

g) Categories of Shareholders as on 31.03.2022:

SI No.	Category	No of Shareholders	No of shares held	Shareholding
1.	Financial Institutions/Banks	0	0	0
2.	Mutual Fund	0	0	0
3.	Body Corporates	57	80175	0.54
4.	HUF	254	294307	1.99
5.	NRI's	116	2010357	13.56
6.	Promoters, Directors & Relatives	11	7347182	49.57
7.	Indian Public	15784	4983956	33.62
8.	IEPF	1	106395	0.72
	TOTAL	16223	14822372	100

h) Detail of shares held in Demat and Physical form as on 31.03.2022:

Name of the Depository	Number of shares held	% of share held
NSDL	9959221	67.19
CDSL	4728042	31.90
Physical	135109	0.91
Total	1,48,22,372	100

i) Share Transfer System:

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

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

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

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

Year	Outstanding amount in Rs.
2014-15	3,80,097
2015-16	2,63,534
2016-17	2,41,842
2017-18	2,58,129
2018-19	2,69,865
2020-21	3,19,872

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

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

k) Request to Shareholders:

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

- Shareholders are requested to convert their physical holding of share certificates into demat /electronic form through any of the DP's (Depository Participants) to avoid any possibility of the loss, mutilation etc, of physical share certificates and also to ensure safe and speedy transaction in securities. As per the notification of SEBI, transfer of physical shares lodged for transfer will not be processed by the R&T agents from 1st April 2019 onwards. Hence, the shareholders are advised to convert their shareholding into electronic form in order to avoid any possible hurdles in the transfer process.
- Shareholders holding shares in physical form should communicate the change of address, if any, directly to the Registrar and Share Transfer Agent of the Company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of Shares held in physical mode.
- Shareholders holding Shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the Nomination Form SH-13. Those holding shares in electronic form are advised to contact their Dp's.

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

l) Reconciliation of Share Capital Audit:

Quarterly audit was conducted by a Practising Company Secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in the depositories and the said certificate were submitted to the Stock Exchange within the prescribed time limit. As on 31st March, 2022 there was no difference between the issued capital and the listed capital and the aggregate of shares held by investors in both physical and electronic form with the depositories.

m) Details of Credit Ratings obtained by the Company along with any revision.

The discipline with which the Company conducts its financial transactions is reflected in the BBB- stable rating given by the credit rating agency Acute for the financial year 2021-22.

Sl. No.	Bank Limits Rated	Credit Rating assigned
1.	Fund based Limits	BBB- Stable
2.	Non fund based limits	A3
3.	Term Loan	BBB- Stable

n) Other Disclosures

- Details of total fees for all services paid by the Company to the statutory auditors and all entities in the network firm / network entity of which the statutory auditor have been included in notes to the financial statements which forms part of the Annual Report.
- Policy for determining material subsidiary is available on the Company's website <https://www.balpharma.com/balpharmacom/pdf/investors/irl/Policy%20for%20Determining%20the%20Material%20Subsidiary.pdf>



o) Locations of manufacturing Units:

1) Unit 1 (Formulations)

21 & 22, Bommasandra Industrial Area
Bangalore-560099.

2) Unit 2 (API & Intermediates)

61/B, Bommasandra Industrial Area
Bangalore-560099.

3) Unit 3 (Parenterals) (temporarily in-operational)

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

4) Unit 4 (Formulations)

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

5) Unit 5 (API's and Intermediates)

Thabadewadi Post, Kavatha Mahankal
Sangli-416405
Maharashtra.

6) Unit 6 (API and Intermediates)

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

p) Address for Correspondence:

Compliance Officer
Bal Pharma Limited,
Corporate Office:
5th Floor, 'Lakshmi Narayan Complex',
10/1, Palace Road, Bengaluru – 560052.
Tel: 080 - 41379500 Fax: 080 - 22354057
Email: -secretarial@balpharma.com.
TSR Consultants Private Limited
C-101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.
Phone: -91-22-66568484 : Fax :-91-22-66568494
Email: - csg-unit@tcplindia.co.in

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

(k) TSR Darashaw Limited, 503, Barton Centre, 84, MG Road, Bengaluru – 560 001, Tel: 080-25580019/25320321, Fax: 080-25580019, Email: tsrdlbg@tsrdarashaw.com.

- TSR Darashaw Limited Bungalow No: I E Road, Northern Town, Bistupur, Jamshedpur – 831001, Tel: 0657-2426616, Fax: 0657-2426937, Email: tsrdljsr@tsrdarashaw.com.
- TSR Darashaw Limited, Tata Centre, 1 st floor, 43, Jawaharlal Nehru Road, Kolkata 700071. Tel: 033- 22883087, Fax: 033-22883062, Email: tsrdlcal@tsrdarashaw.com.
- TSR Darashaw Limited, Plot No: 2/42, Sant Vihar, Ansari Road, Darya Ganj, Fax: 011-23271802, Email: tsrdldel@tsrdarashaw.com.
- Agent: Shah Consultancy Services Pvt. Ltd, 3 Sumatinath Complex, 2nd Dhal Pritam Nagar, Ellisbridge, Ashram Road, Ahmedabad – 380006, Telefax: 079 – 26576038, Email ID shahconsultancy8154@gmail.com.



Annexure-6

Annual Report on Corporate Social Responsibility Activities

1. Brief outline on CSR Policy of the Company

Bal Pharma Limited has always been committed to the cause of social service and has channelized a part of its resources and activities, such that it positively affects the society socially, ethically and also environmentally. The Company formulated a robust CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

The Company is inspired by the principle as enumerated by the father of the nation, Mahatma Gandhi 'quote "I believe it to be perfectly possible for an individual to adopt the way of life of the future.... without having to wait for others to do so" unquote' in drafting its corporate social responsibility policy. The Company firmly believes that CSR is primarily, the responsibility of the Company in relation to the impact of its decisions and activities on the society and also the environment, through a transparent and ethical behavior which is:

- (a) consistent with sustainable development and welfare of society,
- (b) takes into account the expectations of stakeholders,
- (c) is in compliance with applicable law, and
- (d) is uniformly integrated and practiced throughout the Company.

While the Company is eligible to undertake any suitable/rightful activity as specified in Schedule VII of the Act, however, at present, it proposes to undertake the relevant activities on priority basis in the following three Thrust Areas:

- 1. Community healthcare
- 2. Education and imparting knowledge
- 3. Social care and concern

2. Composition of the CSR Committee:

Sl. No.	Name & Designation of the Member	Category
1.	Mr. H S Venaktesh, Chairman	Independent Director
2.	Ms. Nicola Neeladri, Member	Independent Director
3.	Dr. CV Srinivas, Member	Independent Director

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board-Disclosed on the website of the Company

Composition of the CSR committee shared above and is available on the Company's website at <https://www.balpharma.com/balpharmacom/pdf/investors/irl/Composition%20of%20Board%20Committees.pdf>

CSR policy <https://www.balpharma.com/balpharmacom/pdf/investors/irl/CSR%20Policy%202022.pdf>

CSR projects <https://www.balpharma.com/balpharmacom/pdf/investors/irl/Board%20Approved%20CSR%20Project%20FY%202021-22.pdf>

4. Average net profit of the company for last three financial years: 171.02 (in Lakhs).

5. Prescribed CSR Expenditure (two percent of the amount as in item 4 above): 3,42,000.

6. Details of CSR spent during the financial year: 3,50,000.

7. Total amount to be spent for the financial year: 3,42,000.

8. Amount unspent, if any: NA.

9. Manner in which the amount spent during the financial year is detailed below.

Sl. NO	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Abhyudaya	Education	Local Area, Bangalore, Karnataka	3,50,000	3,50,000	3,50,000	Through Agency: Keshava Kripa Samvardhana Samiti; CSR Registration No.: CSR00005742
	TOTAL			3,50,000	3,50,000	3,50,000	

10. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.: NA

11. Corporate Social Responsibility Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

Shailesh Siroya
Managing Director
DIN No. 00048109

H S Venkatesh
Chairman, CSR Committee
DIN: 01776040



**Particulars of Employees**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(I) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

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

Sl. No.	Name and Designation of Director & KMP.	Ratio of remuneration of each Director to the median remuneration of employee of the Company for F.Y 2021-2022.	% Increase / Decrease in remuneration in the F.Y 2021-2022.
1	Mr. Shailesh Siroya Managing Director	37:1	Nil
2	Mr. Virupakshaya Himesh Whole-Time Director	13:1	10%
3	Mr. G Rengarajan Chief Financial Officer	6:1	10
4	Mrs Preeti Singh Company Secretary	2:1	10

- b) % increase in the median remuneration of the employees in the financial year: 8.85%.

- c) Number of permanent employees on the rolls of the Company: 837

- d) Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration: Average increase in the remuneration of the employees for the financial year 2021-22 was 10% and also 10% increase in the managerial remuneration of Directors & KMP's. The percentile increase in the median remuneration and that of managerial personnel does not require any justification.

**DETAILS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION FOR F.Y 2021-22**

Statement of particulars of employees pursuant to the provisions of section 197(12) of the Companies Act, 2013 read with rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 for the Year ended 31st March, 2022

Sl. No.	Name of the Employee	Designation of the Employee	Remuneration received (Yearly)	Nature of Employment, whether contractual or otherwise	Experience of the employee	Date of commencement of employment	Age of Employee	Last employment held by such employee before joining the company	Percentage of equity shares held by the employee in the company	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1.	Shailesh Siroya	Managing Director	8,50,000	Permanent	28 Years	01.08.1994	56 Years	NA	17.63%	NA
2.	Archana Dubey	V.P -IM & HR	5,34,338	Permanent	19 Years	01.01.2003	48 Years	NA	NA	NA
3.	V. Himesh	Whole Time Director	3,01,280	Permanent	11 Years	09.09.2011	61 Years	NA	NA	NA
4.	Nabajit Sharma	General Manager	2,84,145	Permanent	17 Years	03.01.2005	43 Years	NA	NA	NA
5.	Ezaz Kaseem Azmi	A.G.M	2,42,843	Permanent	05 Years	21.04.2017	40 Years	NA	NA	NA
6.	Bhat D L	A.V.P-Sales & Marketing	2,34,328	Permanent	11 Years	26.03.2012	59 Years	NA	NA	NA
7.	Aby Abharam	General Manager	2,27,229	Permanent	18 Years	05.05.2004	52 Years	NA	NA	NA
8.	Ramachand rappa B N	A.G.M	1,91,685	Permanent	03 Years	22.07.2019	47 Years	NA	NA	NA
9.	Prem Prakash	A.G.M	1,87,692	Permanent	06 Years	14.12.2015	47 Years	NA	NA	NA
10.	Natarajan D.	General Manager	1,75,616	Permanent	10 Years	06.08.2012	59 Years	NA	NA	NA

For and on behalf of Board of Directors
Bal Pharma Limited

Place: Bengaluru
Date: 30th May, 2022

Himesh Virupakshya
Whole-Time Director

Shailesh Siroya
Managing Director



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

**To,
The Members
Bal Pharma Limited
Bangalore.**

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and senior management for the year ended March 31, 2022.

Place: Bengaluru
Date: 30th May, 2022

Shailesh Siroya
Managing Director





CEO & CFO certification

**To
The Board of Directors
Bal Pharma Limited
Bangalore.**

SUB: CEO & CFO Certification.

Ref: As per Regulation 17(8) of SEBI (LODR) Regulations.

- A. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2022 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee,
- (1) Significant changes in internal control over financial reporting during the year;
 - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Chief Executive Officer /MD

Chief Financial Officer / Head of Finance

Dated: 30th May, 2022



**Certificate On Compliance With The Conditions Of Corporate Governance
As Required Under SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015**

To,
The Members
Bal Pharma Limited
Bangalore

I have examined all the relevant records of Bal Pharma Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company for the financial year ended 31st March, 2022 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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

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

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

Place: Bangalore
Date: 30th May, 2022

Vijayakrishna K T
Practising Company Secretary
FCS - 1788
COP — 980
UDIN: F001788D000431602



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of
the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Bal Pharma Limited
21-22, Bommasandra, Industrial Area
Bangalore
Karnataka 562158

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Bal Pharma Limited having CIN L85110KA1987PLC008368** and having Registered Office at 21-22, Bommasandra, Industrial Area, Bangalore-562158 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2022 has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Shailesh Dheerajmal Siroya	00048109	01/08/2004
2	Mr. Virupakshaya Himesh	08554422	28/09/2019
3	Mr. Champion Venkateshalu Srinivas	08495304	29/06/2019
4	Mr. Jatish Sheth	00581963	28/12/2020
5	Mr. H S Venkatesh	01776040	23/05/2020
6	Ms Nicola Neeladri	01997936	23/05/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore
Date: 30th May, 2022

Vijayakrishna K T
Company Secretary
FCS - 1788
COP — 980
UDIN: F001788D000432097



To the Members of Bal Pharma Limited

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the standalone financial statements of Bal Pharma Limited ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2022, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

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. Our responsibilities under those Standards are further described in the

Auditor's Responsibilities for the Audit of the Standalone Financial Statements 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 statements 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.

Emphasis of Matter

We further refer to Note 65 regarding recoverability of outstanding receivables from the subsidiary companies.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Table with 2 columns: Key Audit Matters and How our audit addressed the key audit matter. Row 1: Identification and disclosures of Related Parties: (as described in Note-60 of the Standalone Ind AS financial statements) ... Our audit procedures amongst others included the following: ...



Key Audit Matters	How our audit addressed the key audit matter
<p>Inventory</p> <ul style="list-style-type: none"> As of 31 March 2022, the Company held inventories of Rs 7,397.46 Lakhs as disclosed in Note 11 to the Standalone financial statements. Inventories mainly consist of raw and packing material, work-in-progress, stock-in-trade, finished goods and stores, spares and consumables. We considered the value of the inventory as a key audit matter given the relative size of the balance in the financial statements and significant judgement involved in the consideration of various factors involved in determination of cost or selling prices 	<ul style="list-style-type: none"> Reviewed the management's process for ensuring that there was no movement of stock during the physical verification of inventory. We understood and tested the design and operating effectiveness of controls as established by the management in determination and identification of returned stock nearing expiry, and the stock lying at different locations. We Assessed the appropriateness of Company's accounting policy for valuation of stock-in- trade and compliance of the policy with the requirements of the prevailing accounting standards. We considered various factors including the actual selling price prevailing around and subsequent to the year-end. Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value. For the purpose of determination of cost, the company has considered the prevailing market situation. Based on the above procedures performed, by the management for determination of expired stock, the net realizable value of the inventory as at the year end, the methodology adopted for arriving at cost and comparison with cost for valuation of inventory is considered to be reasonable
<p>Contingencies, including litigations and tax</p> <ul style="list-style-type: none"> The Company is involved in disputes, lawsuits, claims, governmental and / or regulatory inspections, inquiries investigations and proceedings, including tax and commercial matters that arise from time to time in the ordinary course of business. Most of the claims involve complex issues. The Company assisted by their external legal counsel assesses the need to disclose a contingency on a case- to case basis considering the underlying facts of each litigation. This area is significant to our audit, since the accounting and disclosure for contingent legal and tax liabilities is complex and judgmental (due to the difficulty in predicting the outcome of the matter and estimating the potential impact if the outcome is unfavourable), and the amounts involved are, or can be, material to the standalone financial. 	<ul style="list-style-type: none"> We obtained a list of ongoing litigations from the Company's in-house legal counsel. We selected a sample of litigations based on materiality and performed inquiries with the said counsel on the legal evaluation of these litigations. We compared the evaluation with the provision or disclosure in the standalone financial statements. We tested the underlying computation of the management in relation to the measurement of the contingency. We inspected relevant communication with tax authorities. We also evaluated the disclosures made in the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditors' report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a

material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management and Board of Directors is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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. Under section 143(3)(l) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 statements 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 financial statements, including the disclosures, and whether the financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order; to the extent applicable.
- ii As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- c) The Balance Sheet, The Statement of Changes in Equity, the Statement of Profit and Loss (including other comprehensive income), and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 standalone financial statements – Refer Note 41 to the standalone 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 delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities, with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, including foreign entities, with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- v. (a) The dividend proposed in the previous year, declared, and paid by the company during the year is in accordance with section 123 of the Act.
- (b) The Board of Directors have proposed dividend for the current year which is subject to the approval of the members at the Annual General Meeting.
3. With respect to the matter to be included in the Auditors' Report under section 197(16):

According to the information & explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the provisions of section 197 of the Act.

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

G.C.S Mani
Partner
Membership No: 036508

Place: Bengaluru
Date: 30th May, 2022

UDIN: 21036508AAAADF3782



Annexure A to the Independent Auditor's Report of even date to the members of Bal Pharma Limited, on the standalone financial statements for the year ended 31 March 2022

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that,

- i) a. (A) The Company has maintained proper records showing full, including quantitative details and situation of property, plant, and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- b. According to the information and explanations given to us, the Property, Plant and Equipment have not been physically verified by the management during the year.
- c. The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed under Property, Plant and Equipment in the financial statements are held in the name of the Company.
- d. The Company has not revalued its Property, Plant and Equipment or Intangible Assets during the year.

e. According to the information and explanations given by the management, no proceedings has been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.

- ii) a. As explained to us, inventory of the company has been physically verified during the year by the management at regular intervals. In our opinion, the frequency of such verification is reasonable. The discrepancies identified on verification were not more than 10% or more in aggregate for each class of inventory. Inventories lying with the third parties have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.

b. According to the information and explanations given to us by the management and based on our examination of the books of accounts in the normal course of audit, the Company has been sanctioned working capital limits in excess of five crores rupees in aggregate, from bank or financial institutions on the basis of security of current assets. On verification of the quarterly returns or statements, as provided to us by the management, filed by the Company with such banks or financial institution, no material discrepancy other than the following has been identified between the books of accounts and the returns/statements submitted to banks.

Quarterly Statement	Nature	Amount as provided in Quarterly Statement (Amount in Lakhs)	Amount as recorded in Books of accounts (Amt in Lakhs)	Difference	Remarks
June	Current assets	18,382.68	18,182.47	200.21	
September	Current assets	19,114.18	19,114.18	0	
December	Current assets	16,228.86	18,869.23	-2640.37	
June	Current Liabilities	14,541.28	13,302.40	1238.88	
September	Current Liabilities	16,911.25	16,911.25	0	
December	Current Liabilities	14,351.34	14,633.20	-281.86	
June	Working Capital Loans	8,814.36	7,399.68	784.68	
September	Working Capital Loans	7,461.59	7,461.59	0	
December	Working Capital Loans	7,038.55	7,507.83	-469.28	



iii) According to the information and explanation given to us and based on the audit procedures performed by us, during the year the Company has not made any investments in, nor provided any loans or advances in nature of loans or stood guarantee or provided security to any entity. Thus, paragraph 3(iii) of the Order is not applicable to the Company.

a. (A) According to the information and explanations given to us and based on the audit procedures performed by us, during the year the Company has not provided any loans or advances in nature of loans, or stood guarantee or provided security to its subsidiaries, joint ventures and associates other than that disclosed below:

Particulars	Loans	Advances in nature of Loan	Guarantee	Security
Aggregate amount during the year				
a. Subsidiaries (Golden Drugs Private Limited)	Rs 4,85,02,000	-	-	-
b. Associate				
c. Joint Venture	-	-	-	-
Balance outstanding as at the year-end:				
a. Subsidiaries (Golden Drugs Private Limited)	Rs 18,67,45,000	-	-	-
b. Associate	-	-	-	-

(B) According to the information and explanations given to us and based on the audit procedures performed by us, during the year the Company has not provided any loans or advances in nature of loans or stood guarantee or provided security to any parties other than subsidiaries, Associate, and joint venture.

b. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, guarantee provided, and the terms and conditions of loans granted by the Company are as follows:

Particulars	Name of the subsidiaries	Aggregate amount given during the year (Amount in Lakhs)	Balance outstanding as on Balance sheet date.	Terms and Conditions
Investments made	1. Lifezen Health care Private Limited.	-	Rs 198.91	-
	2. Bal Research Foundation	-	Rs 8.00	-
	3. Balance Clinic LLP	-	Rs 8.00	-
	4. Golden Drugs Private Limited	-	Rs 741.69	-
Guarantee Provided	NA	NA	NA	NA
Loans granted	Golden Drugs Private Limited	Rs 485.02	Rs 1,867.45	<p>01. The said subsidiary has incurred losses and have negative networth. However, the management has filed for merger of the entity.</p> <p>02. The agreement for the same doesn't subsist and the same is repayable on demand.</p> <p>03. The interest is being charged at the rate of 11.06%.</p>
Advances in nature of loan	NA	NA	NA	NA



c. According to the information and explanation provided to us and based on the audit procedures conducted by us, the Company has not granted any loan or advance in nature of loan to any parties. This, reporting under paragraph 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) is not applicable to the Company

d. In respect of loans and advances in the nature of loans, the loans are repayable as per the contractual terms as mutually agreed. As per the contractual terms, the loans have not fallen due for repayment. Accordingly, there has been no default on the part of the parties to whom the money has been lent.

e. In respect of loans and advances in the nature of loans, as no amount is overdue for more than ninety days and thus, paragraph 3(iii)(d) of the Order is not applicable to the Company.

f. According to the information and explanation provided to us, in respect of loans and advances in the nature of loans, there has been no renewal or extension of existing loans to settle the overdue of existing loans given to the same parties.

g. According to the information and explanation provided to us and based on the audit procedures conducted by us, the Company has granted loan to its Subsidiary which are repayable on demand and for the same agreement does not subsist.

	All Parties	Promoters	Related Party
Aggregate of loans as on Balance sheet date	-	-	Rs 18,67,44,548
a. Repayable on Demand	-	-	Rs 18,67,44,548
b. Agreement does not specify any terms or period of repayment	-	-	-
Percentage of loans/advances in nature of loan to the total loans	-	-	100%

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 ('Act') apply and hence not commented upon. However, in respect of loans given, investments made and guarantees given to subsidiary, associates, or joint ventures the Company is in compliance with provisions of Section 186 of the Act.

v) The Company has not accepted any deposits or has any amounts which are deemed to be deposits to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act rules framed thereunder and the directions issued by the RBI are applicable. Hence paragraph 3 (v) of CARO is not applicable to the company.

vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, as amended, specified by the Central Government under section 148(1) of the Companies Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Services tax, Cess and other material statutory dues have not been regularly deposited by the company with the appropriate authorities though the delays in deposit have not been serious.

b. According to the information and explanations given to us and based on the audit procedures conducted by us, there are no dues of income tax, Goods and Service Tax, custom duty, and cess which have not been deposited on account of any dispute other than that stated below:



Statement of Disputed Dues					
Name of the statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Income Tax 1961	Income Tax	99.10 Lakhs	FY 2016-17(AY 2017-18)	Commissioner of Income Tax (Appeals)	
Income Tax 1961	Income Tax	60.55 Lakhs	FY 2018-19(AY 2019-20)	Commissioner of Income Tax (Appeals)	
Income Tax 1961	Income Tax	147.25 Lakhs	FY 2017-18(AY 2018-19)	Commissioner of Income Tax (Appeals)	
Goods and Service Tax	GST	1069.64 Lakhs	Oct 2018-Dec2019	Office of DGGI	
Chapter V of Finance Act, 1994	Service Tax and equivalent penalty	31.70397 Lakhs	Nov 2007 to March 2012	Assistant Commissioner of Service Tax.	
Chapter V of Finance Act, 1994	Service Tax and equivalent penalty	27.3432Lakhs	FY2012-13 to FY2016-17	Audit Commissioner of Central Excise	
Chapter V of Finance Act, 1994	Service Tax and equivalent penalty	15.51441Lakhs	FY2012-13 to FY2015-16	Audit Commissioner of Central Excise	

The Company has received show cause notices under the Central Excise laws and Service Tax laws for the years 2007-08 onwards which in various stages of assessment as of 31 March 2022. The assessments are in progress and the Company has not received the assessment order in respect of the same. In certain cases, the Company has preferred an appeal which has been remanded back to the original authority for reassessment.

viii. Based on our audit procedure and on the information and explanation given to us by the management, no transaction has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. a. Based on our audit procedure and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of loans or other borrowing to its lender other than that stated below:

Nature of Borrowing including debt securities	Name of lender	Amount not paid on due date	Whether Principal or Interest	No of days of delay	Remarks, if any
Vehicle Loan	HDFC Bank	32,864	Both	12	
Vehicle Loan	HDFC Bank	32,864	Both	10	
Vehicle Loan	Punjab National Bank	6,42,516	Both	30	01. Based on the Information provided by the management, revised repayment schedule has been requested from bank and waiting for the same. 02. The repayment of the Loan has been made on 30th of every month which is as per the old repayment schedule.



Nature of Borrowing including debt securities	Name of lender	Amount not paid on due date	Whether Principal or Interest	No of days of delay	Remarks, if any
Term Loan	TATA Capital Financial ser Ltd	27,41,397	Both	03	
Term Loan	TATA Capital Financial ser Ltd	27,41,397	Both	01	
Term Loan	TATA Capital Financial ser Ltd	27,41,397	Both	01	
Term Loan	TATA Capital Financial ser Ltd	27,41,397	Both	07	
Term Loan	TATA Capital Financial ser Ltd	28,33,465	Both	02	
Term Loan	TATA Capital Financial ser Ltd	27,41,272	Both	01	
Term Loan	TATA Capital Financial ser Ltd	27,41,275	Both	01	
Term Loan	South Indian Bank Term Loan -067	5,97,566	Both	03	
Term Loan	South Indian Bank Term Loan -067	5,97,473	Both	07	
Term Loan	South Indian Bank Term Loan -067	5,38,690	Both	05	
Term Loan	South Indian Bank Term Loan -067	5,97,524	Both	08	
Term Loan	South Indian Bank Term Loan -067	5,97,524	Both	01	
Term Loan	South Indian Bank Term Loan -067	5,97,524	Both	03	
Term Loan	South Indian Bank Term Loan -067	5,97,408	Both	01	
Term Loan	South Indian Bank Term Loan -067	5,97,408	Both	10	
Vehicle Loan	Bank of Baroda	31,534	Both	19	
Term Loan	Canara Bank	10,89,795	Both	28	

b. According to the information and explanation given to us by the management, the Company is not declared as willful defaulter by any bank or Financial Institution or other lenders.

c. In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

d. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

e. According to the information and explanations given to us and on an overall examination of the balance sheet of the company/ examination of the cash flow statement of the Company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013.

f. According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.

x.
a. According to the information and explanation given to us and based on audit procedure performed, no money was raised by the way of public issue/follow-on-offer (including debt instruments).

xi. Based upon audit procedure performed and information and explanation given by the management, we report that no fraud by the company or any fraud on the company has been noticed or reported during the year.

a. Based upon audit procedure performed and information and explanation given by the management, no report under sub-section (12) of section 143 of the Companies Act has been filed by us or by other auditors of the Company.



- b. As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. The company is not a Nidhi Co. and therefore clause 3(ix) of the order is not applicable to the company.
- xiii. In our opinion, the company has not entered into any transactions with the related parties within the meaning of section 188 of Companies Act, 2013. Hence para 3(xiii) of the Order is not applicable to the Company.
- xiv. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- a. We have considered the Internal Audit reports of the Company issued till date, for the period under audit
- xv. Based on the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company
- xvi. According to the information and explanation given to us and in our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- a. Based on the audit procedure performed, the Company has not conducted any Non-Banking Financial or Housing Finance activities as per the Reserve Bank of India Act, 1934.
- b. Based in audit procedure performed, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- c. Based in audit procedure performed, the Company or any of the companies in the group are Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- xvii. The Company has not incurred any cash losses in the financial year and in the preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly clause is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date
- xx.
- a. The Company has not transferred the amount remaining unspent i.e., Rs 1,66,000 in respect of other than ongoing projects, to special account till the date of our report. However, the time period for such transfer i.e., six months from the end of financial year as permitted under section 135 of Companies Act 2013, has not elapsed till the date of our report.

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

G.C.S Mani
Partner
Membership No: 036508

Place: Bengaluru
Date: 30th May, 2022

UDIN: 21036508AAAADF3782



Annexure B to the Independent Auditors' Report

on the standalone financial statements of Bal Pharma Limited for the period ended 31 March 2022

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

(Referred to clause (f) of paragraph 2 under 'Report on other Legal and Regulatory requirements' Section of our report to the members of Bal Pharma Limited of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Bal Pharma Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with

reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that:

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- ii. 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
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Limitations of Internal Financial Controls Over Financial Reporting

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

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

G.C.S Mani
Partner
Membership No: 036508

Place: Bengaluru
Date: 30th May, 2022

UDIN: 21036508AAAADF3782





BAL PHARMA LIMITED
CIN: L85110KA1987PLC008368
Standalone Balance Sheet
(all amounts in Rs. lakhs unless otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	4,491.98	4,542.41
Capital work-in-progress	5	116.21	-
Other Intangible Assets	6	797.87	722.74
Intangible assets under development			
Financial assets			
- Investments	7	839.60	839.60
- Loans		-	-
- Other financial assets	8	394.86	281.71
Non Current tax assets (Net)	9	15.95	14.75
Other non-current assets	10	445.38	432.78
		6,934.68	6,833.99
Current assets			
Inventories	11	7,397.46	6,012.03
Financial assets			
- Trade receivable	12	7,790.60	6,944.09
- Loans	13	2,572.29	1,928.91
- Cash and cash equivalents	14	81.13	89.09
- Other bank balances	15	428.11	282.70
- Other financial assets	16	340.66	320.92
Current tax assets (Net)	17	-	0.35
Other current assets	18	3,416.28	3,741.87
		22,026.52	19,319.97
		28,961.19	26,153.96
EQUITY & LIABILITIES			
Equity			
Equity share capital	19	1,482.24	1,482.24
Other equity	20	7,249.86	6,449.52
		8,732.10	7,931.76



BAL PHARMA LIMITED
CIN: L85110KA1987PLC008368
Standalone Balance Sheet

(all amounts in Rs. lakhs unless otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	21	2,701.34	2,393.21
- Other financial liabilities	22	363.25	304.40
Provisions	23	460.30	396.83
Deferred tax liabilities (Net)	24	246.73	440.49
		3,771.62	3,534.93
Current liabilities			
Financial liabilities			
- Borrowings	25	7,099.24	8,032.23
- Trade payables			
Due to Micro, Small and Medium Enterprises			
Due to Other than Micro, small and			
Medium Enterprises	26	7,192.85	4,855.50
- Other financial liabilities	27	732.98	800.34
Other current liabilities	28	926.50	902.28
Provisions	29	66.63	64.66
Current tax liabilities (Net)	30	439.26	32.26
		16,457.46	14,687.27
		28,961.19	26,153.96

As per our report of even date attached
for **NSVM & Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani
Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May, 2022

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

Shailesh Siroya
Managing Director
DIN: 00048109

G Rengarajan
Chief Financial Officer

Place: Bengaluru
Date: 30th May, 2022

V Himesh
Whole Time Director
DIN: 08554422

Preeti Singh
Company Secretary
MNo:A51854



BAL PHARMA LIMITED
CIN: L85110KA1987PLC008368
Standalone Statement of Profit and Loss
(all amounts in Rs. lakhs unless otherwise stated)

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	31	28,036.53	24,930.88
Other income	32	649.04	269.20
Total Income		28,685.57	25,200.08
Expenses			
Cost of materials consumed	33	16,294.68	13,546.85
Purchase of traded goods	34	840.01	997.83
(Increase)/decrease in inventories of finished goods and work-in-progress	35	-484.91	513.31
Employee Benefit expense	36	4,445.68	3,961.83
Finance costs	37	1,039.85	1,195.82
Depreciation and amortisation	38	723.70	725.66
Other expenses	39	4,620.94	3,279.17
Total expenses		27,479.94	24,220.48
Profit before exceptional items and tax		1,205.63	979.60
Profit before tax		1,205.63	979.60
Less: Tax expense:			
Current tax		447.86	37.87
Tax adjustments relating to previous year		93.65	-
Deferred tax charge/ (credit)		(193.76)	32.06
Tax expenses		347.75	69.93
Profit / (Loss) for the year		857.88	909.68
Other Comprehensive Income (OCI)			
A (i) Items that will not be reclassified to statement of profit or loss			-
Remeasurements of post-employment benefit obligations		(0.61)	12.48
(ii) Income tax relating to items that will not be reclassified to statement profit or loss		-	(3.63)
Total other comprehensive income		(0.61)	8.85
Total Comprehensive Income for the year		857.23	918.53
Earning per share (face value per equity share Rs. 10)			
- Basic			
- Diluted			



BAL PHARMA LIMITED

CIN: L85110KA1987PLC008368

Standalone Statement of Profit and Loss

(all amounts in Rs. lakhs unless otherwise stated)

As per our report of even date attached
for **NSVM & Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani
Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May, 2022

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

Shailesh Siroya
Managing Director
DIN: 00048109

V Himesh
Whole Time Director
DIN: 08554422

G Rengarajan
Chief Financial Officer

Place: Bengaluru
Date: 30th May, 2022

Preeti Singh
Company Secretary
MNo:A51854



**BAL PHARMA LIMITED****CIN: L85110KA1987PLC008368****Standalone Statement of Cash Flows**

(all amounts in Rs. lakhs unless otherwise stated)

Cash flow from operating activities:	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit / (Loss) before tax	1,205.63	979.61
Adjustment for :		
- Interest income	(155.95)	(171.24)
- (Gain)/Loss on sale of Property, Plant and Equipment	(123.36)	(4.06)
- Balances written off as no more payable	(162.40)	(57.81)
- Unrealised Foreign (Gain)/Loss	(61.29)	46.25
- Finance cost (including effect of amortisation of processing fees)	1,039.85	1,195.82
- Rental Expense(IND AS 116)	(84.95)	(90.15)
- Balances written off as no more receivable	229.19	77.72
- Depreciation and amortisation	723.70	725.66
- Expected Credit Losses	15.88	21.17
- Share based payment reserve	91.28	-
- Impairment on Investments	-	-
Operating cash flow before working capital changes	2,717.59	2,722.96
Changes in		
- Decrease/(Increase) in Inventories	(1,385.43)	742.84
- Decrease/(Increase) in Trade receivables	(1,064.74)	(1,868.71)
- Decrease/(Increase) in Loans	(23.74)	(8.32)
- Decrease/(Increase) in Financial Assets (Current and Non current)	11.96	(14.58)
- Decrease/(Increase) in Other Assets (Current and Non current)	328.34	(1,018.89)
- Increase/ (Decrease) in Trade payables	2,534.21	958.68
- Increase/ (Decrease) in Other Financial liabilities (Current and Non current)	76.54	57.04
- Increase/ (Decrease) in Other liabilities (Current and Non current)	24.22	(606.64)
- Increase/ (Decrease) in Provisions	65.44	70.04
Cash (used in)/ generated from operations	3,284.39	1,034.42
Income taxes (paid)/ refund	(136.06)	(10.93)
Net cash generated (used in) operating activities	3,148.33	1,023.49
Cash flow from investing activities:		
Purchase of Property,Plant & Equipment including intangible assets and capital work-in-progress	(756.60)	(281.19)
Intercompany Deposit to Subsidiary	(485.03)	(189.33)
Interest Income from subsidiary	-	-
Investment in Subsidiaries	-	(97.91)
Decrease/ (increase) in fixed deposits	(119.42)	(124.54)
Interest received	17.67	27.40
Net cash generated/ (used in) investing activities	(1,343.36)	(665.57)



BAL PHARMA LIMITED
CIN: L85110KA1987PLC008368
Standalone Statement of Cash Flows
(all amounts in Rs. lakhs unless otherwise stated)

Cash flow from operating activities:	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from financing activities:		
Proceeds from/(Repayment) of long term borrowings	308.13	33.64
Proceeds from / (repayment) of short term borrowings	(932.99)	399.27
Dividend Paid including unpaid dividends of preceding years	(148.22)	-
Payment of Dividend Distribution Tax	-	(29.13)
Money received on issue of Equity shares	-	325.00
Money received against Share Warrants	-	93.75
Interest Paid (Gross)	(1,039.85)	(1,159.00)
Net cash arising/ (used in) from financing activities	(1,812.92)	(336.48)
Net (decrease)/ increase in cash and cash equivalents	(7.96)	21.45
Cash and cash equivalents at the beginning of the year	89.09	67.64
Cash and cash equivalents at the end of the year	81.13	89.09
Cash and cash equivalents comprise of:		
Cash on hand	2.32	17.34
Balances with banks		
- in current accounts	78.81	69.73
- in deposits with original maturity of less than 3 months	-	2.02
	81.13	89.09

As per our report of even date attached
for **NSVM & Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani
Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May, 2022

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

Shailesh Siroya
Managing Director
DIN: 00048109

V Himesh
Whole Time Director
DIN: 08554422

G Rengarajan
Chief Financial Officer

Preeti Singh
Company Secretary
MNo:A51854

Place: Bengaluru
Date: 30th May, 2022

Standalone Statement of changes in equity

(all amounts in Rs. lakhs unless otherwise stated)

A. Equity share Capital

Particulars	
Equity shares of Rs 10 each issued, subscribed and fully paid	
Balance as at 1 April 2020	1,417.24
Add: Issue of shares	65.00
Balance as at 31 March 2021	1,482.24
Balance as at 1 April 2021	1,482.24
Add: Issue of shares	-
Balance as at 31 March 2022	1,482.24

B. Other Equity

	Reserves & Surplus					OCI		Total Other Equity
	Share based payment reserve	Securities premium	General Reserve	Capital Reserve	Money received against share warrants	Retained earnings	Remeasurements of the net defined benefit plans	
Balance as at 1 April 2020	-	2,667.66	245.15	44.06	93.75	2,617.50	(137.13)	5,530.98
Profit/(Loss) for the year	-	-	-	-	-	909.68	-	909.68
Other Comprehensive income	-	-	-	-	-	-	8.85	8.85
Balance as at 31 March 2021	-	2,667.66	245.15	44.06	93.75	3,527.18	(128.28)	6,449.51
Balance as at 1 April 2021	-	2,667.66	245.15	44.06	93.75	3,527.18	(128.28)	6,449.51
Profit/(Loss) for the year	-	-	-	-	-	857.84	-	857.84
Appropriations for dividend and tax on same	-	-	-	-	-	(148.22)	-	(148.22)
Other Comprehensive income	-	-	-	-	-	-	(0.61)	(0.61)
Share based payment reserve	91.28	-	-	-	-	-	-	91.28
Balance as at 31 March 2022	91.28	2,667.66	245.15	44.06	93.75	4,236.80	(128.90)	7,249.82

The notes referred to above form an integral part of these standalone financial statements,

As per our report of even date attached for and on behalf of the board of directors of
Bal Pharma LimitedChartered Accountants
Firm's registration number: 0100725**G.C.S Mani**

Partner

Membership number: 036508

Place: Bengaluru

Date: 30th May, 2022

Shailesh Siroya

Managing Director

DIN: 00048109

V Himesh

Whole Time Director

DIN: 08554422

G Rengarajan

Chief Financial Officer

Preeti Singh

Company Secretary

MINo:A51854



BAL PHARMA LIMITED

CIN: L85110KA1987PLC008368

Notes to standalone financial statements

1 Company Overview

Bal Pharma Limited (the Company) is a Public Limited Company domiciled in India and incorporated under provisions of the Companies Act, 1956. Its shares are listed on two recognized stock exchanges in India.

The Company is engaged in the manufacturing and selling of pharmaceutical products. The Company caters to both domestic and international markets.

2 Basis for preparation of Financial Statements

2.01 Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ('Ind AS'), read with relevant rules issued thereunder and other accounting principles generally accepted in India, and other relevant provisions of the Act.

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from 1 April 2021. The preparation of standalone financial statements is after taking into consideration the effect of the amended Schedule III, to the extent relevant to the presentation requirements of Division II of Schedule III. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

The standalone financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements were authorised for issue by the Company's Board of Directors on 30th May, 2022

2.02 Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the Company's functional currency and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian Rupees has been rounded off to nearest million, unless otherwise indicated.

2.03 Basis of measurement

The standalone financial statements have been prepared on a historical cost basis and on an accrual basis except for the following:

- certain financial assets and financial liabilities that are measured at fair value (refer accounting policies regarding financial instrument).

- employee defined benefit assets / liability recognised as the net total of the fair value of plan assets, and actuarial losses/gains, and the present value of defined benefit obligation

2.04 Use of estimates and judgments

In preparing these standalone financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

These estimates are reviewed on an ongoing basis. Subsequent revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 3.01 : whether the Company acts as an agent rather than as a principal in a transaction.

- Note 3.13 - contingent liabilities : measurement and likelihood of occurrence of provisions and contingencies

- Note 3.10 - leases : whether an arrangement contains a lease; lease classification

Assumptions and estimations

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2022 or subsequent year/ years is included in the following notes:

- Note 3.02: Useful lives of various of Property, Plant and Equipment

- Note 61: Fair Value of Financial Instruments

- Note 60: Accounting for Defined Benefit Plan - measurement of defined benefit obligation - key actuarial assumptions.

- Note 3.05: Expected Credit Losses associated with its assets carried at amortized cost



2.05 Current vs Non-Current Classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.06 Measurement of fair values

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The management regularly reviews significant unobservable inputs and valuation adjustments.

Measurement of fair values

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the

fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Financial Instruments - Refer Note 61 & 62

3 Significant Accounting Policies

3.01 Revenue Recognition

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

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue.

The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of Goods:

"Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In the Company's case, the obligation of the Company is said to be completed on movement of the goods from the factory gate. The Company has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, chargebacks, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Other Operating revenue is recognised on accrual basis."

Export Incentives:

Export entitlements under the Duty Drawback ('DBK'), Focus Marketing incentive scheme (FMS), Focus product scheme (FPS), Market Linked Product Scheme (MLPS), Incremental Exports incentive scheme, Merchandise Export



India Scheme and Service tax rebate scheme (STR) are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. As the Company derives a substantial portion of its revenue from export of goods, such incentives is recognised as "Other Operating Income"

Rendering of Services:

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

Interest Income:

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

Dividend Income

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

Rental Income

Rental income is recognised on a straight-line basis over the term of the lease .

3.02 Property, Plant & Equipment, Intangible Assets and Work-in - Progress

Recognition and Measurement

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

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost includes the cost of replacing part of the property,

plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in note below.

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

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

Subsequent Measurement

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

Disposal/Write-off

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

Capital Work-in-Progress

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

Transition to IndAS

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

Depreciation

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



Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Building constructed on leasehold land is depreciated based on the useful life specified in schedule II to the companies Act, 2013 where the lease period of the land is beyond the life of the building. In other cases, building constructed on leasehold lands are amortised over the primary lease period of the lands.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.03 Intangible Asset

Recognition and Measurement

The items of intangible assets, with finite life, are measured at cost less accumulated amortisation and impairment losses, if any. Cost of an item of intangible assets comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on internally generated goodwill and brands, is recognised in profit or loss when incurred.

Research and Development

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

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

As such, expenditure on projects which have become unsuccessful are charged off as an expense in the year in which they are abandoned. Capital expenditure incurred on research and development is capitalized as Property, Plant and Equipment and depreciated in accordance with the depreciation policy of the company.

Disposal/Write-off

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible

asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying values as at 1 April 2016 under previous GAAP of all its intangible assets recognised as at 1 April 2016, measured as per previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation

Amortisation is calculated to write-off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss. The estimated useful life of intangibles are as follows:

Asset	Management estimate of useful life (years)
Computer software	5
Research and Development	10

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.04 Inventories:

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

Raw materials and accessories:

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

Finished goods and work in progress:

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

Trading Goods:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.05 Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:



- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 180 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 180 days or more past due.

A. Measurement of expected credit losses

"Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed."

B. Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

C. Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest



group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.06 Financial Instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

A. Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost
- Fair value through other comprehensive income (FVOCI) - debt investment;
- Fair value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit & loss- (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and Interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

B. Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;



- how the performance of the portfolio is evaluated and reported to the Company’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected;and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company’s continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

C. Financial assets:Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features;and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

D. Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

D.1 Financial assets: Subsequent measurement and gains and losses

Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.



E. Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

A. Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

B. Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.07 Foreign Currency Transactions:

"Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction."

Measurement of foreign currency monetary items at the Balance Sheet date:

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

Treatment of exchange differences:

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

3.08 Employee Benefits

a) Short Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. Benefits such as salaries, short term compensated absences etc., and the expected cost of bonus is recognized in the period in which the employee renders the related services. A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for the related service

b) Post-Employment Benefits

The Company participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks are borne by the employee. The expenditure for defined contribution plans is recognised as an expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks are borne by the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

Defined contribution plans

Employees receive benefits from a provident fund and employee state insurance funds. The employer and employees each make periodic contributions to the plan as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses in the Statement of Profit and Loss as they fall due based on the amount of contribution required to be



made.

Defined Benefit plans

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. Company's liability towards Gratuity are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period of occurrence.

Other Long Term Benefit plan

Actuarial Valuation for compensated absences is done as at the year end and the provision is made as per Company policy with corresponding (gain)/charge to the statement of profit and loss and it covers all regular employees. Obligation in respect of earned leave policy are actuarially determined as at the year end using the 'Projected Unit Credit' method.

3.09 Borrowing Cost

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

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

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

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

3.10 Leases

The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- a. the Contract involves the use of an identified asset
- b. the Company has substantially all of the economic benefits from use of the asset through the period of lease

c. the Company has the right to direct the use of asset

The Company determines the lease term as the noncancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

Leases as Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. When ever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease

Leases as Lessee

As at the date of commencement of the lease, the Company recognises a right of use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for the leases with a term of twelve month or less (short term leases) and low value leases. For these short term leases, the Company recognises the lease payments as an operating expense on a straight line basis over the period of lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease and related prepaid amount plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses

ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease



payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the market. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

The Right-of-Use asset has been disclosed within the same line item as that within which the corresponding underlying asset would be presented. Where the Right-of-Use asset meets the definition of Investment Property such items has been presented in Balance sheet as Investment Property. Lease liability have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

3.11 Earnings per Share

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

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted

for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3.12 Income Tax

a. Current Tax

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

b. Minimum Alternate Tax ('MAT')

Minimum Alternate Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Income-tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

c. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities not recognised if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the



temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

3.13 Provisions and Contingencies

a. Provisions

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b. Contingent Liabilities and Contingent Assets

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

3.14 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.15 Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

3.16 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

3.17 GST input credit

GST input credit is accounted in the books in the period in which the underlying service as well as invoice is received and when there is no uncertainty in availing / utilizing the credits.



BAL PHARMA LIMITED
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Notes to the standalone financial statements (continued)
(all amounts in Rs. lakhs unless otherwise stated)

4. Property, Plant and Equipment

Particulars	Building (Right-Of-Use assets)	Freehold land	Leasehold land	Building	Plant and machinery	Furniture and fixtures	Office equipment	Motor vehicles	Total
Gross Block (Deemed Cost)									
Balance as at 01 April 2020	262.23	517.91	123.12	1,989.47	3,572.66	98.15	170.00	196.59	6,930.14
Additions	75.58	-	-	10.01	70.55	2.11	8.78	9.42	176.45
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	337.81	517.91	123.12	1,999.48	3,643.22	100.26	178.78	206.01	7,106.59
Balance as at 01 April 2021	337.81	517.91	123.12	1,999.48	3,643.22	100.26	178.78	206.01	7,106.59
Additions	167.51	-	-	51.36	269.18	9.68	20.85	17.51	536.08
Disposals	-	-	-	-	(133.05)	-	(0.17)	(28.50)	(161.72)
Balance as at 31 March 2022	505.32	517.91	123.12	2,050.84	3,779.34	109.94	199.47	195.01	7,480.95
Accumulated Depreciation									
Balance as at 01 April 2020	74.43	-	11.44	365.28	1,242.00	53.12	85.87	123.54	1,955.68
Additions	83.00	-	1.37	84.82	352.32	7.79	74.02	5.18	608.50
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	157.43	-	12.81	450.10	1,594.32	60.91	159.89	128.72	2,564.18
Balance as at 01 April 2021	157.43	-	12.81	450.10	1,594.32	60.91	159.89	128.72	2,564.18
Additions	80.15	-	1.46	93.25	361.45	9.08	16.01	13.33	574.73
Disposals	-	-	-	-	(126.40)	-	(0.09)	(23.41)	(149.91)
Balance as at 31 March 2022	237.58	-	14.28	543.35	1,829.36	69.99	175.82	118.64	2,989.00
Carry Amount (Net)									
Balance as at 31 March 2021	180.38	517.91	110.31	1,549.38	2,048.89	39.36	18.88	77.29	4,542.41
Balance as at 31 March 2022	267.74	517.91	108.84	1,507.49	1,949.97	39.95	23.65	76.38	4,491.95

I. The assets are owned by the Company except as stated otherwise

**BAL PHARMA LIMITED****CIN: L85110KA1987PLC008368****Notes to the standalone financial statements (continued)**

(all amounts in Rs. lakhs unless otherwise stated)

5. Capital work-in-progress

Particulars	As at 31 March 2022	As at 31 March 2021
Capital work-in-progress	116.21	-
	116.21	-

Capital work-in-progress ageing schedule

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in progress Project I	116.21	-	-	-	116.21
	116.21	-	-	-	116.21

6. Intangible Assets

Particulars	Computer software	Development Expenses	Total Intangible assets
Gross Block (Deemed Cost)			
Balance as at 01 April 2020	15.74	1,290.29	1,306.03
Additions	0.68	200.14	200.82
Disposals	-	-	-
Balance as at 31 March 2021	16.42	1,490.43	1,506.85
Balance as at 31 March 2021	16.42	1,490.43	1,506.85
Additions	18.75	205.38	224.13
Disposals	-	-	-
Balance as at 31 March 2022	35.17	1,695.81	1,730.98
Accumulated Depreciation			
Balance as at 01 April 2020	10.44	656.51	666.95
Additions	2.15	115.01	117.16
Disposals	-	-	-
Balance as at 31 March 2021	12.59	771.52	784.11
Balance as at 01 April 2021	12.59	771.52	784.11
Additions	2.71	146.31	149.02
Disposals	-	-	-
Balance as at 31 March 2022	15.29	917.83	933.12
Carry Amount (Net)			
Balance as at 31 March 2021	3.83	718.91	722.74
Balance as at 31 March 2022	19.88	777.98	797.86



Non-current financial assets

7. Investments

Particulars	As at 31 March 2022	As at 31 March 2021
Investment in equity instruments - Quoted		
Equity Shares at FVTPL		
31 Mar 2022 : 10,000 (31 Mar 2021: 10,000) Equity shares of Rs 10 each fully paid in Lamina Foundries Limited	3.72	3.72
31 Mar 2022 : 73,600 (31 Mar 2021 : 73,600) Equity shares of Rs 10 each fully paid in Sri Jayalakshmi Autospin Limited	7.36	7.36
Investment in equity instruments - Unquoted		
Equity Shares at FVTPL		
31 Mar 2022: 4,000 (31 Mar 2021: 4,000) Equity shares of Rs 25 each fully paid in The saraswat co-operative Bank Limited	1.00	1.00
31 Mar 2022: 5,000 (31 Mar 2021: 5,000) Equity shares of Rs 10 each fully paid in The Shamrao vithal Co-operative Bank Ltd.	0.50	0.50
Investments in Subsidiary Companies		
31 Mar 2022: 1,98,91,468 (31 Mar 2021: 1,98,91,468) Equity shares of Rs 10 each fully paid in Lifezen Healthcare Private Limited	198.91	198.91
31 Mar 2022: 80,000 (31 Mar 2021 : 80,000) Equity shares of Rs 10 each fully paid in Bal Research Foundation	8.00	8.00
31 Mar 2022: 80% (31 Mar 2021 : 80%) Percentage of share in Balance Clinic LLP	8.00	8.00
31 Mar 2022: 6,47,000 (31 Mar 2021: 6,47,000) Equity shares of Rs 10 each fully paid in Golden Drugs Private Limited	741.69	741.69
Less: Impairment in value of Investments	(129.58)	(129.58)
	839.60	839.60
Aggregate Amount of Quoted Investments and market value thereof	11.08	11.08
Aggregate Amount of Unquoted Investments	958.10	958.10
Aggregate Amount of Impairment in Value of Investments	(129.58)	(129.58)
Details of Investment in LLP		
Name of LLP : Balance clinic LLP	Share of Profit/ (loss) during the year	
Bal Pharma Limited	Rs. (12.59) Lakhs	
Shailesh D Siroya	Rs. (3.15) Lakhs	
Total Capital of the Firm (Rs. in Lakhs)	10 Lakhs	



BAL PHARMA LIMITED

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Notes to the standalone financial statements (continued)

(all amounts in Rs. lakhs unless otherwise stated)

Financial Assets

8. Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposit (Unsecured, considered good)	32.82	32.82
Bank Deposits (original maturity of more than 12 months)	180.90	238.59
Others		
Interest accrued but not received - Fixed Deposits	13.96	10.30
	227.68	281.71

9. Non current tax assets (Net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance Tax (net of provision)	15.95	14.75
	15.95	14.75

Non-financial assets

10. Other non-current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Advances	393.26	377.91
Other than Capital Advances:		
Balances with Statutory/Government Authorities	52.13	54.87
	445.38	432.78

Current assets

11. Inventories (valued at lower of cost and net realisable value)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials	3,098.39	2,270.95
Packing material	488.08	416.18
Work-in progress	1,844.42	1,204.08
Finished goods	1,962.21	2,117.64
Fuel	4.35	3.18
	7,397.46	6,012.03

**BAL PHARMA LIMITED****CIN: L85110KA1987PLC008368****Notes to the standalone financial statements (continued)**

(all amounts in Rs. lakhs unless otherwise stated)

Current financial assets**12. Trade Receivables**

Particulars	As at 31 March 2022	As at 31 March 2021
Trade Receivables considered good - secured	-	-
Trade Receivables considered good - unsecured	7,790.60	6,944.09
Trade Receivables which have significant increase in credit risk	91.34	75.46
Trade Receivables - credit risk	-	-
	7,881.94	7,019.55
Loss Allowance	(91.34)	(75.46)
	7,790.60	6,944.09

Debts due by firms or private companies in which any director is a partner or a director or a member as at 31 March 2022 - Rs. 421.25 lakhs (31 March 2021 - Rs. 321.73 lakhs)

Trade Receivables ageing schedule for the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	
(i) Undisputed Trade Receivables -considered good	6,729.99	353.02	531.39	176.61	7,790.60
(ii) Undisputed Trade Receivables -considered doubtful	-	-	91.34	-	91.34
(iii) Disputed Trade Receivables considered good	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-

Trade Receivables ageing schedule for the year ended 31 March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	
(i) Undisputed Trade Receivables -considered good	-	-	-	-	-
(ii) Undisputed Trade Receivables -considered doubtful	5,896.97	270.79	635.21	141.12	6,944.09
(iii) Disputed Trade Receivables considered good	-	-	75.46	-	75.46
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-

**BAL PHARMA LIMITED****CIN: L85110KA1987PLC008368****Notes to the standalone financial statements (continued)**

(all amounts in Rs. lakhs unless otherwise stated)

13. Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured-Considered good		
Loan receivables considered good - secured	-	-
Loan receivables considered good - unsecured		
- Loans/advances to employees	88.34	64.60
- Inter-Corporate Loan to related party	1,867.44	1,382.42
- Interest receivable on Inter-Corporate Loan to related party	616.50	481.89
Loan receivables which have significant increase in credit risk	-	-
Loan receivables - credit impaired	-	-
	2,572.29	1,928.91

Debts due by firms or private companies in which any director is a partner or a director or a member as at 31 March 2022 - Rs 2,483.94 lakhs (31 March 2021 - Rs. 1,864.31 lakhs)

14. Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	2.32	17.34
Balance with bank		
- On current Account	78.81	69.73
Deposits with original maturity of less than 3 months	-	2.02
	81.13	89.09

15. Other Bank balances

Particulars	As at 31 March 2022	As at 31 March 2021
Bank Deposits (maturity between 3 months to 12 months)	410.77	264.20
Balance earmarked for Unclaimed Dividends	17.34	18.50
	428.11	282.70

16. Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Bank Deposits (original maturity of more than 12 months)	62.25	30.55
Unsecured, considered good		
Earnest Money	119.65	100.61
Security deposit	134.61	140.60
Other receivables	24.15	49.17
	340.66	320.92

**BAL PHARMA LIMITED****CIN: L85110KA1987PLC008368****Notes to the standalone financial statements (continued)**

(all amounts in Rs. lakhs unless otherwise stated)

17. Current tax assets (Net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance Tax (net of provision)	-	0.35
	-	0.35

Non-financial assets**18. Other Current Assets**

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with statutory/government authorities	1,420.20	1,421.35
Export Incentives Receivable	418.74	429.92
Security Deposit		
- from related parties	819.32	796.49
Advances recoverable in Cash or Kind		
- from related parties	151.59	150.53
Advance to suppliers	419.14	906.43
Insurance claim receivable	100.00	-
Prepayments	56.68	6.88
Other current assets		
- from related parties	-	-
- from others	30.60	30.27
	3,416.28	3,741.87

Debts due by firms or private companies in which any director is a partner or a director or a member as at 31 March 2022 - Rs. 970.90 Lakhs (31 March 2021 - Rs. 947.01 lakhs)

19. Equity

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised Share capital		
31 March 2022 : 2,00,00,000 equity shares of Rs.10 each	2,000.00	2,000.00
31 March 2021 : 2,00,00,000 equity shares of Rs.10 each		
Issued, subscribed and paid-up share capital		
31 March 2022: 14,82,23,720 equity shares of Rs.10 each	1,482.24	1,482.24
31 March 2021: 14,82,23,720 equity shares of Rs.10 each		
	1,482.24	1,482.24

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

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares (in Lakhs)	Percentage	No. of shares (in Lakhs)	Percentage
Shailesh Siroya	19.95	13.46%	19.95	13.46%
Micro Labs Limited	20.12	13.57%	13.11	8.84%
Anita Siroya	10.49	7.08%	10.49	7.08%
	50.56	0.34	43.56	0.29

**BAL PHARMA LIMITED****CIN: L85110KA1987PLC008368****Notes to the standalone financial statements (continued)**

(all amounts in Rs. lakhs unless otherwise stated)

b) Details of shares held by promoters at the end of the year

Name of the Promoter	As at 31 March 2022		As at 31 March 2021		Percentage of change during the year
	No. of shares	Percentage	No. of shares	Percentage	
Shailesh Siroya	1,995,459	13.46%	1,995,459	13.46%	0%
Anita Siroya	1,049,220	7.08%	1,049,220	7.08%	0%
Micro Labs Limited	2,011,736	13.57%	1,310,836	8.84%	5%
Dilip Surana	474,994	3.20%	474,994	3.20%	0%
Archana Surana	284,996	1.92%	284,996	1.92%	0%
Anand Surana	525,686	3.55%	525,686	3.55%	0%
Monica Surana	179,909	1.21%	179,909	1.21%	0%
Dilip Surana (HUF)	169,995	1.15%	169,995	1.15%	0%
Chandraprakash Dheerajmal Siroya	486,420	3.28%	486,420	3.28%	0%
Anita Chandraprakash Siroya	122,687	0.82%	122,687	0.83%	0%
Jivi Dheerajmal Siroya	46,080	0.31%	46,080	0.31%	0%
Shrenik Siroya	-	0.00%		0.00%	0%
	7,347,182	50%	6,646,282	45%	5%

c) Reconciliation of the shares outstanding at the beginning and at the end of the period

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance (Number of shares in Lakhs)	148.22	141.72
Add : Shares Issued during the year (Number of shares in Lakhs)	-	6.50
Outstanding as at 31 March 2022	148.22	148.22

d) Rights, preferences and restrictions attached to equity shares:

- (i) The Company has only one class of shares referred to as equity shares having par value of Rs 10 each.
- (ii) Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholders' meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders' meeting.
- (iii) The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting.
- (iv) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (v) Each Share holder has a right to inspect the statutory registers of the company as per the provisions of the companies act, 2013.
- (vi) Each and every share holder has a right to participate in the share holders's meetings as and when called by the company subject to provisions of the Companies Act, 2013.



- e) Shares reserved for issue under options & contracts/commitments for sale of shares /disinvestment,including the terms & amounts - NIL
- f) For period of 5 years immediately preceding the balance sheet date.
 - Alloted as fully paid up by way of bonus shares NIL
 - Bought back NIL
 - For consideration other than cash- NIL
- g) Securities convertible into equity /preference shares issued - NIL
- h) No Calls Unpaid
- l) Issue of securities made for a specific purpose at the balance sheet date - NIL

20. Other Equity

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Retained Earnings		
Balance as at beginning of the reporting period	3,527.18	2,617.50
Add: Net profit/(loss) for the period	857.84	909.68
Less: Dividend payable	(148.22)	-
	4,236.80	3,527.18
(ii) Other Reserves*		
Securities premium	2,667.66	2,667.66
General reserve	245.15	245.15
Capital Reserve	44.06	44.06
	2,956.87	2,956.87
(iii) Other comprehensive income		
Others (acturial gain/ (Loss)	(128.28)	(137.13)
Add: Net gain/(loss) for the period	(0.61)	8.85
	(128.89)	(128.28)
(iv) Money received against Share warrants	93.75	93.75
(v) Share based payment reserve	91.28	-
	7,249.82	6,449.53

*Refer Statement of changes in equity for detailed movement in other equity balances.

Nature and purpose of reserves

Retained Earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to share holders.

Securities premium:

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013.

General reserve:

The Company has transferred a portion of its net profit before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013

Other Comprehensive Income (OCI):

Re-measurement of defined employee benefit plans

Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments with in the plans, are recognised in other comprehensive income and subsequently not reclassified into standalone statement of profit and loss



Financial liabilities

21. Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Terms loans		
- from banks	1,017.40	997.14
- from others	761.58	983.72
Working Capital Term Loan under Guranteed Emergency Credit Line	905.78	391.19
Other Loans		
- vehicle loans	16.58	21.16
- others	-	-
	2,701.34	2,393.21
The above amount includes*		
Secured Borrowings (includes vehicle loans)	2,312.09	2,547.53
Unsecured Borrowings	-	-
Loan under Guranteed Emergency Credit Line	1,041.67	400.00

* The same includes borrowings including current maturities

i) Details of securities, repayment and interest of secured term loans from banks (including current maturities of long-term debt):

A Term loans (including current maturities of non-current borrowings) from South Indian Bank Limited - Term Loan 1

As at 31 March 2022 :Rs.404.08 lakhs (31 March 2021 :Rs.432.90 lakhs)

Security

- i. All the property bearing municipal no 6/3 situated at Vasanthnagar, new ward number 63, Bengaluru consisting of 6825 square feet land owned by the Company

Repayment and interest

- ii. The loan was repayable in 154 monthly installments starting from March 2018.
iii. The loan carried interest rate equal to the lender's 12 month's MCLR rate

B Term loans (including current maturities of non-current borrowings) from South Indian Bank Limited - Term Loan 2

As at 31 March 2022 :Rs.292.85 lakhs (31 March 2021 :Rs.312.84 lakhs)

Security

- i. All the property bearing municipal no 6/3 situated at Vasanthnagar, new ward number 63, Bengaluru consisting of 6825 square feet land owned by the Company

Repayment and interest

- ii. The loan was repayable in 180 monthly installments starting from April 2018.
iii. The loan carried interest rate equal to the applicable 12 month's MCLR rate

C Term loans (including current maturities of non-current borrowings) from HDFC Bank Limited

As at 31 March 2022 :Rs.280.23 lakhs (31 March 2021 : Rs.458.94 lakhs)

Security

- i. Primary security of plant & machinery of Unit I located at 21 &22, Bommasandra Industrial Area, Bengaluru. Secondary collateral on factory land and building of Unit I located at 21 &22, Bommasandra Industrial Area, Bengaluru and personal guarantee of Mr Shailesh Siroya (managing director)

Repayment and interest

- i. The loan was repayable in 5 equal quarterly installments of Rs.30 lakh and Rs.14 lakh equal monthly installments till November 2023.
ii. Interest was payable on at 10.75% per annum



D Term loans (including current maturities of non-current borrowings) from Standard Chartered Bank Limited

As at 31 March 2022 :Rs.Nil (31 March 2021 : Rs. 121.90 lakhs)

Security

- i. Hypothecation of Plant and Machinery which were funded from the term loan. For all the limits sanctioned by bank including term loan, charge on current assets of the Company along with HDFC Bank limited, Canara Bank and Yes Bank and first charge on the property located in Plot 61B, Bommasandra, Bengaluru and personal guarantee of Mr Shailesh Siroya (managing director)

Repayment and interest

- i. The disbursed loan to be repayable in 60 monthly EMI.
- iii. The loan carried interest rate equal to the applicable MCLR rate plus 1% per annum

E Term loans (including current maturities of non-current borrowings) from Canara Bank.

As at 31 March 2022 :Rs 36.49 lakhs (31 March 2021 : Rs.Nil)

Security

- i. Hypothecation of Plant and Machinery which were funded from the term loan. For all the limits sanctioned by bank including term loan, charge on current assets of the Company along with HDFC Bank limited, Canara Bank and Yes Bank and first charge on the property located in Plot 61B, Bommasandra, Bengaluru and personal guarantee of Mr Shailesh Siroya (managing director)

Repayment and interest

- i. The disbursed loan to be repayable in 84 months with 5 months of moratorium and 1 month for project implementation
- iii. The loan carried interest rate equal to the applicable RLLR (presently 6.90%)+2.80%+0.8% (Liquidity Premium)

F Term loans (including current maturities of non-current borrowings) from Canara Bank.

As at 31 March 2022 :Rs 274.00 lakhs (31 March 2021 : Rs.Nil)

Security

- i. The assets created out of the credit facility so extended, that is, pari passu first charge on the entire current assets of the Company

Repayment and interest

- i. The disbursed loan to be repayable in 72 months with 24 months of moratorium
- ii. The loan carried interest rate equal to the applicable RLLR (presently 6.90%)+0.60%= 7.5%

ii) Details of securities, repayment and interest of secured term loans from others (including current maturities of long-term debt):

A Term loans (including current maturities of non-current borrowings) from Tata Capital Financial Services Limited

As at 31 March 2022 :Rs 992.98 lakhs (31 March 2021 : Rs. 1188.17 lakhs)

Security

- i. The loan is secured by mortgage of the property of Golden Drugs Private Limited Unit at Udaipur and personal guarantee of Mr Shailesh Siroya (Managing director).

Repayment and interest

- i. The loan was repayable in 72 monthly installments starting from April 2019 with a initial moratorium of 12 months
- ii. The loan carried interest rate equal to the lender's long term lending rate less 7.19%

iii) Details of securities, repayment and interest of Working Capital Term Loan under GECL scheme (including current maturities of long-term debt):

A Working Capital Term Loans (including current maturities of non-current borrowings) from Canara Bank limited

As at 31 March 2022 :Rs 391.67 (31 March 2021 :Rs.400.00 lakhs)

Security

- i. The Loan is secured by all assets created out of credit facility
- ii. The Loan is further secured by extending the charges created over existing loan.
- iii. The facility is to be covered under Emergency Credit Line Guarantee Scheme (ECLGS) administered by National Credit Guarantee Trustee Company (NCGTC) Limited

Repayment and interest

- i. Initial moratorium of 12 months and thereafter repayable in 48 months as Rs 8.35 lakhs per month for 47 months and Rs 7.55 lakh per month for 1 month
- ii. The loan carried interest rate equal to the lender's long term lending rate less 7.50% p.a



B Working Capital Term Loans (including current maturities of non-current borrowings) from HDFC Bank Limited

As at 31 March 2022 :Rs.650 lakhs (31 March 2021 :Rs.0 lakhs)

Security

- i. The Loan is secured by all assets created out of credit facility
- ii. The Loan is further secured by extending the charges created over existing loan.
- iii. The facility is to be covered under Emergency Credit Line Guarantee Scheme (ECLGS) administered by National Credit Guarantee Trustee Company (NCGTC) Limited

Repayment and interest

- i. Total tenor of 60 months with 12 months moratorium period .
- ii. The loan carried interest rate equal to 7.5%.p.a

iv) Details of Vehicle loans (including current maturities of long-term debt):

Vehicle Loans (including current maturities of non-current borrowings) from Canara Bank Limited

As at 31 March 2022 :Rs.6.37 lakhs (31 March 2021 : Rs.8.44 lakhs)

- i. Secured by hypothecation of motor vehicles.
- ii. These loans carry an interest rate of 9.20%.
- iii. The principal amount has to be repaid in 60 equated monthly instalments.

Vehicle Loans (including current maturities of non-current borrowings) from HDFC Bank Limited

As at 31 March 2022 :Rs.5.17 lakhs (31 March 2021 : Rs.8.72 lakhs)

- i. Secured by hypothecation of motor vehicles.
- ii. These loans carry an interest rate of 9.90% to 10.50%
- iii. The principal amount has to be repaid in 60 equated monthly instalments and 36 equated monthly instalments

Vehicle Loans (including current maturities of non-current borrowings) from Punjab National Bank Limited

As at 31 March 2022 :Rs.10.56 lakhs (31 March 2021 : Rs.15.93lakhs)

- i. Secured by hypothecation of motor vehicles.
- ii. These loans carry an interest rate of 8.80%
- iii. The principal amount has to be repaid in 84 equated monthly instalments.

Vehicle Loans (including current maturities of non-current borrowings) from Bank of Baroda

As at 31 March 2022 :Rs.9.50 lakhs (31 March 2021 : Rs 0 lakhs)

- i. Secured by hypothecation of motor vehicles.
- ii. These loans carry an interest rate of 7.35%
- iii. The principal amount has to be repaid in 36 equated monthly instalments.

v) There are no defaults in repayment of principal or interest to lenders as at the balance sheet date, however, in certain cases based on information available as on date, there exists a difference between the balance as per schedule and balance as per books

a) The following are delay in repayments towards loan for the year ended March 31, 2021

- In case of vehicle loans taken from Canara Bank Limited, the terms of which is stipulated in (iv) above, the balance as per original repayment schedule as on 31 March 2021 is Rs 7.38 lakhs whereas as per books is Rs 8.44 lakhs. Request has been made to bank to share the revised repayment schedule which is awaited.
- In case of term loans taken from HDFC Bank Limited , the terms of which is stipulated in (i)(D) above, the balance as per original repayment schedule as on 31 March 2021 is Rs 448.36 lakhs whereas as per books is Rs 458.94 lakhs. Subsequently, repaid the same.
- In case of vehicle loans taken from HDFC Bank Limited, the terms of which is stipulated in (iv) above, the balance as per original repayment schedule as on 31 March 2021 is Rs 0.50 lakhs whereas as per books is Rs 0.66 lakhs. Request has been made to bank to share the revised repayment schedule which is awaited.
- In case of term loans taken from South Indian Bank, the terms of which is stipulated in (i)(B) and (i)(C) above, the balance as per original repayment schedule as on 31 March 2021 is Rs 726.70 lakhs whereas as per books is Rs 745.73 lakhs. Request has been made to bank to share the revised repayment schedule which is awaited.

b) The following are delay in repayments towards loan for the year ended March 31, 2022:

- In case of vehicle loans taken from Canara Bank Limited, the terms of which is stipulated in (iv) above, there is a delay in repayment for the month of July 21, by four days.



- In case of vehicle loans taken from HDFC Bank Limited, the terms of which is stipulated in (iv) above, there is a delay in repayment for the month of July 21, by twelve days.
- In case of one of the vehicle loans taken from HDFC Bank Limited, the terms of which is stipulated in (iv) above, there is a delay in repayment for the month of Jan 22, by ten days.
- In case of another vehicle loans taken from HDFC Bank Limited, the terms of which is stipulated in (iv) above, there is a delay in repayment for the month of April, which was repaid in month of May.
- In case of vehicle loans taken from Punjab National Bank Limited, the terms of which is stipulated in (iv) above, there is a delay in repayment for every month during the year. As details made available, the equal monthly instalments is due first day of every month, however auto debit from bank is made at the end of respective month. Thereby, leading to a delay by 30 days.

22. Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits received from customers	137.88	142.88
Lease Liability (Ind AS 116)	225.37	161.52
	363.25	304.40

23. Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for Gratuity (refer note 61)	391.82	346.83
Provision for Leave Encashment (refer note 61)	68.48	50.00
	460.30	396.83

24. Deferred tax liabilities (Net)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities (Net)	440.49	404.80
Add: Created during the year	(193.75)	35.68
	246.73	440.49

25. Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured:		
- Cash Credit	3,117.72	4,657.27
- Packing Credit	3,358.73	2,503.83
- Buyers Credit	-	-
- Bills Discounting	-	196.64
- Working Capital Demand Loan	35.00	147.31
Current maturities of long-term debt (refer note C below)		
- term loan from banks	229.89	313.03
- term loan from others	220.93	193.99
- vehicle loans	14.86	8.23
- working capital term loan under Guranteed Emergency Credit Line	122.11	11.93
- others	-	-
	7,099.24	8,032.23



- A) All secured loans payable on demand and secured short term loans from banks are secured by first charge by way of hypothecation of all the stocks, book debts and other current assets (both present and future) and carries interest rate @ 9.75% to 13.15%
- B) The loan from director carries nil rate of interest and repayable on demand
- C) For details of terms of loan, refer note no. 21

26. Trade Payables

Particulars	As at 31 March 2022	As at 31 March 2021
Due to Micro, Small and Medium Enterprises		-
Due to Other than Micro, small and Medium Enterprises		
- Due to Related Parties	-	-
- Due to Others	7,192.85	4,855.50
	7,192.85	4,855.50

Trade Payable ageing schedule for year ended March 2022

Capital work-in-progress	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Micro, Small and Medium Enterprises (MSME)				-	-
(ii) Others	6,525.22	218.55	352.11	96.97	7,192.85
(iii) Disputed Dues - Micro, Small and Medium Enterprises (MSME)				-	-
(iii) Disputed Dues - Others				-	-

Trade Payable ageing schedule for year ended March 2021

Capital work-in-progress	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Micro, Small and Medium Enterprises (MSME)				-	-
(ii) Others	4,229.14	391.96	127.61	106.79	4,855.50
(iii) Disputed Dues - Micro, Small and Medium Enterprises (MSME)				-	-
(iii) Disputed Dues - Others				-	-

**BAL PHARMA LIMITED****CIN: L85110KA1987PLC008368****Notes to the standalone financial statements (continued)**

(all amounts in Rs. lakhs unless otherwise stated)

27. Other Financial Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due	7.95	11.51
Interest accrued and due	38.84	34.97
Security deposits	11.00	15.72
Payable towards purchase of Property, Plant and Equipment	108.65	14.08
Accrued Payroll	198.18	203.90
Unclaimed Dividends	17.36	18.52
Payable towards Dividend Distribution Tax	-0.00	29.13
Lease Liability (IND AS 116)	76.19	30.80
Director's Deposit	1.00	1.00
Rental Deposits		
Rental Deposits from Related Party	4.00	4.00
- from others	-	0.50
Other current liabilities	-	-
- Due to Others	269.81	436.21
	732.98	800.34

28. Other Current Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Advance received from Customers	627.57	596.75
Statutory dues	298.93	175.34
Book Overdraft due to issue of cheques	-	130.19
	926.50	902.28

29. Provision

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for Gratuity (refer note 61)	48.09	49.99
Provision for Leave Encashment (refer note 61)	18.54	14.67
	66.63	64.66

30. Current Tax Liabilities (Net)

Particulars	As at 31 March 2022	As at 31 March 2021
Current Income Tax Liabilities (Net)	439.26	32.26
	439.26	32.26

**BAL PHARMA LIMITED****CIN: L85110KA1987PLC008368****Notes to the standalone financial statements (continued)**

(all amounts in Rs. lakhs unless otherwise stated)

31. Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of Product	27,884.76	24,574.02
Sale of Services	0.21	-
Other operating revenue	151.56	356.86
	28,036.53	24,930.88
Sale of Product		
API		
- Domestic	5,232.35	5,625.36
- Exports	10,766.20	7,359.23
Formulations		
- Domestic	3,244.94	3,115.87
- Exports	8,641.27	8,473.56
Other operating revenue		
Scrap Sales	10.02	7.73
Export Incentives	141.54	348.82
Sale of Waste Solvents	-	0.31
	28,036.32	24,930.88

32. Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income		
- on Inter-Corporate Loans	134.61	143.84
- on fixed deposits with bank	21.34	27.40
- Others	15.64	3.91
Net gain on foreign currency translation and transactions	68.59	-
Profit on sale of Property, Plant and Equipment	123.36	4.06
Rental Income	13.38	12.73
Insurance Claim	100.92	3.05
Balances/Advances No More Payable	162.40	57.81
Income Tax Refund Received	-	-
Other Non -Operating revenue	8.81	16.40
	649.04	269.20

**BAL PHARMA LIMITED****CIN: L85110KA1987PLC008368****Notes to the standalone financial statements (continued)**

(all amounts in Rs. lakhs unless otherwise stated)

33. Cost of materials consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Raw materials		
Opening stock	2,270.95	2,496.28
Add: Purchases - Raw Material	15,942.69	12,313.24
Less: Closing stock	(3,098.39)	(2,270.95)
	15,115.25	12,538.56
Packing Materials		
Opening Stock	416.18	410.88
Add: Purchases - Packing Material	1,251.33	1,013.59
Less: Closing stock	(488.08)	-416.18
	1,179.43	1,008.29
	16,294.68	13,546.85

34. Purchases of traded goods

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of traded goods	840.01	997.83
	840.01	997.83

35. (Increase)/decrease in Inventories of finished goods and work in progress

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the end of the year		
Work-in-progress	1,844.42	1,204.08
Finished goods	1,962.21	2,117.64
	3,806.63	3,321.72
Inventories at the beginning of the year		
Work-in-progress	1,204.08	648.23
Finished goods	2,117.64	3,186.80
	3,321.72	3,835.03
	(484.91)	513.31



BAL PHARMA LIMITED

CIN: L85110KA1987PLC008368

Notes to the standalone financial statements (continued)

(all amounts in Rs. lakhs unless otherwise stated)

36. Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salary and wages	3,933.47	3,488.44
Contribution to provident and other funds	148.08	158.93
Staff welfare expenses	260.64	218.75
Gratuity Expenses	76.29	68.41
Leave Encashment Expense	27.20	27.30
	4,445.68	3,961.83

37. Finance Cost

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest Expenses on Term Loan	277.31	326.11
Interest Expenses on Working Capital	502.38	687.43
Interest Expenses GECL	-	3.71
Interest Expenses - others	16.51	19.31
Interest Expenses on Lease Liability (Ind AS 116)	26.77	15.85
Interest Expenses on Current Taxes	27.19	-
Other Finance Cost (Including Interest on delayed payment of taxes)	189.68	143.41
	1,039.85	1,195.82

38. Depreciation and Amortisation

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on Property, Plant and Equipment	574.73	608.50
Amortisation on Intangible Assets	149.02	117.16
	723.74	725.66

**39. Other expenses**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spares	26.79	24.97
Power and fuel		
Fuel - Opening Balance	3.18	12.68
Add: Fuel Purchases	178.82	132.64
Less: Closing Stock of Fuel	(4.35)	(3.18)
Cost of fuel consumption	177.64	142.14
Electricity charges	11.14	14.41
Power charges	324.26	296.36
Water Charges	24.17	16.77
Laboratory and Testing Charges	205.02	175.08
Sub contracting expenses	796.98	408.03
Repairs & Maintenance		
- Plant and machinery	198.74	137.19
- Building	94.06	39.17
- Others	147.95	128.03
Commission on sales	339.64	251.42
Freight and forwarding charges	985.57	607.54
Net loss on foreign currency translation and transactions	-	188.77
Travelling Expenses	59.84	56.21
Advertisement and selling expenses	221.80	141.19
Legal and professional charges	174.89	126.45
Rent	48.03	55.18
Rates & Taxes	145.36	72.47
Communication Cost	31.68	31.68
Registration fees	59.33	20.13
Liquidated damages	27.10	39.10
Security Charges	55.93	58.88
Donation	18.99	7.35
Corporate Social Responsibility	3.50	-
Loss on sale of Duty Scrip	-	0.55
Seminar, Conference & Exhibition Expenses	-	0.36
Insurance	48.47	41.19
Printing & Stationary	28.92	30.00
Subscription & Membership	14.26	4.36
Bank charges	13.65	18.40
Expected Credit Losses	15.88	21.17
Balances/Advances No More Recoverable	229.19	77.72
Interest on TDS and Indirect Taxes	36.71	-
Miscellaneous Expenses	55.43	36.29
	4,620.94	3,279.17

**BAL PHARMA LIMITED****CIN: L85110KA1987PLC008368****Notes to the standalone financial statements (continued)**

(all amounts in Rs. lakhs unless otherwise stated)

40. Remeasurements of post-employment benefit obligations

Particulars	As at 31 March 2022	As at 31 March 2021
Earned Leave Salary - Actuarial gain	-	33.04
Gratuity - Actuarial gain	(0.61)	(20.56)
	(0.61)	12.48

41. Contingent liabilities and commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Contingent liabilities		
- Income tax	306.92	159.67
- Excise & Customs and Service Tax (refer note 1 below)	247.94	272.97
- Sales Tax (refer note 2 below)	-	1.18
- GST	1,069.64	-
- Others (Letter of credit)	-	952.40
Capital commitments		
-Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-

Note 1 : The Company has received show cause notices under the Central Excise laws and Service Tax laws in for the years 2007-08 onwards which in various stages of assessment as at 31 March 2022. The assessments are in progress and the Company has not received the assessment order in respect of the same. In certain cases, the Company has preferred an appeal which has been remanded back to the original authority for reassessment.

Note 2: The Company has received a modified assessment order dated 10 March 2021 with a demand of Rs 5.84 lakhs inclusive of interest of Rs 3.87 interest. The Company has filed an application under Kerala Amnesty scheme 2021 for waiver of 100% interest and 40% tax demand. The Company is awaiting approval of the same.

Other Disputes

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

42. Details of inter- corporate deposits/Loans and Advances/Guarantees/ Securities given to related parties:

(a) Terms and conditions on which inter- corporate deposits/Loans and Advances/Guarantees/ Securities have been given:

Party name	Nature of relationship	Interest rate	Repayment terms	Purpose
Golden Drugs Private Limited	Wholly Owned Subsidiary	11.06%	Repayable on Demand	For the purpose of the Manufacturing unit

**BAL PHARMA LIMITED****CIN: L85110KA1987PLC008368****Notes to the standalone financial statements (continued)**

(all amounts in Rs. lakhs unless otherwise stated)

(b) Reconciliation of inter- corporate deposits/Loans and Advances/Guarantees/ Securities given as at the beginning and at the end of the year:

Particulars	As at 31 March 2022	As at 31 March 2021
Golden Drug Private Limited		
At the commencement of the year	1,382.42	1,193.09
Add: Given during the year	519.57	283.35
Less: Repaid during the year	(34.54)	(94.02)
At the end of the year	1,867.44	1,382.42

Maximum amount outstanding during the year : Rs 1867.44 lakhs

43. Auditors' remuneration excluding tax (included in Legal and Professional Charges)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor		
- for Statutory audit	7.00	7.00
- for Taxation matters	0.50	0.50
- for Limited Review	0.20	0.20
In other capacity	-	-
Other services (certification fees)	-	-
Reimbursement of expenses	-	-
	7.70	7.70

44 Disclosure with respect to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act'). However as on date, the Company has not received any information with regard to vendors who have obtained registration under the said act.

45 Confirmations

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

46 Earnings per share

Basic EPS amounts are calculated by dividing the income for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive instruments.

**(i) Reconciliation of earnings used in calculating earnings per share:**

Particulars	As at 31 March 2022	As at 31 March 2021
From continuing operations:		
Total Profit / (Loss) for the period attributable to Equity shareholders	857.84	979.60
Net profit/(loss) for basic and diluted earnings	857.84	979.60

(ii) Reconciliation of basic and diluted shares used in computing earnings per share

Particulars	As at 31 March 2022	As at 31 March 2021
Number of equity shares at the beginning of the year (in Lakhs)	148.22	141.72
Add: Weighted average number of equity shares issued during the year	-	0.27
Number of weighted average equity shares considered for calculation of basic and diluted earnings per share (in lakhs)	148.22	141.99

(iii) Earnings per share:

Particulars	As at 31 March 2022	As at 31 March 2021
Basic	5.79	6.90
Diluted	5.67	6.90
(All share warrants issued at average market price)		

*The Company has no potential dilutive instruments

47. Unclaimed Dividends on Equity Shares

Particulars	As at 31 March 2022	As at 31 March 2021
2012 - 2013	-	1.95
2013 - 2014	-	2.34
2014 - 2015	3.81	3.78
2015 - 2016	2.64	2.64
2016 - 2017	2.42	2.40
2017 - 2018	2.59	0.90
2018 - 2019	2.70	2.73
2020 - 2021	3.20	-
	17.36	16.74

48. Expenditure on corporate social responsibility activities

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Where the company covered under section 135 of the companies act, the following shall be disclosed with regard to CSR activities:-		
(a) amount required to be spent by the company during the year,	5.16	-
(b) amount of expenditure incurred,*	3.50	-
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	3.50	-
(c) shortfall at the end of the year,	1.66	-
(d) total of previous years shortfall,	-	-
(e) reason for shortfall,	0.00	NA
(f) nature of CSR activities,	Education to socially and financially underprivileged children	NA
(g) details of related party transactions	-	-
(h) Provision made in respect of a Liability incurred due to a Contractual Obligation	-	-

49 Leases

(a) Company as a lessee

Effective April 1, 2019, the Company adopted Ind-AS 116, on all lease contracts, except for the leases with a term of twelve month or less (short term leases) and low value leases, existing on April 1, 2019 using the modified retrospective method with Right-of-use assets recognised at an amount equal to the lease liabilities in the balance sheet. The Right-of-use assets as on March 31, 2021 and March 31, 2022 have been presented as part of Property, plant and equipment. For these short term leases, the Company recognises the lease payments as an operating expense on a straight line basis over the period of lease.

Changes in Lease Liabilities

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening Balance as on 1 April 2021	192.32	194.08
On account of adoption of Ind AS 116	-	-
Additions	168.16	72.55
Finance Cost	26.77	15.85
Payment of Lease Liabilities	-85.69	(90.15)
Closing Balance	301.56	192.32
Current Lease Liabilities	76.19	30.80
Non-current Lease Liabilities	225.37	161.52

Contractual Maturities of Lease Liability

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Less than one year	100.17	81.93
1 to 5 years	248.57	121.77
above 5 years	-	32.76



(b) Company as a lessor

The company’s leasing arrangements as a lessor are in nature of operating leases. These are cancelable operating leases and these lease agreements are normally renewed on expiry. The aggregate lease rental payable are charged as rent under note 39

50 Export Benefit Incentives

Export benefit Incentives includes Duty Drawback (‘DBK’), Focus Marketing incentive scheme (FMS), Focus product scheme (FPS), Market Linked Product Scheme (MLPS), Incremental Exports incentive scheme, Merchandise Export India Scheme and Service tax rebate scheme (STR). The Company has accounted an amount of Rs. 141.54 lakhs (31 March 2020 : Rs. 348.82 lakhs) under "other operating revenue", being the net amount of credit under various export incentive schemes as announced under Foreign trade Policy. The same will be either be sold or utilized for off-setting customs duty on future imports. The accumulated amount outstanding on this account as on 31 March 2022 is Rs. 418.74 lakhs (31 March 2021 is Rs. 429.92 lakhs) and the same is reflected under Export Incentives Receivable.

51 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. The operating segments’ operating results are reviewed by the Chief Operating Decision Maker (Board of Directors) to make decisions about resources to be allocated to the segments and assess their performance. The Company’s business activities fall within one component namely, "manufacturing and marketing of pharmaceutical formulations and active pharmaceutical ingredients". Accordingly, separate disclosures per the requirements of Ind AS 108, Operating Segments, are not considering necessary.

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

52. Income tax

A. Amounts recognised in statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax:		
Current income tax charge	447.86	37.87
Previous Year's Tax Adjustment	93.65	-
	541.51	37.87
Deferred tax:		
Attributable to -		
Origination and reversal of temporary differences	(193.76)	32.06
	(193.76)	32.06
Minimum Alternate Tax credit entitlement		
Excess of tax liability under Minimum Alternate Tax over Normal Provisions as per Income Tax Act, 1961	-	-
	-	-
Income tax (credit) / expense reported in the Statement of profit or loss	347.75	69.93

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net (gain)/loss on remeasurement of defined benefit liability/ (assets)	-	(3.63)
Income tax charged to OCI	-	(3.63)

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before income tax	1,205.63	979.61
Domestic tax rate *	29.12%	29.12%
Tax using the Company's domestic tax rate	351.08	285.26
Impact of Non-taxable items due to Ind AS adjustments	10.84	13.45
Weighted Deductions and Exemptions	(17.20)	7.16
Impact of non-deductible expenses for tax purposes (Net)	15.41	2.13
Impact of disallowance for non payment and non deduction of TDS	-	(24.40)
Impact of allowability of certain expenditure on payment basis	(42.44)	102.89
Impact of Depreciation on Property, Plant and Equipment and others	(76.12)	(42.87)
Impact of tax losses on tax expense	-	(268.30)
Previous Year's Tax Adjustment	93.65	-
Others	12.54	(5.40)
Current tax Expense	347.75	69.93
Effective Tax Rate	28.84%	7.14%

* Including applicable surcharge rate and cess

D. Deferred Tax

Deferred tax relates to the following:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred Tax Liability		
Property, Plant and Equipment	518.47	661.78
Borrowings	18.82	5.65
Deferred tax Asset		
Allowability of certain expenditure on payment basis	171.20	(151.58)
Disallowance under sec 40(a)(ia)	12.17	(12.17)
Impairment of Investments	37.73	(37.73)
Income Tax Losses	-	-
Others	31.82	(25.45)
Deferred tax Liability Reflected in Balance Sheet	(246.73)	440.49

**BAL PHARMA LIMITED****CIN: L85110KA1987PLC008368****Notes to the standalone financial statements (continued)**

(all amounts in Rs. lakhs unless otherwise stated)

53. Expenditure on Research and Development

Particulars	As at 31 March 2022	As at 31 March 2021
Total Expenditure		
Raw material consumed	6.27	4.66
Power and Fuel	46.54	21.26
Water Charges	2.57	2.94
Laboratory and testing	0.38	1.81
Employee benefit expense	125.11	163.40
Others	24.51	8.38
Total Expenditure towards Research and Development	205.38	202.45
Development Expenses	(205.38)	(200.14)

54 Note on Suspended Activities in Unit located at Pune

The Management of the Company has decided to suspend the operations of its IV fluids and parenterals manufacturing facility at Pune as this unit has been consistently incurring operational losses due to various reasons such as higher costs of raw materials, escalation in production cost, employee cost, lack of adequate orders and thin margins on products manufactured. The above have led to a situation wherein any further efforts to restore the profitability of the unit will be futile.

This decision was taken as part of the restructuring exercise undertaken by the Company to streamline its operations and to exit from its noncore businesses, so that further deterioration of its noncore business revenues can be plugged. The management is considering both avenues of disinvestment of the Unit or partnering with an outside party, whichever is beneficial.

55. Value of Imports calculated on CIF basis

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Raw Materials	7,793.37	5,677.32
Capital goods (Including spares and components)	-	-
	7,793.37	5,677.32

**56. Details of consumption of imported and indigenous raw materials, components and spare parts:**

Particulars	31 March 2022		31 March 2021	
	Value in Rs	% of total consumption	Value in Rs	% of total consumption
Raw Material				
Imported	7,599.17	50.27%	5,516.97	44.00%
Indigenous	7,516.08	49.73%	7,021.59	56.00%
	15,115.26	100.00%	12,538.56	100.00%
Stores and Spares				
Imported	-	-	-	-
Indigenous	-	-	-	-
	-	-	-	-
	15,274.94		12,538.56	

57. Earnings in Foreign Currency

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
FOB value of Exports	18,360.18	15,042.68
	18,360.18	15,042.68

58. Expenditure in Foreign Currency

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Traveling expenditure	8.26	22.58
Registration fee	54.46	15.80
Commission on export sales	61.74	90.86
Sales promotion expenses	16.00	56.16
Inspection expenses	22.55	-
	163.00	185.40



BAL PHARMA LIMITED

CIN: L85110KA1987PLC008368

Notes to the standalone financial statements (continued)

(all amounts in Rs. lakhs unless otherwise stated)

59. Related Party Transactions

A Subsidiaries

Wholly owned Subsidiary Company
Subsidiary Company
Subsidiary Company
Subsidiary Company

Golden Drugs Private Limited
Balance Clinics LLP
Bal Research Foundation
Lifezen Healthcare Private Limited

B Enterprise owned by the Managing Director of the company Desa Marketing International

C Enterprise over which the Managing Director of the Company exercises joint control with other relatives Siroya Construction
Siroya Wellness

D Enterprise over which the Managing Director of the Company exercises joint control with other directors Siroya Properties & Holdings Private Limited
Siroya Developers Private Limited

E Significant Interest Entities Micro Labs Limited

F Key management personnel Shailesh D Siroya - Managerial Director
Himesh Virupakshaya - Whole Time Director

ii. Particulars of Related Party Transactions

Particulars	Category	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from Operations			
- Micro Labs Limited	E	160.96	292.17
-Lifezen Healthcare Private Limited	A	19.13	31.22
- Balance Clinics LLP	A	13.07	-
- Golden Drugs Private Limited	A	-	-
		193.16	323.39
Other Income - Rental Income			
- Lifezen Healthcare Private Limited	A	10.26	9.08
- Bal Research Foundation	A	2.40	2.83
- Golden Drugs Private Limited		0.12	-
		12.78	11.91
Other Income - Interest on Inter-Corporate Loans			
- Golden Drugs Private Limited	A	134.61	481.89
		134.61	481.89
Other Income - Profit on sale of Property, Plant and Equipment			
- Golden Drugs Private Limited	A	-	1.95
		-	1.95



ii. Particulars of Related Party Transactions (continued)

Particulars	Category	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of traded goods			
- Lifezen Healthcare Private Limited	A	6.94	6.58
		6.94	6.58
Sub contracting expenses			
- Golden Drugs Private Limited	A	496.22	92.85
		496.22	92.85
Commission on sales			
- Desa Marketing International	B	217.54	117.15
- Shailesh D Siroya		90.00	-
		307.54	117.15
Sales promotion expenses			
- Siroya & Company	E	13.38	3.19
		13.38	3.19
Rental Expenses			
- Shailesh D Siroya	F	12.00	12.00
- Golden Drugs Private Limited	A	0.24	0.24
		12.24	12.24
Key Managerial Personnel Compensation			
- Shailesh D Siroya	F	104.58	102.00
- Dr. S. Prasanna	F	-	23.80
- Himesh Virupakshaya		37.85	31.61
- Preeti Singh		4.99	4.50
- G. Rengarajan	F	17.70	14.75
		165.12	176.65
Loans Given			
- Golden Drugs Private Limited	A	485.02	148.72
- Lifezen Healthcare Private Limited		-	53.14
		485.02	201.86
Loans Taken			
- Balance Clinics LLP	A	-	1.57
		-	1.57
Expenses reimbursed by			
- Siroya Constructions	C	-	-
- Siroya Properties & Holdings Private Limited	D	0.25	-
		0.25	-
Project management consultancy fee capitalised			
- Synergy Property Development Services Private Limited		-	0.13
- Siroya Properties & Holdings Private Limited	D	-	0.13
Deposit Provided for rendering of services			
- Lifezen Healthcare Private Limited	A	22.83	53.14
		22.83	53.14
Loan received from Director (Net)			
- Shailesh D Siroya	F	-	-56.92
		-	-56.92



iii. Amount outstanding as at the balance sheet date

Particulars	Category	For the year ended 31 March 2022	For the year ended 31 March 2021
Capital advances			
- Siroya Properties & Holdings Private Limited		-	376.09
		-	376.09
Trade Receivables			
- Lifezen Healthcare Private Limited	A	238.18	206.63
- Balance Clinics LLP	A	47.07	8.11
- Micro Labs Limited	E	150.44	112.29
- Bal Research Foundation	A	10.94	8.11
- Golden Drugs Private Limited	A	125.06	98.88
		571.69	434.02
Inter-Corporate Loan			
- Golden Drugs Private Limited	A	1,867.45	1,382.42
		1,867.45	1,382.42
Interest receivable on Inter-Corporate Loan			
- Golden Drugs Private Limited	A	616.50	481.89
		616.50	481.89
Security Deposit			
- Lifezen Healthcare Private Limited	A	819.32	796.49
		819.32	796.49
Advances recoverable in Cash or Kind			
- Balance Clinics LLP	A	150.80	-
- Bal Research Foundation	A	2.49	-
- Siroya Constructions	C	-	-
- Siroya Wellness	C	0.98	0.98
- Siroya Properties & Holdings Private Limited	D	-	-
		154.27	0.98
Other current assets			
- Himesh Virupakshaya	F	-	0.34
- Siroya Properties & Holdings Private Limited	D	376.72	18.29
		376.72	18.63
Loan from Director			
- Shailesh D Siroya	F	-	-
		-	-
Trade Payables			
- Desa Marketing International	B	118.88	81.94
- Lifezen Healthcare Private Limited	A	28.01	29.18
- Balance Clinics LLP	A	9.52	9.53
- Siroya Constructions	C	-	1.44
- Golden Drugs Private Limited	A	657.03	150.40
- Siroya Sunshine		2.92	-
- Shailesh Siroya		53.15	-
		869.51	272.49
Payable towards Capital Goods			
- Siroya Constructions	C	0.50	-
		0.50	-
Other financial liabilities - Rental Deposits			
- Bal Research Foundation	A	1.00	1.00
- Lifezen Healthcare Private Limited	A	3.00	3.00
		4.00	4.00
Other Current Liabilities			
Shailesh D Siroya	F	40.50	0.34
Himesh Virupakshaya	F	-0.25	0.85
		40.25	1.19

* Managerial remuneration does not include provision for gratuity and leave encashment, which is determined for the Company as a whole



60. Employee benefits

(a) Defined Contribution Plans

Employees receive benefits from a provident fund and employee state insurance funds. The employer and employees each make periodic contributions to the plan as per local regulations. The following table discloses the employers contribution to the funds:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Provident Fund Contribution	134.40	136.50
Contribution to Employee State Insurance	13.68	22.22
Labour Welfare Fund	0.00	0.21

(b) Defined Benefit Plans and other Long term plans

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

Actuarial Valuation for compensated absences is done as at the year end and the provision is made as per Company policy with corresponding (gain)/charge to the statement of profit and loss and it covers all regular employees. Obligation in respect of earned leave policy are actuarially determined as at the year end using the 'Projected Unit Credit' method.

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

Particulars	Gratuity		Leave Encashment	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Changes in present value of defined benefit obligations during the year				
Present Value of Defined Benefits at the beginning of the year	396.82	328.78	64.67	75.60
Service cost	48.92	44.79	28.69	22.01
Past Service Cost	-	-	-	-
Interest on defined benefit obligation	27.37	23.03	4.38	5.29
Benefits settled	-32.59	(20.36)	(4.85)	(5.19)
Actuarial (gain) / loss	-0.61	20.57	(5.87)	(33.04)
	439.91	396.81	87.02	64.67
Reconciliation of present value of the obligation and the fair value of the plan assets:				
Present Value of Defined Benefits at the end of the year	439.91	396.81	(87.02)	(64.67)
Fair value of plan assets at the end of the year	-	-	-	-
	(439.91)	(396.81)	(87.02)	(64.67)
Net Liability - Current (Refer Note No. 29)	48.09	49.99	18.54	14.67
Net Liability - Non Current (Refer Note No. 23)	391.82	346.83	68.48	50.00
Expenses recognised in Statement of Profit or Loss during the year				
Current Service cost	48.92	44.79	28.69	22.01
Past Service Cost	-	-	-	-
Interest cost on defined benefit (net)	27.37	23.03	4.38	5.29
Expected return on plan assets	-	-	-	-
Others	-	-	(5.87)	-
	76.29	67.83	27.20	27.30

**(b) Defined Benefit Plans and other Long term plans (continued)**

Particulars	Gratuity		Leave Encashment	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Actuarial (gain) / loss				
Remeasurements - Due to Demographic Assumptions	-	(5.99)	-	(0.83)
Remeasurements - Due to Financial Assumptions	5.02	41.66	1.00	5.06
Remeasurements - Due to Experience Adjustments	(5.62)	(15.94)	(7.12)	(37.81)
(Return) on Plan Assets (Excluding Interest Income)		-		-
(Return) on Reimbursement Rights		-		-
Changes in Asset Ceiling / Onerous Liability		-		-
	(0.61)	19.73	(6.12)	(33.58)
Maturity Profile of Defined Benefit Plan				
Within the next 12 months	48.09	50.36	9.25	7.76
Between 2 and 5 years	138.21	126.60	28.69	19.09
Between 6 and 9 years	101.85	89.21	16.72	13.03
For 10 years and above	147.83	134.94	32.12	23.05
Sensitivity Analysis for significant assumptions				
Salary Escalation - Up by 1%	5.44%	5.47%	6.01%	5.89%
Salary Escalation - Down by 1%	-4.94%	-4.96%	-5.39%	-5.30%
Attrition Rates - Up by 1%	-0.32%	-0.27%	-0.31%	-0.26%
Attrition Rates - Down by 1%	0.34%	0.29%	0.35%	0.28%
Discount Rates - Up by 1%	-5.42%	-5.48%	-5.77%	-5.65%
Discount Rates - Down by 1%	6.07%	6.14%	6.55%	6.39%
Assumptions				
Discount rate	7.04%	7.23%	7.04%	7.23%
Estimated rate of return on plan assets	0.00%	0.00%	0.00%	0.00%
Salary increase	7.00%	7.00%	7.00%	7.00%
Attrition Rate	15.00%	15.00%	15.00%	15.00%
Retirement age	58 years	58 years	58 years	58 years

**61. Financial Instruments - Fair Value Disclosure****The carrying value and fair value of financial instruments by categories for year ended 31 March, 2022**

	Note No	Carrying value	Amortized Cost	Fair Value
Financial Asset at Amortised Cost (Current and Non-Current)				
Investments *	7	839.60	839.60	-
Loans	13	2,572.29	2,572.29	-
Trade receivable	12	7,790.60	7,790.60	-
Cash and cash equivalents	14	81.13	81.13	-
Other bank balances	15	428.11	428.11	-
Other financial assets	8 & 16	568.34	568.34	-
Total Financial Assets		12,280.07	12,280.07	-
Financial Liabilities at Amortised Cost (Current and Non-Current)				
Borrowings (including current maturities)	21 & 25	9,800.58	9,800.58	-
Trade payables	21 & 25	7,192.85	7,192.85	-
Other financial liabilities	22 & 27	1,096.23	1,096.23	-
Total Financial Liabilities		18,089.66	18,089.66	-
		(5,809.60)	(5,809.59)	-

*The Company has opted to account for investments in subsidiaries at cost as per Ind-AS 27 'Separate financial statements'

The carrying value and fair value of financial instruments by categories for year ended 31 March, 2021

	Note No	Carrying value	Amortized Cost	Fair Value
Financial Asset at Amortised Cost (Current and Non-Current)				
Investments	7	839.60	839.60	-
Loans	13	1,928.91	1,928.91	-
Trade receivable	12	6,944.09	6,944.09	-
Cash and cash equivalents	14	89.09	89.09	-
Other bank balances	15	282.70	282.70	-
Other financial assets	8 & 16	602.63	602.63	-
Total Financial Assets		10,687.03	10,687.03	-
Financial Liabilities at Amortised Cost (Current and Non-Current)				
Borrowings (including current maturities)	21 & 25	10,425.44	10,425.44	-
Trade payables	26	4,855.50	4,855.50	-
Other financial liabilities	22 & 27	1,104.74	1,104.74	-
Total Financial Liabilities		16,385.67	16,385.67	-
		(5,698.65)	(5,698.65)	-



62. Financial Instruments - Financial risk management

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

- Market Risk
- Credit Risk
- Liquidity Risk

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

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

A Market Risk

1) Currency Risk

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

(a) Foreign Exchange Exposures outstanding at the year end

Nature Of Instrument	As at 31 March 2022	As at 31 March 2021
Unhedged Foreign Exchange Exposures		
Trade Receivables	2,871.84	2,969.25
Cash and Cash Equivalents	6.94	7.71
	2,878.77	2,976.96
Trade Payables	(1,210.96)	(1,221.53)
Current Borrowings	(2,503.83)	(2,700.47)
Others	-	-
	(3,714.79)	(3,922.00)
	(836.01)	(945.04)

(b) Foreign Currency Risk from Financial Instrument as at 31 March 2022

Nature Of Instrument	USD	EUR	AED	Others	Total
Trade Receivables	2,595.41	259.65	16.78	-	2,871.84
Cash and Cash Equivalents	6.94	-	-	-	6.94
Trade Payables	(1,206.78)	(4.18)	-	-	(1,210.96)
Current Borrowings	(2,452.99)	(50.84)	-	-	(2,503.83)
Others	-	-	-	-	-
Net Assets/(Liabilities)	(1,057.42)	204.63	16.78	-	(836.01)

**(b) Foreign Currency Risk from Financial Instrument as at 31 March 2021**

Nature Of Instrument	USD	EUR	AED	Others	Total
Trade Receivables	2,562.47	406.78	-	-	2,969.25
Cash and Cash Equivalents	7.71	-	-	-	7.71
Trade Payables	(1,215.82)	(5.71)	-	-	(1,221.53)
Current Borrowings	(2,649.63)	(50.84)	-	-	(2,700.47)
Others				-	-
Net Assets/(Liabilities)	(1,295.28)	350.23	-	-	(945.04)

(c) Sensitivity Analysis

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

Particulars	USD	EUR	AED
Impact on Statement of Profit and Loss			
Increase by 5%			
As at 31 March 2022	(52.87)	10.23	0.84
As at 31 March 2021	(64.76)	17.51	-
Decrease by 5%			
As at 31 March 2022	52.87	(10.23)	(0.84)
As at 31 March 2021	64.76	(17.51)	-
Impact on Equity (Net of Tax)			
Increase by 5%			
As at 31 March 2022	(39.12)	7.57	0.62
As at 31 March 2021	(47.93)	12.96	-
Decrease by 5%			
As at 31 March 2022	39.12	(7.57)	(0.62)
As at 31 March 2021	47.93	(12.96)	-



2 Interest rate Risk

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

a) Exposure to Interest Rate Risk

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

Nature Of Instrument	As at 31 March 2022	As at 31 March 2021
Fixed Rate Instruments		
Financial Assets	2,554.18	1,917.77
- Fixed Deposits	686.73	535.35
- Loans	1,867.44	1,382
Financial Liabilities	(7,007.83)	(8,053.57)
- Received from Customers	(137.88)	(142.88)
- Other Borrowings	(6,869.96)	(7,910.69)
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	(2,930.63)	(2,514.74)
	(7,384.28)	(8,650.54)

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

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

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Impact on Statement of Profit and Loss		
Increase by 2%	(58.61)	(47.54)
Decrease by 2%	58.61	47.54
Impact on Equity (Net of Tax)		
Increase by 2%	(41.54)	(33.70)
Decrease by 2%	41.54	33.70

B Liquidity Risk

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

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

Maturities of financial liabilities:

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

Particulars	Contractual cash Flows				Total
	Carrying Amount	< 12 Months	1 to 5 years	> 5 years	
31 March, 2022					
Borrowings (Incl Current Maturities)*	3,289.13	587.79	2,060.26	705.71	3,353.75
Trade and other payables	7,192.85	7,192.85	-	-	7,192.85
Short Term Borrowings	6,511.45	6,511.45	-	-	6,511.45
Other Financial Liabilities	1,096.23	732.98	363.25	-	1,096.23
31 March, 2021					
Borrowings (Incl Current Maturities)*	2,920.39	528.43	1,941.76	477.64	2,947.84
Trade and other payables	4,855.50	4,855.50	-	-	4,855.50
Short Term Borrowings	7,505.05	7,505.05	-	-	7,505.05
Other Financial Liabilities	1,104.74	800.34	304.40	-	1,104.74

*indicates actual outflow

C Credit Risk

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

C. Credit Risk (continued)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and Cash Equivalents	81.13	89.09
Other Bank Balances	428.11	282.70
Trade Receivables	7,790.60	6,944.09
Short Term Financial Assets	2,912.95	2,249.83
Long Term Financial Assets	1,067.28	1,121.31
	12,280.07	10,687.03

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

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of IndAS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base. Adequate expected credit losses are recognized as per the assessments and as such has provided for a expected credit loss of Rs. 15.88 lakhs. (31 March 2021: 21.17 lakhs)

Ageing of Trade Receivable

Particulars	0-180 Days	Above 180 Days	Total
As on 31 March, 2022	6,729.99	1,151.95	7,881.94
As on 31 March, 2021	5,896.97	1,047.13	6,944.10
	12,626.96	2,199.08	14,826.04

Reconciliation of Loss Allowance

Particulars	As at 31 March 2022	As at 31 March 2021
Loss allowance in the beginning of the year	75.47	54.29
Add: Changes in allowance	15.88	21.17
Loss allowance at the end of the year	91.34	75.47



63 Capital Management

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Long Term Borrowings (incl Current Maturities)*	3,289.13	2,920.39
Short Term Borrowings	7,099.24	7,505.05
Total Borrowings (A)	10,388.37	10,425.43
As a percentage of total equity	54.33%	56.79%
Total equity (B)	8,732.06	7,931.76
As a percentage of total equity	45.67%	43.21%
Total Capital (A+B)	19,120.43	18,357.20

*Taken Borrowings at amortised cost

64 Recoverability from Subsidiary Companies

The Company has a outstanding recoverability of Rs.819.32 lakhs and Rs.149.30 lakhs from it subsidiaries Lifezen Healthcare Private Limited and Balace 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 renewed marketing, the companies can be revived and the amounts recovered.

65 Merger with its wholly owned subsidiary

The Company has filed application with NCLT for merger of Golden Drugs Pvt Ltd , a wholly owned subsidiary of the Company.



66. Ratio Analysis

Particulars	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021
Current ratio	Current Assets	Current Liabilities	1.34	1.32
Debt-equity ratio	Total Debt	Total Equity	1.12	1.31
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service	2.94	2.73
Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's	0.10	0.13
Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	2.48	2.34
Trade receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	3.81	5.87
Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	4.62	5.28
Net capital turnover ratio	Net sales	Working capital	5.03	5.38
Net profit ratio	Net Profit	Net sales = Total sales - sales return	0.03	0.04
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	0.18	0.19

Particulars	As at 31 March 2022	As at 31 March 2021
Current Assets	22,026.52	19,319.97
Current Liabilities	16,457.46	14,687.27
Total Borrowings	9,800.58	10,425.44
Total Equity	8,732.06	7,931.76
EBITDA	2,969.18	2,901.08
Profit After Tax (PAT)	857.84	909.68
Average Shareholders' Equity	8,331.91	7,263.12
COGS	16,649.78	15,057.99
Average Value of Inventory	6,704.74	6,432.63
Revenue	28,036.53	24,930.88
Average Accounts Receivable	7,367.34	4,247.51
Total expenses	27,827.73	24,290.40
Average Accounts Payable	6,024.17	4,601.31
Working Capital	5,569.06	4,632.70
EBIT (Earnings before Interest and Tax)	2,245.44	2,175.42
Capital Employed	12,503.69	11,466.69



Particulars	As at 31 March 2022	
	% of Variance	Reason
Current ratio	-2%	
Debt-equity ratio	17%	
Debt service coverage ratio	-7%	
Return on equity ratio	22%	
Inventory turnover ratio	-6%	Due to increase in Average Trade receivables for the end of the year.
Trade receivables turnover ratio	54%	
Trade payables turnover ratio	14%	
Net capital turnover ratio	7%	
Net profit ratio	19%	
Return on capital employed	6%	

67. Additional Regulatory Information

- i. The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed under Property, Plant and Equipment in the financial statements are held in the name of the Company.
- ii. There are no proceedings that have been initiated or pending against the Company for holding any any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder.
- iii. The Company has borrowings from banks or financial institutions on the basis of security of current assets for the year ended March 2022. The Company has filed quarterly returns and statements with the Banks or Financial Institutions. Since there will normally be a backlog in the updation of books of accounts, The returns submitted to bank are not in agreement with the books of accounts.
- iv. The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender
- v. The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- vi. The details of charges and satisfaction of charges have been registered with Registrar of Companies within the statutory period
- vii. Utilisation of Borrowed Funds and Share premium
 (A) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
 (B) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 The Company declares that the Relevant Provisions of the FEMA Act, 1999 and Companies Act have been Complied with and are not in violation of the Prevention of Money-Laundering Act, 2002.
- viii. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- ix. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

As per our report of even date attached for **NSVM & Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani
Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May, 2022

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

Shailesh Siroya
Managing Director
DIN: 00048109

G Rengarajan
Chief Financial Officer

Place: Bengaluru
Date: 30th May, 2022

V Himesh
Whole Time Director
DIN: 08554422

Preeti Singh
Company Secretary
MNo: A51854



To the Members of Bal Pharma Limited

Report on the Audit of the consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Bal Pharma Limited (hereinafter referred to as the "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March 2022, and the consolidated statement of Profit and Loss (including other comprehensive 44 income), consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2022, and consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements 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 statements 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.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matter
<p>Related Party Transactions:</p> <p>Identification and disclosures of Related Parties: (as described in Note-59 of the Consolidated IndAS financial statements)</p> <ul style="list-style-type: none"> The Company has related party transactions which include, amongst others, sale, and purchase of goods/ services to its subsidiaries and other related parties and lending and borrowing to its subsidiaries and other related parties. We focused on identification and disclosure of related parties in accordance with relevant accounting standards as a key audit matter. 	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions. Obtained a list of related parties from the Company's Management and traced the related parties to declarations given by directors, where applicable, and to Note 59 of the consolidated IndAS financial statements. Verified the minutes of the meetings of the Board of Directors and Audit Committee Tested material creditors/debtors, loan outstanding/ loans taken to evaluate existence of any related party relationships: tested transactions based on declaration of related party transactions given to the Board of Directors and Audit Committee Evaluated the disclosures in the consolidated Ind AS financial statements for compliance with Ind AS 24, compliance with Companies Act 2013 and determining the audit reporting required under CARO.



Key Audit Matters	How our audit addressed the key audit matter
<p>Inventory</p> <ul style="list-style-type: none"> As of 31 March 2022, the Company held inventories of Rs 7,439.56 Lakhs as disclosed in Note 12 to the Consolidated financial statements. Inventories mainly consist of raw and packing material, work-in-progress, stock-in-trade, finished goods and stores, spares and consumables. We considered the value of the inventory as a key audit matter given the relative size of the balance in the financial statements and significant judgement involved in the consideration of various factors involved in determination of cost or selling prices 	<ul style="list-style-type: none"> Reviewed the management's process for ensuring that there was no movement of stock during the physical verification of inventory. We understood and tested the design and operating effectiveness of controls as established by the management in determination and identification of returned stock nearing expiry, and the stock lying at different locations. We Assessed the appropriateness of Company's accounting policy for valuation of stock-in- trade and compliance of the policy with the requirements of the prevailing accounting standards. We considered various factors including the actual selling price prevailing around and subsequent to the year-end. Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value. For the purpose of determination of cost, the company has considered the prevailing market situation. <p>Based on the above procedures performed, by the management for determination of expired stock, the net realizable value of the inventory as at the year end, the methodology adopted for arriving at cost and comparison with cost for valuation of inventory is considered to be reasonable</p>
<p>Contingencies, including litigations and tax</p> <ul style="list-style-type: none"> The Company is involved in disputes, lawsuits, claims, governmental and / or regulatory inspections, inquiries investigations and proceedings, including tax and commercial matters that arise from time to time in the ordinary course of business. The Company assisted by their external legal counsel assesses to disclose a contingency on a case- to case basis considering the underlying facts of each litigation. This area is significant to our audit, since the accounting and disclosure for contingent legal and tax liabilities is complex and judgmental (due to the difficulty in predicting the outcome of the matter and estimating the potential impact if the outcome is unfavorable), and the amounts involved are, or can be, material to the consolidated financial. 	<ul style="list-style-type: none"> We obtained a list of ongoing litigations from the Company's in-house legal counsel. We selected a sample of litigations based on materiality and performed inquiries with the said counsel on the legal evaluation of these litigations. We compared the evaluation with the disclosure in the consolidated financial statements. We tested the underlying computation of the management in relation to the measurement of the contingency. We inspected relevant communication with tax authorities. We also evaluated the disclosures made in the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of

assurance conclusion thereon. In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and in doing so consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error; which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management 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 are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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. Under section 143(3)(l) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 statements 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 financial statements, including the disclosures, and whether the financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Other Matters

The consolidated financial statement include the audited financial information of four subsidiaries, whose Financial Statements and financial information reflect total assets (before consolidation adjustments) of Rs. 1,345.53 lakhs as at 31 March 2022, total revenue (before consolidation adjustments) of Rs. 689.88 lakhs for year ended, total net (loss) after tax (before consolidation adjustments) of Rs. (287.39) lakhs for year ended 31 March, 2022 and net cash flow outflows (before consolidation adjustments) of Rs. 8.94 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 Statements 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 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.

Our opinion on the consolidated financial statements 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 statements /financial information certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- As required by Section 143(3) of the Act, we report that:
- We/the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- in our opinion, proper books of account as required by law relating to preparation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
- the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended.

- on the basis of the written representations received from the directors of the Holding as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under section 139 of the Act of its subsidiary companies, none of the directors of the Group is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries and the operating effectiveness of such controls, refer to our separate report in Annexure A, and
- with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as notes in 'Other Matter' paragraph.
- The consolidated Ind AS financial statements has disclosed the impact of pending litigations on its consolidated financial position— Refer Note 40 to the Consolidated Ind AS financial statements.
- The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Group.
- i. The respective managements of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company or any subsidiaries/ associates to or in any other person or entity, including foreign entities , with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- ii. The respective management of the Company and its subsidiaries/ associates whose financials have been audited under the Act have represented to us that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity , including foreign entities , with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries



- iii. Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- iv. i. The dividend proposed in the previous year, declared, and paid by the company during the year is in accordance with section 123 of the Act.
- ii. The Board of Directors have proposed dividend for the current year which is subject to the approval of the members at the Annual General Meeting.

With respect to the matter to be included in the Auditors' Report under section 197(16):

According to the information & explanations given to us and based on our examination of the records of the Holding Company, the Holding Company has paid / provided for managerial remuneration in accordance with the provisions of section 197 of the Act.

iii. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company, to which reporting under CARO is applicable, we would like to draw your attention to the following qualification/ adverse remarks in the CARO reports of the below mentioned holding/subsidiary/ associates of the Company

Sr No	Name	CIN	Holding/ Subsidiary/ Associate/ Joint Venture	Clause Number of CARO
1	Bal Pharma Limited	L85110KA1987PLC008368	Holding Company	Point (i)(b)
2	Bal Pharma Limited	L85110KA1987PLC008368	Holding Company	Point(ii)(b)
3	Bal Pharma Limited	L85110KA1987PLC008368	Holding Company	Point(vii)(b)
4	Bal Pharma Limited	L85110KA1987PLC008368	Holding Company	Point(ix)(a)
5	Bal Pharma Limited	L85110KA1987PLC008368	Holding Company	Point(iii)(A)
6	Bal Research Foundation	U73100KA2014NPL076995	Subsidiary Company	Point(xvii)
7	Lifezen Health Care Private Limited	U24230KA2014PTC077114	Subsidiary Company	Point(xvii)

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

G.C.S Mani
Partner
Membership No: 036508

Place: Bengaluru
Date: 30th May, 2022

UDIN: 21036508AAAADF3782



Annexure A to the Independent Auditors' Report

on the consolidated financial statements of Bal Pharma Limited for the period ended 31 March 2022

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Bal Pharma Limited (hereinafter referred to as "the Holding Company") and such companies which are its subsidiary companies as of that date (Holding Company and its subsidiaries together referred to as "the Group").

In our opinion, to the best of information and according to the explanations given to us based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the Holding Company and its subsidiaries have in all material aspects, an adequate internal financial control system over financial reporting as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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.

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

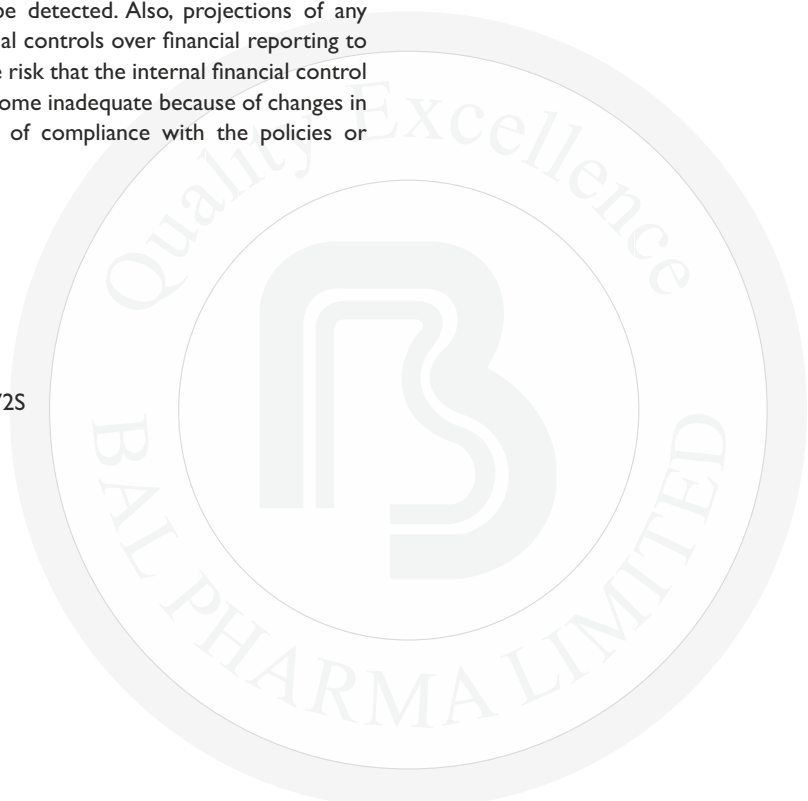
G.C.S Mani
Partner
Membership No: 036508

Place: Bengaluru
Date: 30th May, 2022

UDIN: 21036508AAAADF3782

Other Matter

Our report under Section 143(3)(l) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to the subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, to the extent made available to us.





BAL PHARMA LIMITED
CIN: L85110KA1987PLC008368
Consolidated Balance Sheet
(all amounts in Rs. lakhs unless otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	5,557.30	5,750.87
Capital work-in-progress	5	161.22	-
Goodwill	6 A	382.86	382.86
Other Intangible Assets	6 B	799.12	724.83
Financial assets			
- Investments	7	-	-
- Loans	8	39.54	38.34
- Other financial assets	9	194.86	248.89
Non Current tax assets (Net)	10	15.95	14.75
Other non-current assets	11	445.38	432.78
		7,596.23	7,593.32
Current assets			
Inventories	12	7,439.56	6,038.53
Financial assets			
- Trade receivable	13	7,531.23	6,719.70
- Loans	14	236.74	206.38
- Cash and cash equivalents	15	111.28	102.34
- Other bank balances	16	428.11	282.70
- Other financial assets	17	206.04	180.32
Current tax assets (Net)	18	9.92	1.60
Other current assets	19	2,494.18	2,883.15
		18,457.06	16,414.71
		26,053.27	24,008.03
EQUITY & LIABILITIES			
Equity			
Equity share capital	20	1,482.24	1,482.24
Other equity	21	4,380.42	3,875.91
Non Controlling Interest	22	(13.44)	(22.78)
		5,849.21	5,335.37
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	23	2,701.34	2,393.20
- Other financial liabilities	24	408.39	356.45
Provisions	25	469.41	406.54
Deferred tax liabilities (Net)	52	60.44	263.21
		3,639.58	3,419.40

**BAL PHARMA LIMITED**
CIN: L85110KA1987PLC008368**Consolidated Balance Sheet**

(all amounts in Rs. lakhs unless otherwise stated)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
Current liabilities			
Financial liabilities			
- Borrowings	26	7,074.84	8,081.89
- Trade payables			
Due to Micro, Small and Medium Enterprises			
Due to Other than Micro, small and Medium Enterprises	27	6,556.39	4,716.65
- Other financial liabilities	28	1,460.80	1,442.55
Other current liabilities	29	960.41	914.32
Provisions	30	72.79	65.60
Current tax liabilities (Net)	31	439.26	32.26
		16,564.48	15,253.26
		26,053.27	24,008.03

Significant accounting policies

3

The notes referred to above form an integral part of these standalone financial statements

As per our report of even date attached
for **NSVM & Associates**
Chartered Accountants
Firm's registration number: 010072S

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

G.C.S Mani
Partner
Membership number: 036508

Shailesh Siroya
Managing Director
DIN: 00048109

V Himesh
Whole Time Director
DIN: 08554422

Place: Bengaluru
Date: 30th May, 2022

G Rengarajan
Chief Financial Officer

Place: Bengaluru
Date: 30th May, 2022

Preeti Singh
Company Secretary
MNo:A51854



BAL PHARMA LIMITED
CIN: L85110KA1987PLC008368
Consolidated Statement of Profit and Loss
(all amounts in Rs. lakhs unless otherwise stated)

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	32	28,121.45	25,052.86
Other income	33	515.20	113.85
Total Income		28,636.65	25,166.71
Expenses			
Cost of materials consumed	34	16,399.27	13,546.86
Purchase of traded goods	35	842.80	1,043.01
(Increase)/decrease in inventories of finished goods and work-in-progress	36	-489.45	504.88
Employee Benefit expense	37	4,725.47	4,187.62
Finance costs	38	1,040.53	1,197.43
Depreciation and amortisation	4 & 6	904.01	952.13
Other expenses	39	4,295.78	3,324.53
Total expenses		27,718.40	24,756.45
Profit before exceptional items and tax		918.25	410.26
Profit before tax		918.25	410.26
Less: Tax expense:			
Current tax	52	447.86	37.87
Tax adjustments relating to previous year	52	93.65	-
Deferred tax charge/ (credit)	52	(193.76)	(98.82)
Tax expenses		347.75	(60.96)
Profit / (Loss) for the year		570.49	471.21
Profit / (Loss) attributable to :			
Equity holders of the parent company		561.15	474.23
Non controlling interest		9.34	(3.02)



BAL PHARMA LIMITED
CIN: L85110KA1987PLC008368
Standalone Statement of Profit and Loss
(all amounts in Rs. lakhs unless otherwise stated)

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Other Comprehensive Income (OCI)			
A (i) Items that will not be reclassified to statement of profit or loss		-	-
Remeasurements of post-employment benefit obligations		0.31	13.84
(ii) Income tax relating to items that will not be reclassified to statement profit or loss		-	-3.63
Total other comprehensive income		0.31	10.21
Total Comprehensive Income for the year		570.81	481.42
Profit / (Loss) attributable to :			
Equity holders of the parent company		561.47	548.08
Non controlling interest		9.34	(66.66)
Earning per share (face value per equity share Rs. 10)			
- Basic	46	3.79	3.34
- Diluted		3.79	3.34

Significant accounting policies

3

The notes referred to above form an integral part of these standalone financial statements

As per our report of even date attached for **NSVM & Associates**
Chartered Accountants
Firm's registration number: 010072S

G.C.S Mani
Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May, 2022

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

Shailesh Siroya
Managing Director
DIN: 00048109

G Rengarajan
Chief Financial Officer

Place: Bengaluru
Date: 30th May, 2022

V Himesh
Whole Time Director
DIN: 08554422

Preeti Singh
Company Secretary
MNo:A51854



BAL PHARMA LIMITED
CIN: L85110KA1987PLC008368
Consolidated Statement of Cash Flows
(all amounts in Rs. lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities:		
Profit / (Loss) before tax	918.25	410.27
Adjustment for :		
- Interest income	(21.43)	(27.40)
- (Gain)/Loss on sale of Property, Plant and Equipment	(123.36)	(2.10)
- Balances written off as no more payable	(162.40)	(58.27)
- Unrealised Foreign (Gain)/Loss	(61.29)	43.80
- Finance cost (including effect of amortisation of processing fees)	1,040.36	1,197.42
- Rental Expense(IND AS 116)	(84.95)	-90.15
- Balances written off as no more receivable	230.58	77.72
- Depreciation and amortisation	904.01	952.13
- Expected Credit Losses	15.88	21.17
- Share based payment reserve	91.28	-
- Impairment on Investments	-	-
Operating cash flow before working capital changes	2,746.93	2,524.58
Changes in		
- Decrease/(Increase) in Inventories	(1,401.03)	732.61
- Decrease/(Increase) in Trade receivables	(988.20)	(1,850.00)
- Decrease/(Increase) in Loans	(30.56)	(9.16)
- Decrease/(Increase) in Financial Assets (Current and Non current)	5.98	14.42
- Decrease/(Increase) in Other Assets (Current and Non current)	311.12	398.80
- Increase/ (Decrease) in Trade payables	2,031.94	898.05
- Increase/ (Decrease) in Other Financial liabilities (Current and Non current)	113.51	75.95
- Increase/ (Decrease) in Other liabilities (Current and Non current)	51.73	(614.71)
- Increase/ (Decrease) in Provisions	74.16	74.14
Cash (used in)/ generated from operations	2,915.58	2,244.68
Income taxes (paid)/ refund	(144.74)	(11.17)
Net cash generated (used in) operating activities	2,770.84	2,233.52
Cash flow from investing activities:		
Purchase of Property,Plant & Equipment including intangible assets and capital work-in-progress	(846.93)	(336.44)
Investment in Subsidiaries	-	(97.91)
Decrease/ (increase) in fixed deposits	(119.42)	(146.50)
Interest received	17.87	27.40
Net cash generated/ (used in) investing activities	(948.48)	(553.45)



BAL PHARMA LIMITED
CIN: L85110KA1987PLC008368
Consolidated Statement of Cash Flows
(all amounts in Rs. lakhs unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from financing activities:		
Proceeds from/(Repayment) of long term borrowings	308.13	(366.37)
Proceeds from / (repayment) of short term borrowings	(932.99)	-925.88
Dividend Paid including unpaid dividends of preceding years	(148.22)	-
Payment of Dividend Distribution Tax	-	(29.13)
Money received on issue of Equity shares	-	325.00
Money received against Share Warrants	-	93.75
Interest Paid (Gross)	(1,040.36)	(1,160.60)
Net cash arising/ (used in) from financing activities	(1,813.43)	(1,663.24)
Net (decrease)/ increase in cash and cash equivalents	8.93	16.83
Cash and cash equivalents at the beginning of the year	102.35	85.87
Effect of exchange differences on cash and cash equivalents	-	(0.36)
Cash and cash equivalents at the end of the year	111.28	102.34
Cash and cash equivalents comprise of:		
Cash on hand	2.87	19.64
Balances with banks		
- in current accounts	108.41	80.69
- in deposits with original maturity of less than 3 months	-	2.01
	111.28	102.34

As per our report of even date attached
for **NSVM & Associates**
Chartered Accountants
Firm's registration number: 0100725

G.C.S Mani
Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May, 2022

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

Shailesh Siroya
Managing Director
DIN: 00048109

V Himesh
Whole Time Director
DIN: 08554422

G Rengarajan
Chief Financial Officer

Place: Bengaluru
Date: 30th May, 2022

Preeti Singh
Company Secretary
MNo:A51854



BAL PHARMA LIMITED
CIN: L8510KA1987PLC008368
Consolidated Statement of changes in equity
(all amounts in Rs. lakhs unless otherwise stated)

A. Equity share Capital

Particulars	
Equity shares of Rs 10 each issued, subscribed and fully paid	
Balance as at 1 April 2020	148.22
Add: Issue of shares	-
Balance as at 31 March 2021	148.22
Balance as at 1 April 2021	148.22
Add: Issue of shares	3.17
Balance as at 31 March 2022	151.40

B. Other Equity

	Reserves & Surplus					OCI		Total Other Equity
	Securities premium	General Reserve	Capital Reserve	Retained earnings	Money received against share warrants	Remeasurements of the net defined benefit plans	Non Controlling Interest	
Balance as at 1 April 2020	2,407.66	245.15	44.06	1,258.63	-	(130.12)	(709.53)	3,115.85
Changes in equity share capital during the year	-	-	-	-	-	-	-	-
Premium on issue of equity shares	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	474.23	-	-	(3.02)	471.21
Appropriations for dividend and tax on same	-	-	-	0.01	-	-	-	0.01
Issue of shares during the year	260.00	-	-	-	93.75	-	-	260.00
Issue of share warrants during the year	-	-	-	-	-	-	-	93.75
Other Comprehensive income	-	-	-	-	-	10.21	-	10.21
Acquisition of NCI without change in control (refer note)	-	-	-	(787.68)	-	-	689.77	(97.91)
Balance as at 31 March 2021	2,667.66	245.15	44.06	945.19	93.75	(119.91)	(22.78)	3,853.12
Balance as at 1 April 2021	2,667.66	245.15	44.06	945.19	93.75	(119.91)	(22.78)	3,853.12
Profit for the year	-	-	-	561.15	-	-	9.34	570.49
Appropriations for dividend and tax on same	-	-	-	(148.22)	-	-	-	(148.22)
Issue of shares during the year	-	-	-	-	-	-	-	-
Issue of share warrants during the year	91.28	-	-	-	-	-	-	91.28
Other Comprehensive income	-	-	-	-	-	-	-	-
Less: Adjustment in equity due to purchase of equity in Lifezen Healthcare Private Limited	-	-	-	-	-	0.31	-	0.31
Balance as at 31 March 2022	2,758.94	245.15	44.06	1,258.01	93.75	(119.60)	(13.44)	4,366.98

The notes referred to above form an integral part of these consolidated financial statements

As per our report of even date attached.

for **NSVM & Associates**

Chartered Accountants

Firm's registration number: 010072S

G.C.S Mani

Partner

Membership number: 036508

Place: Bengaluru

Date: 30th May, 2022

for and on behalf of the board of directors of

Bal Pharma Limited

Shailesh Siroya

Managing Director

DIN: 00048109

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Chief Financial Officer

Place: Bengaluru

Date: 30th May, 2022

V Himesh

Whole Time Director

DIN: 08554422

Preeti Singh

Company Secretary

MNo: A51854



BAL PHARMA LIMITED

CIN: L85110KA1987PLC008368

Notes to consolidated financial statements

1. Overview of the Group

The consolidated financial statements comprise financial statements of Bal Pharma Limited ('the Parent Group' or 'Holding Group' or 'the Group') together with its subsidiaries (collectively termed as 'the Group' or 'the Consolidated Entities') for the year ended March 31, 2021. Bal Pharma Limited is a public Group domiciled in India and was incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The Group is primarily engaged in the manufacturing and selling of pharmaceutical products and related services. The Group caters to both domestic and international markets.

2 Basis for preparation of Consolidated Financial Statements

2.01 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Holding Group's Board of Directors on 29th June, 2021

2.02 Historical Cost Convention

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

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- employee defined benefit assets / liability recognised as the net total of the fair value of plan assets, and actuarial losses/gains, and the present value of defined benefit obligation

The consolidated financial statements are presented in Lakhs unless otherwise stated

2.03 Principles for consolidation

The Consolidated Financial Statements relate to Bal Pharma Limited and its subsidiaries.

Subsidiaries are all entities over which Bal Pharma Limited exercises control. The Holding Group exercises control if and only if it has the following:

- Power over the entity
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of its returns.

The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Group have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-Group balances and intra-group transactions and resulting unrealised profits. Unrealised losses resulting from intra-group transactions are eliminated unless cost cannot be recovered.
- The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.
- The Financial Statements of the subsidiaries used for the purpose of consolidation are drawn up to the same reporting date as of the Group.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstance and are presented to the extent possible, in the same manner, as the Group's Financial Statements.



Group Information

The Consolidated Financial Statements have been prepared on the basis of the financial statements of the following subsidiaries:

SI No.	Name of the Entity	Country of Incorporation	% of interest	
			As at 31 March 2022	As at 31 March 2021
1	Lifezen Healthcare Private Limited	India	99.46	51.00
2	Balance Clinic LLP	India	80.00	80.00
3	Bal Research Foundation	India	80.00	80.00
4	Golden Drugs Private Limited	India	100.00	100.00
5	ABVet Pharma Pty.Limited	Australia	50.00	50.00

The Holding Group is a partner in Joint Venture “ABVet Pharma Pty. Limited” as stated above. As on 31 March 2021, no operations have been commenced and the management has agreed to terminate the agreement and therefore not been considered for the purpose of consolidation.

2.04 Functional and presentation currency

These financial statements are presented in Indian Rupees, which is also the Group’s functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

2.05 Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial assets and financial liabilities that are measured at fair value (refer accounting policies regarding financial instrument).

2.06 Use of estimates and judgments

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

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

Critical accounting estimates and assumptions

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

Judgments

Information about judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 3.01 : whether the Group acts as an agent rather than as a principal in a transaction.
- Note 41 - contingent liabilities : measurement and likelihood of occurrence of provisions and contingencies
- Note 50 - leases : whether an arrangement contains a lease; lease classification

Assumptions and estimations

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2021 or subsequent year/ years is included in the following notes:

- Note 3.02: Useful lives of various of Property, Plant and Equipment
- Note 59: Fair Value of Financial Instruments
- Note 58: Accounting for Defined Benefit Plan - measurement of defined benefit obligation - key actuarial assumptions.
- Note 3.05: Expected Credit Losses associated with its assets carried at amortized cost
- Note 62: Estimation of uncertainties relating to the global health pandemic from COVID-19

2.07 Current vs Non-Current Classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle



- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.08 Measurement of fair values

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The management regularly reviews significant unobservable inputs and valuation adjustments.

Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Financial Instruments - Refer Note 59

3. Significant Accounting Policies

3.01 Revenue Recognition

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

Effective April 1, 2018, the Group has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces IndAS 18 Revenue.

The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of Goods:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, chargebacks, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Group estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Other Operating revenue is recognised on accrual basis.

Export Incentives:

Export entitlements under the Duty Drawback ('DBK'), Focus Marketing incentive scheme (FMS), Focus product scheme (FPS), Market Linked Product Scheme (MLPS), Incremental Exports incentive scheme, Merchandise Export India Scheme and Service tax rebate scheme (STR) are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. As the Group derives a substantial portion of its revenue from export of goods, such incentives is recognised as "Other Operating Income"



Rendering of Services:

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

Interest Income:

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

Dividend Income

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

3.02 Property, Plant & Equipment, Intangible Assets and Work-in-Progress

Recognition and Measurement

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

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

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

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

Subsequent Measurement

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

Disposal/Write-off

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

Capital Work-in-Progress

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

Transition to Ind AS

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

Depreciation

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

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis. Building constructed on leasehold land is depreciated based on the useful life specified in schedule II to the companies Act, 2013 where the lease period of the land is beyond the life of the building. In other cases, building constructed on leasehold lands are amortised over the primary lease period of the lands.



Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.03 Intangible Asset

Recognition and Measurement

The items of intangible assets, with finite life, are measured at cost less accumulated amortisation and impairment losses, if any. Cost of an item of intangible assets comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on internally generated goodwill and brands, is recognised in profit or loss when incurred.

Research and Development

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

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

As such, expenditure on projects which have become unsuccessful are charged off as an expense in the year in which they are abandoned. Capital expenditure incurred on research and development is capitalized as Property, Plant and Equipment and depreciated in accordance with the depreciation policy of the Group.

Disposal/Write-off

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

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying values as at 1 April 2016 under previous GAAP of all its intangible assets recognised as at 1 April 2016, measured as per previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation

Amortisation is calculated to write-off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss. The estimated useful life of intangibles are as follows:

Asset	Management estimate of useful life (years)
Computer software	5
Research and Development	10

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.04 Inventories:

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

Raw materials and accessories:

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

Finished goods and work in progress:

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

Trading Goods:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



3.05 Impairment

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 180 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 180 days or more past due.

A. Measurement of expected credit losses

"Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed."

B. Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

C. Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.



The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.06 Financial Instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

A. Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost
- Fair value through other comprehensive income (FVOCI) - debt investment;
- Fair value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit & loss- (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

B. Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.



Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group’s continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

C. Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows

such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

D. Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

D.1 Financial assets: Subsequent measurement and gains and losses

Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.



E. Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii Derecognition

A. Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

B. Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.07 Foreign Currency Transactions:

Initial recognition:

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction."

"Measurement of foreign currency monetary items at the Balance Sheet date:

Foreign currency monetary items (other than derivative contracts) of the Group and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates."

"Treatment of exchange differences:

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Group are recognized as income or expense in the Statement of Profit and Loss."

3.08 Employee Benefits

a) Short Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. Benefits such as salaries, short term compensated absences etc., and the expected cost of bonus is recognized in the period in which the employee renders the related services. A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for the related service

b) Post-Employment Benefits

The Group participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks are borne by the employee. The expenditure for defined contribution plans is recognised as an expense during the period when the employee provides service. Under a defined benefit plan, it is the Group's obligation to provide agreed benefits to the employees. The related actuarial and investment risks are borne by the Group. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

Defined contribution plans

Employees receive benefits from a provident fund and employee state insurance funds. The employer and employees each make periodic contributions to the plan as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses in the Statement of Profit and Loss as they fall due based on the amount of contribution required to be made.



Defined Benefit plans

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Group provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Group. Group's liability towards Gratuity are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period of occurrence.

Other Long Term Benefit plan

Actuarial Valuation for compensated absences is done as at the year end and the provision is made as per Group policy with corresponding (gain)/charge to the statement of profit and loss and it covers all regular employees. Obligation in respect of earned leave policy are actuarially determined as at the year end using the 'Projected Unit Credit' method.

3.09 Borrowing Cost

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

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

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

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

3.10 Leases

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether

- a. the Contract involves the use of an identified asset
- b. the Group has substantially all of the economic benefits from use of the asset through the period of lease
- c. the Group has the right to direct the use of asset

The Group determines the lease term as the noncancellable period of a lease, together with both periods covered by an option to extend the lease if the

Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

Leases as Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. When ever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease

Leases as Lessee

As at the date of commencement of the lease, the Group recognises a right of use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for the leases with a term of twelve month or less (short term leases) and low value leases. For these short term leases, the Group recognises the lease payments as an operating expense on a straight line basis over the period of lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease and related prepaid amount plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses

ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the y



underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

"The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the market. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

The Right-of-Use asset has been disclosed within the same line item as that within which the corresponding underlying asset would be presented. Where the Right-of-Use asset meets the definition of Investment Property such items has been presented in Balance sheet as Investment Property. Lease liability have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows"

3.11 Earnings per Share

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

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3.12 Income Tax

a. Current Tax

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

b. Minimum Alternate Tax ('MAT')

Minimum Alternate Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Income-tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

c. Deferred Tax

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

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



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

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

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

3.13 Provisions and Contingencies

a. Provisions

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

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

b. Contingent Liabilities and Contingent Assets

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

3.14 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.15 Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated.

3.16 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

3.17 GST input credit

GST input credit is accounted in the books in the period in which the underlying service as well as invoice is received and when there is no uncertainty in availing / utilizing the credits.

**BAL PHARMA LIMITED**

CIN: L85110KAI1987PLC008368

Notes to the consolidated financial statements (continued)

(all amounts in Rs. lakhs unless otherwise stated)

4. Property, Plant and Equipment

	Building (Right-Of-Use assets)	Free holdland	Lease holdland	Building	Plant and machinery	Furniture and fixtures	Office equipment	Motor vehicles	Total
Gross Block (Deemed Cost)									
Balance as at 01 April 2020	269.72	667.91	123.12	2,077.68	4,450.88	108.17	181.70	196.59	8,075.77
Additions	75.58	-	-	10.20	431.62	2.29	9.23	10.42	539.33
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	345.31	667.91	123.12	2,087.88	4,882.49	110.46	190.93	207.01	8,615.11
Balance as at 01 April 2021	345.31	667.91	123.12	2,087.88	4,882.49	110.46	190.93	207.01	8,615.11
Additions	167.51	-	-	53.61	179.55	10.27	24.05	17.51	452.50
Disposals	-	-	-	-	-4.10	-	-0.17	-28.50	(32.77)
Balance as at 31 March 2022	512.82	667.91	123.12	2,141.48	5,057.94	120.73	214.82	196.02	9,034.84
Accumulated Depreciation									
Balance as at 01 April 2020	79.71	-	11.44	368.77	1,299.62	55.92	91.93	123.54	2,030.93
Additions	83.00	-	1.37	93.29	562.89	9.01	78.58	5.18	833.33
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	162.72	-	12.81	462.06	1,862.51	64.94	170.51	128.72	2,864.25
Balance as at 01 April 2021	162.72	-	12.81	462.06	1,862.51	64.94	170.51	128.72	2,864.25
Additions	80.15	-	1.46	100.22	409.54	10.16	16.83	13.33	631.69
Disposals	-	-	-	-	-3.90	-	-0.09	-23.41	-27.40
Balance as at 31 March 2022	242.87	-	14.28	562.29	2,268.15	75.10	187.24	118.64	3,468.55
Carry Amount (Net)									
Balance as at 31 March 2021	182.59	667.91	110.31	1,625.82	3,019.99	45.52	20.42	78.29	5,750.85
Balance as at 31 March 2022	269.95	667.91	108.84	1,579.20	2,789.79	45.63	27.57	77.38	5,566.29

I. The assets are owned by the Group except as stated otherwise

**BAL PHARMA LIMITED**

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Notes to the consolidated financial statements (continued)

(all amounts in Rs. lakhs unless otherwise stated)

5. Capital work-in-progress

Particulars	As at 31 March 2022	As at 31 March 2021
Capital work-in-progress	161.23	-
	161.23	-

6A. Goodwill

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	382.86	382.86
Acquisition through business combination	-	-
Disposals / adjustments	-	-
	382.86	382.86

6B. Intangible Assets

Particulars	Computer software	Development Expenses	Total Intangible assets
Gross Block (Deemed Cost)			
Balance as at 01 April 2020	21.15	1,290.29	1,311.44
Additions	0.68	200.14	200.82
Disposals	-	-	-
Balance as at 31 March 2021	21.84	1,490.43	1,512.26
Balance as at 01 April 2021	21.84	1,490.43	1,512.26
Additions	18.75	205.38	224.13
Disposals	-	-	-
Balance as at 31 March 2022	40.59	1,695.81	1,736.40
Accumulated Depreciation			
Balance as at 01 April 2020	12.12	656.51	668.63
Additions	3.80	115.01	118.80
Disposals	-	-	-
Balance as at 31 March 2021	15.92	771.52	787.44
Balance as at 01 April 2021	15.92	771.52	787.44
Additions	3.80	115.01	118.81
Disposals	-	-	-
Balance as at 31 March 2022	19.72	886.52	906.24
Carry Amount (Net)			
Balance as at 31 March 2021	5.92	718.91	724.83
Balance as at 31 March 2022	20.86	809.29	830.15

**Non-Current financial assets****Financial Assets****7. Investments**

Particulars	As at 31 March 2022	As at 31 March 2021
Investment in equity instruments - Quoted		
Equity Shares at FVTPL		
" 31 Mar 2022 : 10,000 (31 Mar 2021: 10,000) Equity shares of Rs 10 each fully paid in Lamina Foundries Limited "	3.72	3.72
" 31 Mar 2022 : 73,600 (31 Mar 2021 : 73,600) Equity shares of Rs 10 each fully paid in Sri Jayalakshmi Autospin Limited "	7.36	7.36
Investment in equity instruments - Unquoted		
Equity Shares at FVTPL		
" 31 Mar 2022: 4,000 (31 Mar 2021: 4,000) Equity shares of Rs 25 each fully paid in The saraswat co-operative Bank Limited "	1.00	1.00
" 31 Mar 2022: 5,000 (31 Mar 2021: 5,000) Equity shares of Rs 10 each fully paid in The Shamrao vithal Co-operative Bank Ltd. "	0.50	0.50
Less: Impairment in value of Investments	(12.58)	(12.58)
	-	-
Aggregate Amount of Quoted Investments and market value thereof	11.08	11.08
Aggregate Amount of Unquoted Investments	1.50	1.50
Aggregate Amount of Impairment in Value of Investments	(12.58)	(12.58)

Details of Investment in LLP

Name of LLP : Balance clinic LLP	Share of Profit/(loss) during the year	Capital
Bal Pharma Limited	Rs. (12.59) Lakhs	Rs 8.00 Lakhs
Shailesh D Siroya	Rs. (3.15) Lakhs	Rs 2.00 Lakhs
Total Capital of the Firm (Rs. in Lakhs)	10	10

Non-Current financial assets

Financial Assets

8. Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposit	39.54	38.34
From above :		
Secured, considered good	-	-
Unsecured, considered good	39.54	38.34
Doubtful	-	-
	39.54	38.34

9. Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Bank Deposits (original maturity of more than 12 months)*	180.90	238.59
Others		
Interest accrued but not received - Fixed Deposits	13.96	10.30
	194.86	248.89

10. Non current tax assets (Net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance Tax (net of provision)	15.95	14.75
	15.95	14.75

Non-financial assets

11. Other non-current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Advances	393.26	377.91
Other than Capital Advances:		
Balances with Statutory/Government Authorities	52.13	54.87
	445.38	432.78

Current assets

12. Inventories (valued at lower of cost and net realisable value)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials	3,110.38	2,271.96
Packing material	488.08	416.18
Work-in progress	1,844.42	1,204.08
Finished goods	1,991.44	2,142.33
Stores and spares and Fuel	5.24	3.98
	7,439.56	6,038.53

Current financial assets

13. Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade Receivables considered good - secured		
Trade Receivables considered good - unsecured	7,531.23	6,740.88
Trade Receivables considered good - increased credit risk	91.34	54.29
Trade Receivables - credit risk	-	-
	7,622.57	6,795.16
Loss Allowance	(91.34)	(75.46)
	7,531.23	6,719.70

14. Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured-Considered good		
Loan receivables considered good - secured	-	-
Loan receivables considered good - unsecured	-	-
-Security deposit	138.86	140.85
-Loans/advances to employees	88.68	65.53
Inter-Corporate Loan given to Related party	(619.50)	-
Advances to Suppliers/Vendors		
Interest receivable on Inter-Corporate Loan given to Related party	616.50	-
	224.54	206.38

15. Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	2.87	19.64
Balance with bank		
On current Account	108.41	80.69
Deposits with original maturity of less than 3 months	-	2.01
	111.28	102.34

16. Other Bank balances

Particulars	As at 31 March 2022	As at 31 March 2021
Bank Deposits (maturity between 3 months to 12 months)	410.77	264.20
Balance earmarked for Unclaimed Dividends	17.34	18.50
	428.11	282.70

**17. Other financial assets**

Particulars	As at 31 March 2022	As at 31 March 2021
Bank Deposits (original maturity of more than 12 months)	62.25	30.55
Unsecured, considered good		
Other financial assets - current	24.15	49.17
Security Deposits	-	-
Earnest Money	119.65	100.61
	206.05	180.32

18. Current tax assets (Net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance Tax (net of provision)	9.92	1.60
	9.92	1.60

Non-financial assets**19. Other Current Assets**

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with statutory/government authorities	1,465.65	1,471.44
Export Incentives Receivable	418.74	429.92
Security Deposit		
- from related parties (refer note no. 59)	-	-
Advances recoverable in Cash or Kind		
- from related parties (refer note no. 59)	-	1.04
Advance to suppliers	419.14	941.37
Insurance claim receivable	100.00	-
Prepayments	58.55	8.02
Other current assets		
- from others	31.05	31.36
	2,493.14	2,883.15

20. Equity

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised Share capital		
31 March 2021 : 2,00,00,000 equity shares of Rs.10 each	450.00	2,000.00
31 March 2020 : 2,00,00,000 equity shares of Rs.10 each		
Issued, subscribed and paid-up share capital		
31 March 2021: equity shares of Rs.10 each	1482.24	1,482.24
31 March 2020: 1,41,72,372 equity shares of Rs.10 each		
	1,482.24	1,482.24



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

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares (in Lakhs)	%	No. of shares (in Lakhs)	%
Shailesh Siroya	19.95	9.49%	13.45	9.49%
Micro Labs Limited	13.11	9.25%	13.11	9.25%
Anita Siroya	10.49	7.40%	10.49	7.40%
	37.05		37.05	

b) Details of shares held by promoters at the end of the year

Name of the Promoter	As at 31 March 2022		As at 31 March 2021		Percentage of change during the year
	No. of shares	Percentage	No. of shares	Percentage	
Shailesh Siroya	1,995,459	13.46%	1,995,459	13.46%	0%
Anita Siroya	1,049,220	7.08%	1,049,220	7.08%	0%
Micro Labs Limited	2,011,736	13.57%	1,310,836	8.84%	5%
Dilip Surana	474,994	3.20%	474,994	3.20%	0%
Archana Surana	284,996	1.92%	284,996	1.92%	0%
Anand Surana	525,686	3.55%	525,686	3.55%	0%
Monica Surana	179,909	1.21%	179,909	1.21%	0%
Dilip Surana (HUF)	169,995	1.15%	169,995	1.15%	0%
Chandraprakash Dheerajmal Siroya	486,420	3.28%	486,420	3.28%	0%
Anita Chandraprakash Siroya	122,687	0.82%	122,687	0.83%	0%
Jivi Dheerajmal Siroya	46,080	0.31%	46,080	0.31%	0%
Shrenik Siroya	-	0.00%	-	0.00%	0%
	7,347,182	50%	6,646,282	45%	5%

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

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares (in Lakhs)	%	No. of shares (in Lakhs)	%
Shailesh Siroya	13.45	9.49%	13.45	9.49%
Micro Labs Limited	13.11	9.25%	13.11	9.25%
Anita Siroya	10.49	7.40%	10.49	7.40%
	37.05		37.05	

d) Reconciliation of the shares outstanding at the beginning and at the end of the period

Particulars	No. of shares	Amount
Opening balance as at 1 April 2020	14,172,372	1,417.24
Less: Cancellation of shares held pursuant to composite scheme of arrangement (refer note 55)	-	-
Add: Issue of shares pursuant to composite scheme of arrangement (refer note 55)	650,000	65.00
Outstanding as at 31 March 2021	14,822,372	1,482.24
Movement during the year	-	-
Outstanding as at 31 March 2022	14,822,372	1,482.24



e. Rights, preferences and restrictions attached to equity shares:

- (i) The Company has only one class of shares referred to as equity shares having par value of Rs 10 each.
- (ii) Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholders' meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders' meeting.
- (iii) The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting.
- (iv) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (v) Each Share holder has a right to inspect the statutory registers of the company as per the provisions of the companies act, 2013.
- (vi) Each and every share holder has a right to participate in the share holders's meetings as and when called by the company subject to provisions of the Companies Act, 2013.

f) Shares reserved for issue under options & contracts/commitments for sale of shares /disinvestment, including the terms & amounts - NIL

g) For period of 5 years immediately preceding the balance sheet date.

- Alloted as fully paid up by way of bonus shares NIL
- Bought back NIL
- For consideration other than cash- NIL

h) Securities convertible into equity /preference shares issued - NIL

i) No Calls Unpaid

Issue of securities made for a specific purpose at the balance sheet date - NIL

21. Other Equity

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Retained Earnings		
Balance as at beginning of the reporting period	945.20	1,258.63
Add: Net profit/(loss) for the period	561.15	474.25
Less: dividend payable	-148.22	-
Less: provision for Dividend Distribution Tax	-	-
Less: Adjustment in equity due to purchase of equity in Lifezen Healthcare Private Limited	-	(787.68)
	1,358.13	945.20
(ii) Other Reserves*		
Securities premium	2,667.66	2,667.66
General reserve	245.15	245.15
Capital Reserve	44.06	44.06
	2,956.87	2,956.87
(iii) Other comprehensive income		
Others (actuarial gain/ (Loss))	-119.91	(130.12)
Add: Net gain/(loss) for the period	0.31	10.21
	(119.59)	(119.91)
(iv) Money received against Share warrants	93.75	93.75
(v) Share based payment reserve	91.28	-
	4,380.44	3,782.16

*Refer Statement of changes in equity for detailed movement in other equity balances.



Nature and purpose of reserves

Retained Earnings :

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to share holders.

Securities premium :

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013.

General reserve :

The Company has transferred a portion of its net profit before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013

Other Comprehensive Income (OCI) :

Re-measurement of defined employee benefit plans

Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments with in the plans, are recognised in other comprehensive income and subsequently not reclassified into standalone statement of profit and loss

22. Non- Controlling Interest

Financial information of subsidiaries that have material Non-Controlling Interests is provided below :

Particulars	As at 31 March 2022	As at 31 March 2021
Lifezen Healthcare Private Limited	(694.07)	(693.58)
Bal Research Foundation	0.09	0.24
Balance Clinic LLP	(9.22)	(19.21)
Golden Drugs Private Limited	-	-
Less: Reduction in Minority Interest	689.77	689.77
	(13.44)	(22.78)

Financial liabilities

23. Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Terms loans		
- from banks	993.14	997.14
- from others	772.04	983.72
GECL Loan	919.56	391.19
Other Loans		
- vehicle loan	16.60	21.16
- others	-	-
	2,701.35	2,393.20

The above amount includes*

Secured Borrowings (includes vehicle loans)	2,861.01
Unsecured Borrowings	21.92

*The same includes borrowings including current maturities



I) Details of securities, repayment and interest of secured term loans from banks (including current maturities of long-term debt):

- A** Term loans (including current maturities of non-current borrowings) from South Indian Bank Limited - Term Loan 1
As at 31 March 2022 : Rs.404.08 lakhs (31 March 2021 : Rs.432.90 lakhs)

Security

- i. All the property bearing municipal no 6/3 situated at Vasanthnagar, new ward number 63, Bengaluru consisting of 6825 square feet land owned by the Company

Repayment and interest

- ii. The loan was repayable in 154 monthly installments starting from March 2018.
iii. The loan carried interest rate equal to the lender's 12 month's MCLR rate

- B** Term loans (including current maturities of non-current borrowings) from South Indian Bank Limited - Term Loan 2
As at 31 March 2022 :Rs.292.85 lakhs (31 March 2021 :Rs.312.84 lakhs)

Security

- i. All the property bearing municipal no 6/3 situated at Vasanthnagar, new ward number 63, Bengaluru consisting of 6825 square feet land owned by the Company

Repayment and interest

- ii. The loan was repayable in 180 monthly installments starting from April 2018.
iii. The loan carried interest rate equal to the applicable 12 month's MCLR rate

- C** Term loans (including current maturities of non-current borrowings) from HDFC Bank Limited
As at 31 March 2022 :Rs.280.23 lakhs (31 March 2021 : Rs.458.94 lakhs)

Security

- i. Primary security of plant & machinery of Unit 1 located at 21 &22, Bommasandra Industrial Area, Bengaluru. Secondary collateral on factory land and building of Unit 1 located at 21 &22, Bommasandra Industrial Area, Bengaluru and personal guarantee of Mr Shailesh Siroya (managing director)

Repayment and interest

- i. The loan was repayable in 5 equal quarterly installments of Rs.30 lakh and Rs.14 lakh equal monthly installments till November 2023.
ii. Interest was payable on at 10.75 % per annum

- D** Term loans (including current maturities of non-current borrowings) from Standard Chartered Bank Limited
As at 31 March 2022 :Rs.Nil lakhs (31 March 2021 : Rs.121.90 lakhs)

Security

- i. Hypothecation of Plant and Machinery which were funded from the term loan. For all the limits sanctioned by bank including term loan, charge on current assets of the Company along with HDFC Bank limited, Canara Bank and Yes Bank and first charge on the property located in Plot 61B, Bommasandra, Bengaluru and personal guarantee of Mr Shailesh Siroya (managing director)

Repayment and interest

- i. The disbursed loan to be repayable in 60 monthly EMI.
iii. The loan carried interest rate equal to the applicable MCLR rate plus 1 % per annum

- E** Term loans (including current maturities of non-current borrowings) from Canara Bank.
As at 31 March 2022 :Rs 36.49 lakhs (31 March 2021 : Rs.0 lakhs)
Amount sanctioned :

Security

- i. Hypothecation of Plant and Machinery which were funded from the term loan. For all the limits sanctioned by bank including term loan, charge on current assets of the Company along with HDFC Bank limited, Canara Bank and Yes Bank and first charge on the property located in Plot 61B, Bommasandra, Bengaluru and personal guarantee of Mr Shailesh Siroya (managing director)

Repayment and interest

- i. The disbursed loan to be repayable in 84 months with 5 months of moratorium and 1 month for project implementation
iii. The loan carried interest rate equal to the applicable RLLR (presently 6.90%)+2.80%+0.8% (Liquidity Premium)



- F** Term loans (including current maturities of non-current borrowings) from Canara Bank.
As at 31 March 2022 :Rs 274 lakhs (31 March 2021 : Rs.0 lakhs)

Security

- i. The assets created out of the credit facility so extended, that is, pari passu first charge on the entire current assets of the Company

Repayment and interest

- i. The disbursed loan to be repayable in 72 months with 24 months of moratorium
iii. The loan carried interest rate equal to the applicable RLLR (presently 6.90%)+0.60%= 7.5%

II) Details of securities, repayment and interest of secured term loans from others (including current maturities of long-term debt):

- A** Term loans (including current maturities of non-current borrowings) from Tata Capital Financial Services Limited
As at 31 March 2022 :Rs 992.98 lakhs (31 March 2021 : Rs. 1188.17 lakhs)

Security

- i. The loan is secured by mortgage of the property of Golden Drugs Private Limited Unit at Udaipur and personal guarantee of Mr Shailesh Siroya (Managing director).

Repayment and interest

- ii. The loan was repayable in 72 monthly installments starting from April 2019 with a initial moratorium of 12 months
iii. The loan carried interest rate equal to the lender's long term lending rate less 7.19%

III) Details of securities, repayment and interest of Working Capital Term Loan under GECL scheme (including current maturities of long-term debt):

- A** Working Capital Term Loans (including current maturities of non-current borrowings) from Canara Bank limited
As at 31 March 2022 :Rs 391.67 (31 March 2021 :Rs.400.00 lakhs)

Security

- i. The Loan is secured by all assets created out of credit facility
ii. The Loan is further secured by extending the charges created over existing loan.
iii. The facility is to be covered under Emergency Credit Line Guarantee Scheme (ECLGS) administered by National Credit Guarantee Trustee Company (NCGTC) Limited

Repayment and interest

- i. Initial moratorium of 12 months and thereafter repayable in 48 months as Rs 8.35 lakhs per month for 47 months and Rs 7.55 lakh per month for 1 month
ii. The loan carried interest rate equal to the lender's long term lending rate less 7.50% p.a

- B** Working Capital Term Loans (including current maturities of non-current borrowings) from HDFC Bank Limited
As at 31 March 2022 :Rs 650 lakhs (31 March 2021 :Rs.0 lakhs)

Security

- i. The Loan is secured by all assets created out of credit facility
ii. The Loan is further secured by extending the charges created over existing loan.
iii. The facility is to be covered under Emergency Credit Line Guarantee Scheme (ECLGS) administered by National Credit Guarantee Trustee Company (NCGTC) Limited

Repayment and interest

- i. Total tenor of 60 months with 12 months moratorium period .
ii. The loan carried interest rate equal to 7.5%.p.a

IV) Details of Vehicle loans (including current maturities of long-term debt):

- Vehicle Loans (including current maturities of non-current borrowings) from Canara Bank Limited
As at 31 March 2022 :Rs.6.37 lakhs (31 March 2021 : Rs.8.44 lakhs)

- i. Secured by hypothecation of motor vehicles.
ii. These loans carry an interest rate of 9.20%.
iii. The principal amount has to be repaid in 60 equated monthly instalments.



Vehicle Loans (including current maturities of non-current borrowings) from HDFC Bank Limited

As at 31 March 2022 :Rs.5.17 lakhs (31 March 2021 : Rs.8.72 lakhs)

- i. Secured by hypothecation of motor vehicles.
- ii. These loans carry an interest rate of 9.90% to 10.50%
- iii. The principal amount has to be repaid in 60 equated monthly instalments and 36 equated monthly instalments

Vehicle Loans (including current maturities of non-current borrowings) from Punjab National Bank Limited

As at 31 March 2022 :Rs. 10.56 lakhs (31 March 2021: Rs. 15.93lakhs)

- i. Secured by hypothecation of motor vehicles.
- ii. These loans carry an interest rate of 8.80%
- iii. The principal amount has to be repaid in 84 equated monthly instalments.

V) Vehicle Loans (including current maturities of non-current borrowings) from Bank of Baroda

As at 31 March 2022 :Rs. 9.50 lakhs :Rs. 10.16 lakhs (31 March 2021: Rs 0 lakhs)

- i. Secured by hypothecation of motor vehicles.
- ii. These loans carry an interest rate of 7.35%
- iii. The principal amount has to be repaid in 36 equated monthly instalments.

VI. There are no defaults in repayment of principal or interest to lenders as at the balance sheet date, however, in certain cases based on information available as on date, there exists a difference between the balance as per schedule and balance as per books

A. The following are delay in repayments towards loan for the year ended March 31, 2021:

- In case of vehicle loans taken from Canara Bank Limited, the terms of which is stipulated in (iv) above, the balance as per original repayment schedule as on 31 March 2021 is Rs 7.38 lakhs whereas as per books is Rs 8.44 lakhs. Request has been made to bank to share the revised repayment schedule which is awaited.
- In case of term loans taken from HDFC Bank Limited, the terms of which is stipulated in (i)(D) above, the balance as per original repayment schedule as on 31 March 2021 is Rs 448.36 lakhs whereas as per books is Rs 458.94 lakhs. Subsequently, repaid the same.
- In case of vehicle loans taken from HDFC Bank Limited, the terms of which is stipulated in (iv) above, the balance as per original repayment schedule as on 31 March 2021 is Rs 0.50 lakhs whereas as per books is Rs 0.66 lakhs. Request has been made to bank to share the revised repayment schedule which is awaited.
- In case of term loans taken from South Indian Bank, the terms of which is stipulated in (i)(B) and (i)(C) above, the balance as per original repayment schedule as on 31 March 2021 is Rs 726.70 lakhs whereas as per books is Rs 745.73 lakhs. Request has been made to bank to share the revised repayment schedule which is awaited.

B. The following are delay in repayments towards loan for the year ended March 31, 2022:

- In case of vehicle loans taken from Canara Bank Limited, the terms of which is stipulated in (iv) above, there is a delay in repayment for the month of July 21, by four days.
- In case of vehicle loans taken from HDFC Bank Limited, the terms of which is stipulated in (iv) above, there is a delay in repayment for the month of July 21, by twelve days.
- In case of one of the vehicle loans taken from HDFC Bank Limited, the terms of which is stipulated in (iv) above, there is a delay in repayment for the month of Jan 22, by ten days.
- In case of another vehicle loans taken from HDFC Bank Limited, the terms of which is stipulated in (iv) above, there is a delay in repayment for the month of April, which was repaid in month of May.
- In case of vehicle loans taken from Punjab National Bank Limited, the terms of which is stipulated in (iv) above, there is a delay in repayment for every month during the year. As details made available, the equal monthly installments is due first day of every month, however auto debit from bank is made at the end of respective month. Thereby, leading to a delay by 30 days.

24. Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits received from customers	183.02	194.91
Rent Deposits received	-	-
Lease Liability (Ind AS 116)	225.37	161.52
	408.39	356.44

**25. Provisions**

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity	398.22	354.22
Leave benefits	71.18	52.31
	469.41	406.54

26. Deferred tax liabilities (Net)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities (Net)	69.45	358.40
Add: Created during the year	-9.01	-95.19
	-	-
	60.44	263.21

Current financial liabilities**27. Borrowings**

Particulars	As at 31 March 2022	As at 31 March 2021
Secured:		
- Cash Credit	3,117.72	4,657.27
- Packing Credit	3,358.73	2,503.83
- Buyers Credit	0.00	-0.00
- Bills Discounting	0.00	196.64
- Working capital demand loan	35.00	147.31
- Loan from related party	-13.46	-
Unsecured:		
- Loan from Director	-	-
- Convertible Zero Coupon Debenture	576.85	576.85
	7,074.85	8,081.89

A) All secured loans payable on demand and secured short term loans from banks are secured by first charge by way of hypothecation of all the stocks, book debts and other current assets (both present and future) and carries interest rate @ 9.75% to 13.15%

B) The loan from director carries nil rate of interest and repayable on demand

28. Trade Payables

Particulars	As at 31 March 2022	As at 31 March 2021
Due to Micro, Small and Medium Enterprises (refer note no. 43)	1.58	-
Due to Other than Micro, small and Medium Enterprises		
- Due to Related Parties (refer note no. 60)	131.86	98.06
- Due to Others	6,422.94	4,618.58
	6,556.38	4,716.65

29. Other Financial Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current maturities of long-term debt *	-	527.18
- term loan from banks	229.89	
- term loan from others	220.93	
- vehicle loans	14.86	
- GECL loan	122.11	
- others		
Interest accrued but not due	7.95	11.51
Interest accrued and due	38.84	34.97
Security deposits	11.00	15.72
Payable towards purchase of Property, Plant and Equipment	108.65	14.08
Accrued Payroll	262.12	295.04
Unclaimed Dividends	17.36	18.52
Payable towards Dividend Distribution Tax	-0.00	29.13
Lease Liability (IND AS 116)	76.19	30.80
Director's Deposit	1.00	1.00
Rental Deposits	-	-
- from Related Parties (refer note no. 60)	-3.00	-
- from others	4.00	0.5
Other current liabilities	-	-
- Due to Related Parties (refer note no 60)	-	-
- Due to Others	348.90	464.10
	1,460.80	1,442.55

* For details of terms of loan, refer note no. 23

30. Other Current Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Advance received from Customers	627.57	596.75
Advance payable in cash or kind	-1.24	-
Statutory dues	326.48	179.27
Book Overdraft due to issue of cheques	-	130.19
Other Payable	7.60	8.11
	960.41	914.32

31. Provision

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity	52.36	50.36
Leave Encashment	20.42	15.24
	72.78	65.60

32. Current Tax Liabilities (Net)

Particulars	As at 31 March 2022	As at 31 March 2021
Current Income Tax Liabilities (Net)	439.26	32.26
	439.26	32.26

**32. Revenue from operations**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of Product	27,969.68	24,694.44
Sale of Services	0.21	0
Other operating revenue	151.56	358.42
	28,121.45	25,052.86

33. Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income		
- on Inter-Corporate Loans (refer note no.60)	0.03	-
- on fixed deposits with bank	21.34	27.40
- Others	15.64	4.02
Net gain on foreign currency translation and transactions	68.59	-
Profit on sale of Property, Plant and Equipment	123.36	2.10
Rental Income	0.72	1.87
Insurance claim Income	100.92	3.05
Balances/Advances No More Payable	163.78	58.27
Income Tax Refund Received	0.07	0.05
Other Non -Operating revenue	8.81	17.08
Provisions no longer written back	11.94	-
	515.20	113.85

34. Cost of materials consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Raw materials		
Opening stock	2,271.96	2,496.28
Add: Purchases - Raw Material	16,058.26	12,313.56
Less: Closing stock	-3,110.38	-2,271.27
	15,219.84	12,538.56
Packing Materials		
Opening Stock	416.18	410.88
Add: Purchases - Packing Material	1,251.33	1,013.59
Less: Closing stock	-488.08	-416.18
	1,179.43	1,008.29
	16,399.27	13,546.86

**35. Purchases of traded goods**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of traded goods	842.80	1,043.01
	842.80	1,043.01

36. (Increase)/decrease in Inventories of finished goods and work in progress

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the end of the year		
Work-in-progress	1,844.42	1,204.08
Finished goods	1,991.44	2,142.33
	3,835.86	3,346.41
Inventories at the beginning of the year		
Work-in-progress	1,204.08	648.23
Finished goods	2,142.33	3,203.06
	3,346.41	3,851.29
	-489.45	504.88

37. Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salary and wages	4,189.25	3,691.70
Contribution to provident and other funds	160.78	174.19
Staff welfare expenses	265.21	221.82
Gratuity Expenses	80.12	71.21
Leave Encashment Expense	30.11	28.69
	4,725.47	4,187.62

38. Finance Cost

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest Expenses on Term Loan	277.31	326.11
Interest Expenses on Working Capital	502.38	687.43
Interest Expenses GECL	-	3.71
Interest Expenses - others	17.16	20.83
Interest Expenses on Lease Liability (Ind AS 116)	26.77	15.85
Interest Expenses on Current Taxes	27.19	
Other Finance Cost (Including Interest on delayed payment of taxes)	189.71	143.49
	1,040.53	1,197.43

**Depreciation and Amortisation**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on Property, Plant and Equipment (refer note 4)	757.17	833.32
Amortisation on Intangible Assets (refer note 6)	146.84	118.50
	904.01	952.13

39. Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spares	29.21	27.77
Power and fuel		
Fuel - Opening Balance	3.98	12.68
Add: Fuel Purchases	192.79	140.47
Less: Closing Stock of Fuel	-5.24	3.98
Cost of fuel consumption	191.52	149.17
Electricity charges	11.19	14.43
Power charges	357.90	315.87
Water Charges	28.07	18.44
Laboratory and Testing Charges	210.61	177.29
Sub contracting expenses	304.75	327.58
Repairs & Maintenance		
- Plant and machinery	216.07	147.87
- Building	94.06	39.17
- Others	153.59	132.65
Commission on sales	264.12	257.59
Commission to Director	90.00	
Freight and forwarding charges	993.05	611.96
Net loss on foreign currency translation and transactions	0.12	185.96
Travelling Expenses	67.73	61.45
Advertisement and selling expenses	224.52	157.35
Legal and professional charges	183.91	132.44
Rent	56.44	68.32
Rates & Taxes	151.70	80.80
Communication Cost	33.51	33.93
Registration fees	59.33	20.13
Liquidated damages	27.10	39.10
Security Charges	61.54	63.72
Donation	18.99	7.35
Corporate Social Responsibility	3.50	-

**39. Other expenses (Continued)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Loss on sale of Duty Scrip	-	0.55
Seminar, Conference & Exhibition Expenses	-	0.36
Insurance	53.12	46.18
Printing & Stationary	32.12	31.56
Subscription & Membership	16.96	6.23
Bank charges	13.65	18.41
Expected Credit Losses	15.88	21.17
Impairment on Investments	-	-
Balances/Advances No More Recoverable	229.19	77.72
Assets written off	-	10.58
Miscellaneous Expenses	55.98	36.95
Interest on TDS and Indirect Taxes	36.71	-
Discount Paid	4.79	0.87
Waste Removal Charges	0.47	1.77
Research and Development Expense	-	1.85
Factory Expenses	4.40	-
	4,295.78	3,324.53

40. Contingent liabilities and commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Contingent liabilities		
- Income tax	306.92	99.11
- Excise & Customs (refer note I below)	247.94	205.09
- Service Tax (refer note I below)	-	42.85
- GST	1,069.64	
- Others (Letter of credit)	-	952.40
Capital commitments		
- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-

Note I : The Company has received show cause notices under the Central Excise laws and Service Tax laws in for the years 2007-08 onwards which in various stages of assessment as at 31 March 2020. The assessments are in progress and the Company has not received the assessment order in respect of the same. In certain cases, the Company has preferred an appeal which has been remanded back to the original authority for reassessment.

Other Disputes

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



Note 1 : The Company has received show cause notices under the Central Excise laws and Service Tax laws in for the years 2007-08 onwards which in various stages of assessment as at 31 March 2020. The assessments are in progress and the Company has not received the assessment order in respect of the same. In certain cases, the Company has preferred an appeal which has been remanded back to the original authority for reassessment.

Other Disputes

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

41. Auditors' remuneration excluding tax (included in Legal and Professional Charges)

Particulars	As at 31 March 2022	As at 31 March 2021
As auditor		
- for Statutory audit	-	7.00
- for Taxation matters	-	0.50
- for Limited Review	-	0.20
In other capacity	-	-
Other services (certification fees)	-	0.80
Reimbursement of expenses	-	0.50
	-	9.00

42 Details of inter- corporate deposits/Loans and Advances/Guarantees/ Securities given to related parties:

(a) Terms and conditions on which inter- corporate deposits/Loans and Advances/Guarantees/ Securities have been given:

Party name	Nature of relationship	Interest rate	Repayment terms	Purpose
Golden Drugs Private Limited	Wholly Owned Subsidiary	11.06%	Repayable on Demand	For the purpose of the Manufacturing unit

((b) Reconciliation of inter- corporate deposits/Loans and Advances/Guarantees/ Securities given as at the beginning and at the end of the year:

Particulars	As at 31 March 2022	As at 31 March 2021
Golden Drug Private Limited		
At the commencement of the year	1,382.42	1,193.09
Add: Given during the year	519.57	283.35
Less: Repaid during the year	(34.54)	(94.02)
At the end of the year	1,867.44	1,382.42

Maximum amount outstanding during the year : Rs 1867.44 lakhs

43. Disclosure with respect to Micro, Small and Medium Enterprises

"The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act'). However as on date, the Company has not received any information with regard to vendors who have obtained registration under the said act.

44. Confirmations

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



45. Investment in Golden Drugs Private Limited (wholly owned subsidiary)

The company has invested Rs. 741.69 Lakhs in obtaining 100% shareholding in Golden Drugs Private Limited located in Udaipur in the business of manufacturing APIs/Bulk Drugs. Out of the said invested amount, Rs 649.09 Lakhs was paid during the year end March 2018 and the balance was invested in year 2018-2019

46. Earnings per share

Basic EPS amounts are calculated by dividing the income for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive instruments.

(I) Reconciliation of earnings used in calculating earnings per share:

Particulars	As at 31 March 2022	As at 31 March 2021
From continuing operations:		
Total Profit / (Loss) for the period attributable to Equity shareholders	561.15	474.24
Net profit/(loss) for basic and diluted earnings	561.15	474.24

(ii) Reconciliation of basic and diluted shares used in computing earnings per share

Particulars	As at 31 March 2022	As at 31 March 2021
Number of equity shares at the beginning of the year (in Lakhs)	148.22	141.72
Add: Weighted average number of equity shares issued during the year	3.17	0.27
Number of weighted average equity shares considered for calculation of basic and diluted earnings per share (in lakhs)	151.40	141.99

(iii) Earnings per share:

Particulars	As at 31 March 2022	As at 31 March 2021
Basic EPS	3.79	3.34
Dilute EPS	3.71	0

*The Company has no potential dilutive instruments

47. Unclaimed Dividends on Equity Shares

Particulars	As at 31 March 2022	As at 31 March 2021
2012 - 2013	-	1.95
2013 - 2014	-	2.34
2014 - 2015	3.81	3.78
2015 - 2016	2.64	2.64
2016 - 2017	2.42	2.40
2017 - 2018	2.58	0.90
2018 - 2019	2.70	2.73
2020-2021	3.20	-
	17.35	16.74

48. Expenditure on corporate social responsibility activities

As per Section 135 of the Companies Act, 2013, a company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Amount required to be spent by the Company during the year*	5.16	-
(b) Amount spent during the year	3.5	-

* for the year ended 31 March 2022, the Company does not meet the threshold limits

49. Leases

(a) Company as a lessor

Effective April 1, 2019, the Company adopted Ind-AS 116, on all lease contracts, except for the leases with a term of twelve month or less (short term leases) and low value leases, existing on April 1, 2019 using the modified retrospective method with Right-of-use assets recognised at an amount equal to the lease liabilities in the balance sheet. The Right-of-use assets as on March 31, 2021 and March 31, 2022 have been presented as part of Property, plant and equipment. For these short term leases, the Company recognises the lease payments as an operating expense on a straight line basis over the period of lease.

Changes in Lease Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance as on 1 April 2021	192.32	194.08
On account of adoption of Ind AS 116	-	-
Additions	168.16	72.55
Finance Cost	26.77	15.85
Payment of Lease Liabilities	-85.69	(90.15)
Closing Balance	301.56	192.32
Current Lease Liabilities	76.19	30.80
Non-current Lease Liabilities	225.37	161.52

49. Leases (Continued)

Contractual Maturities of Lease Liability

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	100.17	81.93
1 to 5 years	248.57	121.77
above 5 years	-	32.76

(b) Company as a lessor

The company's leasing arrangements as a lessor are in nature of operating leases. These are cancelable operating leases and these lease agreements are normally renewed on expiry. The aggregate lease rental payable are charged as rent under note

50. Export Benefit Incentives

Export benefit Incentives includes Duty Drawback ('DBK'), Focus Marketing incentive scheme(FMS), Focus product scheme (FPS), Market Linked Product Scheme (MLPS), Incremental Exports incentive scheme, Merchandise Export India Scheme and Service tax rebate scheme (STR). The Company has accounted an amount of Rs. 141.54 lakhs (31 March 2021 :Rs. 348.82 lakhs) under "other operating revenue", being the net amount of credit under various export incentive schemes as announced under Foreign trade Policy. The same will be either be sold or utilized for off-setting customs duty on future imports. The accumulated amount outstanding on this account as on 31 March 2022 is Rs. 418.74 lakhs (31 March 2021 is Rs.429.92 lakhs) and the same is reflected under Export Incentives Receivable.

51. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. The operating segments' operating results are reviewed by the Chief Operating Decision Maker (Board of Directors) to make decisions about resources to be allocated to the segments and assess their performance. The Company's business activities fall within one component namely, "manufacturing and marketing of pharmaceutical formulations and active pharmaceutical ingredients". Accordingly, separate disclosures per the requirements of IndAS 108, Operating Segments, are not considering necessary.

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

52. Income tax

A. Amounts recognised in statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax:		
Current income tax charge	447.86	37.87
Previous Year's Tax Adjustment	93.65	-
	541.51	37.87
Deferred tax:		
Attributable to -		
Origination and reversal of temporary differences	(193.76)	98.82
	(193.76)	98.82
Minimum Alternate Tax credit entitlement		
Excess of tax liability under Minimum Alternate Tax over Normal Provisions as per Income Tax Act, 1961	-	-
	-	-
Income tax (credit) / expense reported in the Statement of profit or loss	347.75	(60.95)

B. Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net (gain)/loss on re measurement of defined benefit liability/ (assets)	0.00	(3.63)
Income tax charged to OCI	-	(3.63)



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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before income tax	918.25	410.26
Domestic tax rate *	29.12%	29.12%
Tax using the Company's domestic tax rate	267.39	119.47
Impact of Non-taxable items due to Ind AS adjustments	10.84	13.45
Weighted Deductions and Exemptions	(17.20)	7.16
Impact of non-deductible expenses for tax purposes (Net)	15.41	2.13
Impact of disallowance for non payment and non deduction of TDS	-	(24.40)
Impact of allowability of certain expenditure on payment basis	(42.44)	102.89
Impact of Depreciation on Property, Plant and Equipment and others	(76.12)	(135.73)
Others	12.54	(140.53)
Previous Year Tax Adjustment	93.65	-
Deferred Tax created on tax losses (refer note D below)		
Current tax Expense	264.07	(60.96)
Effective Tax Rate	99%	-14.86%

* Including applicable surcharge rate and cess

52. Income Tax (continued)

D. Deferred Tax

Deferred tax relates to the following:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred Tax Liability		
Property, Plant and Equipment	-	708.93
Weighted Deduction in Research and Development - Borrowings	-	5.65
Deferred tax Asset		
Employee benefits expenses	-	-152.88
Disallowance under sec 40(a)(ia)	-	(12.17)
Income tax recognised in Other Comprehensive Income	-	(223.03)
Income Tax Losses	-	(63.28)
Others	-	
Deferred tax Liability Reflected in Balance Sheet	-	263.21

53. Expenditure on Research and Development

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue Expenditure		
Raw material consumed	6.27	4.66
Power and Fuel	46.54	21.26
Water Charges	2.57	2.94
Laboratory and testing	0.38	1.81
Employee benefit expense	138.38	163.40
Others	11.25	8.38
Total Expenditure towards Research and Development	205.38	202.44
Amount Capitalised (refer note)		
Development Expenses	205.38	200.14

54. Note on Suspended Activities in Unit located at Pune

The Management of the Holding Company has decided to suspend the operations of its IV fluids and parenterals manufacturing facility at Pune as this unit has been consistently incurring operational losses due to various reasons such as higher costs of raw materials, escalation in production cost, employee cost, lack of adequate orders and thin margins on products manufactured. The above have led to a situation wherein any further efforts to restore the profitability of the unit will be futile.

This decision was taken as part of the restructuring exercise undertaken by the Group to streamline its operations and to exit from its noncore businesses, so that further deterioration of its noncore business revenues can be plugged. The management is considering both avenues of disinvestment of the Unit or partnering with an outside party, whichever is beneficial.

55. Impact of Covid-19

The Group continues to monitor the possible effects that may result from the pandemic relating to COVID-19. The Group continues to take several business continuity measures with a view to ensure minimal disruption with respect to operations including production and distribution activities. Based on internal and external sources of information, current economic environment and future economic indicators, the Group has assessed the financial impact of the COVID-19 situation on its operations particularly on the carrying amounts of receivables, inventories, property, plant and equipment and intangible assets. However, the Group has not experienced any significant or material difficulties with respect to market demand, collections or liquidity and the management expects no impairment is required for the carrying amount of these assets. However, the impact of the pandemic could be different from those estimated today considering the uncertainties involved. The Group will continue to monitor any material changes to future economic conditions.

56. Value of Imports calculated on CIF basis

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Raw Materials	7,493.88	5,677.32
Capital goods (Including spares and components)	-	-
	7,493.88	5,677.32



57. Details of consumption of imported and indigenous raw materials, components and spare parts:

Particulars	31 March 2022		31 March 2021	
	Value in Rs	% of total consumption	Value in Rs	% of total consumption
Raw Material				
Imported	7,493.88	49.06%	5,516.98	44.00%
Indigenous	7,781.05	50.94%	7,021.59	56.00%
	15,274.93	100.00%	12,538.57	100.00%
Stores and Spares				
Imported	-	-	-	-
Indigenous	-	-	-	-
	-	-	-	-
	15,274.93		12,538.57	

58. Earnings in Foreign Currency

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
FOB value of Exports	18,360.18	15,042.68
	18,360.18	15,042.68

59. Expenditure in Foreign Currency

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Traveling expenditure	8.26	22.58
Registration fee	54.46	15.80
Commission on export sales	61.74	90.86
Sales promotion expenses	16.00	56.16
Inspection Charges	22.55	-
	163.00	185.40



60. Related Party Transactions

A Subsidiaries	Wholly owned Subsidiary Company Subsidiary Company Subsidiary Company Subsidiary Company	Golden Drugs Private Limited Balance Clinics LLP Bal Research Foundation Lifezen Healthcare Private Limited
B Enterprise owned by the Managing Director of the company		Desa Marketing International
C Enterprise over which the Managing Director of the Company exercises joint control with other relatives		Siroya Construction Siroya Wellness
D Enterprise over which the Managing Director of the Company exercises joint control with other directors		Siroya Properties & Holdings Private Limited Siroya Developers Private Limited
E Significant Interest Entities		Micro Labs Limited
F Key management personnel		Shailesh D Siroya - Managerial Director Dr. S Prasanna - Whole Time Director (till 30 th October 2020) Himesh Virupakshaya - Whole Time Director (w.e.f 25th September 2020) Himesh Virupakshaya - Additional Director (till 25th September 2020) Preeti Singh - Company Secretary (w.e.f 14th May 2020) G Rengarajan - Chief Financial Officer

(ii) Particulars of Related Party Transactions

Particulars	Category	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from Operations			
- Micro Labs Limited	E	160.96	292.17
- Lifezen Healthcare Private Limited	A	19.13	31.22
- Balance Clinics LLP	A	13.07	-
- Golden Drugs Private Limited	A	-	-
		193.16	323.39
Other Income - Rental Income			
- Lifezen Healthcare Private Limited	A	10.26	9.08
- Bal Research Foundation	A	2.40	2.83
- Golden Drugs Private Limited		0.12	-
		12.78	11.91
Other Income - Interest on Inter-Corporate Loans			
- Golden Drugs Private Limited	A	134.61	481.89
		134.61	481.89
Other Income - Profit on sale of Property, Plant and Equipment			
- Golden Drugs Private Limited	A	-	1.95
		-	1.95



(ii) Particulars of Related Party Transactions (Continued)

Particulars	Category	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of traded goods			
- Lifezen Healthcare Private Limited	A	6.94	6.58
		6.94	6.58
Sub contracting expenses			
- Golden Drugs Private Limited	A	496.22	92.85
		496.22	92.85
Commission on sales			
- Desa Marketing International	B	217.54	117.15
- Shailesh Siroya		90.00	-
		307.54	117.15
Sales promotion expenses			
- Siroya & Company	E	13.38	3.19
		13.38	3.19
Rental Expenses			
- Shailesh D Siroya	F	12.00	12.00
- Golden Drugs Private Limited	A	0.24	0.24
		12.24	12.24
Key Managerial Personnel Compensation			
- Shailesh D Siroya	F	104.58	102.00
- Dr.S.Prasanna	F	-	23.80
- Himesh Virupakshaya	F	37.85	31.61
- Preeti Singh		4.99	4.50
- G Rengarajan		17.70	14.75
		165.12	176.65
Loans Given			
- Golden Drugs Private Limited	A	485.02	148.72
- Lifezen Healthcare Private Limited		-	53.14
		485.02	201.86
Loans Taken			
- Balance Clinics LLP	A	-	1.57
		-	1.57
Expenses reimbursed by			
- Siroya Constructions	C	-	-
- Siroya Properties & Holdings Private Limited	D	0.25	-
		0.25	-
Project management consultancy fee capitalised			
- Synergy Property Development Services Private Limited			
- Siroya Properties & Holdings Private Limited	D	-	0.13
		-	0.13
Deposit Provided for rendering of services			
-Lifezen Healthcare Private Limited	A	22.83	53.14
		22.83	53.14
Loan received from Director (Net)			
- Shailesh D Siroya	F	-	(56.92)
		-	(56.92)



(iii) Amount outstanding as at the balance sheet date

Particulars	Category	For the year ended 31 March 2022	For the year ended 31 March 2021
Capital advances			
- Siroya Properties & Holdings Private Limited		-	376.09
		-	376.09
Trade Receivables			
- Lifezen Healthcare Private Limited	A	238.18	206.63
- Balance Clinics LLP	A	47.07	8.11
- Micro Labs Limited	E	150.44	112.29
- Bal Research Foundation	A	10.94	8.11
- Golden Drugs Private Limited	A	125.06	98.88
		571.69	434.02
Inter-Corporate Loan			
- Golden Drugs Private Limited	A	1,867.45	1,382.42
		1,867.45	1,382.42
Interest receivable on Inter-Corporate Loan			
- Golden Drugs Private Limited	A	616.50	481.89
		616.50	481.89
Security Deposit			
-Lifezen Healthcare Private Limited	A	819.32	796.49
		819.32	796.49
Advances recoverable in Cash or Kind			
- Balance Clinics LLP	A	150.80	-
- Bal Research Foundation	A	2.49	-
- Siroya Constructions	C	-	-
- Siroya Wellness	C	0.98	0.98
- Siroya Properties & Holdings Private Limited	D	-	-
		154.27	0.98
Other current assets			
- Siroya Properties & Holdings Private Limited	D	376.72	376.09
		376.72	376.09
Loan from Director			
- Shailesh D Siroya	F	-	-
		-	-
Loans/advances to employees			
- HimeshVirupakshaya	E	-	0.30
		-	0.30
Trade Payables			
- Desa Marketing International	B	118.88	81.94
- Lifezen Healthcare Private Limited	A	28.01	29.18
- Balance Clinics LLP	A	9.52	9.53
- Siroya Constructions	C	-	1.44
- Golden Drugs Private Limited	A	657.03	150.40
- Siroya Sunshine		2.92	-
- Shailesh Siroya		53.15	-
		869.51	272.49



(iii) Amount outstanding as at the balance sheet date (Continued)

Particulars	Category	For the year ended 31 March 2022	For the year ended 31 March 2021
Payable towards Capital Goods			
- Siroya Constructions	C	0.50	-
		0.50	-
Other financial liabilities - Rental Deposits			
- Bal Research Foundation	A	1.00	1.00
- Lifezen Healthcare Private Limited	A	3.00	3.00
		4.00	4.00
Other Current Liabilities			
Shailesh D Siroya	F	40.50	0.34
Himesh Virupakshaya	F	-0.25	0.85
		40.25	1.19

* Managerial remuneration does not include provision for gratuity and leave encashment, which is determined for the Company as a whole

61. Employee benefits

(a) Defined Contribution Plans

Employees receive benefits from a provident fund and employee state insurance funds. The employer and employees each make periodic contributions to the plan as per local regulations. The following table discloses the employers contribution to the funds:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Provident Fund Contribution	144.66	149.85
Contribution to Employee State Insurance	16.11	24.12
Labour Welfare Fund	0.00	0.22

(b) Defined Benefit Plans and other Long term plans

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

Actuarial Valuation for compensated absences is done as at the year end and the provision is made as per Company policy with corresponding (gain)/charge to the statement of profit and loss and it covers all regular employees. Obligation in respect of earned leave policy are actuarially determined as at the year end using the 'Projected Unit Credit' method.

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

**(b) Defined Benefit Plans and other Long term plans (continued)**

Particulars	Gratuity		Leave Encashment	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Changes in present value of defined benefit obligations during the year				
Present Value of Defined Benefits at the beginning of the year	401.11	332.62	65.93	78.41
Service cost	55.93	47.90	32.22	23.31
Past Service Cost -	-	-	-	-
Interest on defined benefit obligation	27.68	23.31	4.47	5.38
Benefits settled	(32.59)	(18.99)	(4.85)	(5.97)
Actuarial (gain) / loss	(1.53)	19.73	(6.16)	(33.58)
	450.58	404.58	91.60	67.55
Reconciliation of present value of the obligation and the fair value of the plan assets:				
Present Value of Defined Benefits at the end of the year	450.58	404.58	(91.60)	(67.55)
Fair value of plan assets at the end of the year	-	-	-	-
	450.58	404.58	(91.60)	(67.55)
Net Liability - Current (Refer Note No.30)	52.36	50.36	20.42	15.25
Net Liability - Non Current (Refer Note No.25)	398.22	354.22	71.19	52.32
Expenses recognised in Statement of Profit or Loss during the year				
Current Service cost	52.45	47.90	28.69	23.31
Past Service Cost -	-	-	-	-
Interest cost on defined benefit (net)	27.68	23.31	4.38	5.38
Expected return on plan assets	-	-	-	-
Others	-	-	-	-
	80.12	71.21	33.07	28.69

**(b) Defined Benefit Plans and other Long term plans (continued)**

Particulars	Gratuity		Leave Encashment	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Actuarial (gain) / loss				
Remeasurements - Due to Demographic Assumptions	-	(5.99)	-	(0.83)
Remeasurements - Due to Financial Assumptions	4.98	41.66	(0.02)	5.06
Remeasurements - Due to Experience Adjustments	(6.51)	(15.94)	(0.28)	(37.81)
(Return) on Plan Assets (Excluding Interest Income)		-	-	-
(Return) on Reimbursement Rights		-	-	-
Changes in Asset Ceiling / Onerous Liability		-	-	-
	(1.53)	19.73	(0.29)	(33.58)
Maturity Profile of Defined Benefit Plan				
Within the next 12 months	48.44	50.36	0.02	7.76
Between 2 and 5 years	139.15	126.60	0.54	19.09
Between 6 and 9 years	102.99	89.21	0.44	13.03
For 10 years and above	150.01	134.94	0.67	23.05
Sensitivity Analysis for significant assumptions				
Salary Escalation - Up by 1%	13.52%	5.47%	13.17%	5.89%
Salary Escalation - Down by 1%	-12.11%	-4.96%	0.87%	-5.30%
Attrition Rates - Up by 1%	-0.15%	-0.27%	0.82%	-0.26%
Attrition Rates - Down by 1%	0.07%	0.29%	-0.91%	0.28%
Discount Rates - Up by 1%	-12.76%	-5.48%	-12.41%	-5.65%
Discount Rates - Down by 1%	14.45%	6.14%	14.24%	6.39%
Assumptions				
Discount rate	14.33%	7.23%	14.20%	7.23%
Estimated rate of return on plan assets	0.00%	0.00%	0.00%	0.00%
Salary increase	12.00%	7.00%	12.00%	7.00%
Attrition Rate	26.82%	15.00%	26.28%	15.00%
Retirement age	58 years	58 years	58 years	58 years

**62. Financial Instruments - Fair Value Disclosure**

The carrying value and fair value of financial instruments by categories for year ended 31 March, 2022

Particulars	Note No	Carrying value	Amortized Cost	Fair Value
Financial Asset at Amortised Cost (Current and Non-Current)				
Investments	7	-	-	-
Loans	8 & 14	276.28	276.28	-
Trade receivable	13	7,531.23	7,531.23	-
Cash and cash equivalents	15	111.28	111.28	-
Other bank balances	16	428.11	428.11	-
Other financial assets	9 & 17	400.90	400.90	-
Total Financial Assets		8,747.80	8,747.80	-
Financial Liabilities at Amortised Cost (Current and Non-Current)				
Borrowings (including current maturities)	23,26 & 28	9,776.18	9,776.18	-
Trade payables	27	6,556.39	6,556.39	-
Other financial liabilities	24 & 28	1,869.18	1,869.18	-
Total Financial Liabilities		18,201.75	18,201.75	-
		(9,453.96)	(9,453.96)	-

The carrying value and fair value of financial instruments by categories for year ended 31 March, 2021

Particulars	Note No	Carrying value	Amortized Cost	Fair Value
Financial Asset at Amortised Cost (Current and Non-Current)				
Investments	7	-	-	-
Loans	8 & 14	244.72	244.72	-
Trade receivable	13	6,719.70	6,719.70	-
Cash and cash equivalents	15	102.34	102.34	-
Other bank balances	16	282.70	282.70	-
Other financial assets	9 & 17	429.21	429.21	-
Total Financial Assets		7,778.67	7,778.67	-
Financial Liabilities at Amortised Cost (Current and Non-Current)				
Borrowings (including current maturities)	23,26 & 28	11,002.28	11,002.28	-
Trade payables	27	4,716.65	4,716.65	-
Other financial liabilities	24 & 28	1,271.82	1,271.82	-
Total Financial Liabilities		16,990.74	16,990.74	-
		(9,212.07)	(9,212.07)	-

63. Financial Instruments - Financial risk management

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

- Market Risk
- Credit Risk
- Liquidity Risk

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

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

A Market Risk

1) Currency Risk

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

(a) Foreign Exchange Exposures outstanding at the year end

Nature Of Instrument	As at 31 March 2022	As at 31 March 2021
Unhedged Foreign Exchange Exposures		
Trade Receivables	2,871.84	2,969.25
Cash and Cash Equivalents	6.94	7.71
	2,878.77	2,976.96
Trade Payables	(1,210.96)	(1,221.53)
Current Borrowings	(2,503.83)	(2,700.47)
Others	-	-
	(3,714.79)	(3,922.01)
	(836.01)	(945.06)

**(b) Foreign Currency Risk from Financial Instrument as at 31 March 2022**

Nature Of Instrument	USD	EUR	AED	Others	Total
Trade Receivables	2,595.41	259.65	16.78	-	2,871.84
Cash and Cash Equivalents	6.94	-	-	-	6.94
Trade Payables	(1,206.78)	(4.18)	-	-	(1,210.96)
Current Borrowings	(2,452.99)	(50.84)	-	-	(2,503.83)
Others	-	-	-	-	-
Net Assets/(Liabilities)	(1,057.42)	204.63	16.78	-	(836.02)

(b) Foreign Currency Risk from Financial Instrument as at 31 March 2021

Nature Of Instrument	USD	EUR	AED	Others	Total
Trade Receivables	2,562.47	406.78	-	-	2,969.25
Cash and Cash Equivalents	7.71	-	-	-	7.71
Trade Payables	(1,215.82)	(5.71)	-	-	(1,221.53)
Current Borrowings	(2,649.63)	(50.84)	-	-	(2,700.47)
Others	-	-	-	-	-
Net Assets/(Liabilities)	(1,295.27)	350.23	-	-	(945.04)

(c) Sensitivity Analysis

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

Particulars	USD	EURO	AED
Impact on Statement of Profit and Loss			
Increase by 5%			
As at 31 March 2022	(52.87)	10.23	0.84
As at 31 March 2021	(64.83)	17.51	-
Decrease by 5%			
As at 31 March 2022	52.87	(10.23)	(0.84)
As at 31 March 2021	64.83	(17.51)	-
Impact on Equity (Net of Tax)			
Increase by 5%			
As at 31 March 2022	(39.12)	7.57	0.62
As at 31 March 2021	(47.97)	12.96	-
Decrease by 5%			
As at 31 March 2022	39.12	(7.57)	(0.62)
As at 31 March 2021	47.97	(12.96)	-

**2) Interest rate Risk**

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

a) Exposure to Interest Rate Risk

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

Nature Of Instrument	As at 31 March 2022	As at 31 March 2021
Fixed Rate Instruments		
Financial Assets	2,560.90	1,917.76
- Fixed Deposits	693.45	535.35
- Loans	1,867.44	1,382
Financial Liabilities	(7,028.57)	(8,105.60)
- Received from Customers	(183.02)	(194.91)
- Other Borrowings	(6,845.56)	(7,910.69)
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	(2,930.63)	(2,514.74)
	(7,398.30)	(8,702.58)

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

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

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Impact on Statement of Profit and Loss		
Loan and Borrowing		
Increase by 2%	(58.61)	(47.54)
Decrease by 2%	58.61	47.54
Impact on Equity (Net of Tax)		
Loan and Borrowing		
Increase by 2%	(41.54)	(35.18)
Decrease by 2%	41.54	35.18



B Liquidity Risk

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

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

Maturities of financial liabilities:

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

	Carrying Amount	Contractual cash Flows			Total
		< 12 Months	1 to 5 years	> 5 years	
31 March, 2022					
Borrowings (Incl Current Maturities)*	3,289.13	587.79	2,060.26	705.71	3,353.75
Trade and other payables	6,556.39	6,556.39	-	-	6,556.39
Short Term Borrowings	7,074.84	7,074.84	-	-	7,074.84
Other Financial Liabilities	1,281.39	873.01	408.39	-	1,281.39
31 March, 2021					
Borrowings (Incl Current Maturities)*	2,920.39	528.43	1,941.76	477.64	2,947.84
Trade and other payables	4,716.65	4,716.65	-	-	4,716.65
Short Term Borrowings	7,505.05	7,505.05	-	-	7,505.05
Other Financial Liabilities	1,271.81	915.37	356.45	-	1,271.82

*indicates actual outflow

C Credit Risk

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

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and Cash Equivalents	111.28	102.34
Other Bank Balances	428.11	282.70
Trade Receivables	7,531.23	6,719.70
Short Term Financial Assets	442.78	386.70
Long Term Financial Assets	234.40	287.23
	8,747.80	7,778.67



C Credit Risk (Continued)

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

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of IndAS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Group's large customer base. Adequate expected credit losses are recognized as per the assessments and as such has provided for an expected credit loss of Rs. 21.17 lakhs (31 March 2020: Rs. 22.38 Lakhs)

Reconciliation of Loss Allowance

Particulars	As at 31 March 2022	As at 31 March 2021
Loss allowance in the beginning of the year	75.47	54.29
Add: Changes in allowance	15.88	21.17
Loss allowance at the end of the year	91.35	75.47

64 Capital Management

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

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

Reconciliation of Loss Allowance

Particulars	As at 31 March 2022	As at 31 March 2021
Long Term Borrowings (incl Current Maturities)*	2,701.34	2,920.39
Short Term Borrowings	7,074.84	8,081.89
Total Borrowings (A)	9,776.18	11,002.27
As a percentage of total equity	62.57%	67.34%
Total equity (B)	5,849.21	5,335.37
As a percentage of total equity	37.43%	32.66%
Total Capital (A+B)	15,625.40	16,337.64

* Taken Borrowings at amortised cost

65 Recoverability from Subsidiary Companies

The Company has an outstanding recoverability of Rs. 819.32 lakhs and Rs. 149.30 lakhs from its subsidiaries Lifezen Healthcare Private Limited and Balace Clinic LLP. The said subsidiaries have incurred losses and have a negative net worth. However, the management is confident that with infusion of additional funds, introduction of new brands and renewed marketing, the companies can be revived and the amounts recovered.



66 Merger with its wholly owned subsidiary

The Company has filed application with NCLT for merger of Golden Drugs Pvt Ltd ,a wholly owned subsidiary of the Company.

65 Ratio Analysis

Particulars	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021
Current ratio	Current Assets	Current Liabilities	1.11	1.08
Debt-equity ratio	Total Debt	Total Equity	1.67	1.96
Debt service coverage ratio	"Earnings for debt service = Net profit after taxes + Non-cash operating expenses"	Debt service = Interest & Lease Payments + Principal Repayments	0.49	0.48
Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.10	0.10
Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	2.49	2.36
Trade receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	3.95	4.03
Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	4.98	5.48
Net capital turnover ratio	Net sales	Working capital	14.86	21.57
Net profit ratio	Net Profit	Net sales = Total sales - sales return	0.02	0.02
Return on capital employed	Earnings before interest and taxes	"Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax"	0.21	0.18

Particulars	As at 31 March 2022	As at 31 March 2021
Current Assets	18,457.08	16,414.71
Current Liabilities	16,564.47	15,253.26
Total Borrowings	9,776.19	10,475.10
Total Equity	5,849.22	5,335.37
EBITDA	2,862.78	2,559.81
Profit After Tax (PAT)	570.50	471.21
Average Shareholders' Equity	5,592.29	4,934.23
COGS	16,752.62	15,094.75
Average Value of Inventory	6,739.04	6,404.83
Revenue	28,121.45	25,052.86
Average Accounts Receivable	7,125.47	6,217.31
Total expenses	28,066.15	24,695.49
Average Accounts Payable	5,636.51	4,508.62
Working Capital	1,892.61	1,161.44
EBIT (Earnings before Interest and Tax)	1,958.77	1,607.68
Capital Employed	9,497.81	8,754.76



Particulars	As at 31 March 2022	
	% of Variance	Reason
Current ratio	3%	
Debt-equity ratio	-17%	
Debt service coverage ratio	2%	
Return on equity ratio	6%	
Inventory turnover ratio	5%	Due to increase in Net working capital for the end of the year .
Trade receivables turnover ratio	-2%	
Trade payables turnover ratio	-10%	
Net capital turnover ratio	-45%	
Net profit ratio	7%	
Return on capital employed	11%	

66 Additional Regulatory Information

- (i) "a) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed under Property, Plant and Equipment in the financial statements are held in the name of the Company."
- (ii) There are no proceedings that have been initiated or pending against the Company for holding any any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder.
- (iii) The Company has borrowing's from banks or financial institutions on the basis of security of current assets for the year ended March 2022. The Company has filed quarterly returns and statements with the Banks or Financial Institutions. Since there will normally be a backlog in the up dation of books of accounts ,The returns submitted to bank are not in agreement with the books of accounts.
- (iv) The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender
- (v) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (vi) The details of charges and satisfaction of charges have been registered with Registrar of Companies within the statutory period
- (vii) Utilisation of Borrowed Funds and Share premium
 - (a) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
 - (b) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company declares that the Relevant Provisions of the FEMA Act ,1999 and Companies Act have been Complied with and are not in violation of the Prevention of Money-Laundering Act ,2002.
- (viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (ix) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

As per our report of even date attached for **NSVM & Associates**
Chartered Accountants
Firm's registration number: 0100725

G.C.S Mani
Partner
Membership number: 036508

Place: Bengaluru
Date: 30th May, 2022

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

Shailesh Siroya
Managing Director
DIN: 00048109

G Rengarajan
Chief Financial Officer

Place: Bengaluru
Date: 30th May, 2022

V Himesh
Whole Time Director
DIN: 08554422

Preeti Singh
Company Secretary
MNo:A51854

FINANCIAL SUMMARY - LAST 10 YEARS AT A GLANCE

(Rs In Lakhs)

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
A. Sales and Earnings										
Turnover	28685.57	25200.08	17430.13	22582.53	21152.08	23201.45	20182.4	19066.95	18200.88	15024.67
Profit Before Tax	1205.59	979.61	-907.62	441.07	845.46	806.97	518.44	520.12	662.6	508.91
Tax	347.75	69.93	-17.44	-234.95	251.63	310.38	237.83	117.84	155.37	80.56
Profit After Tax	857.84	909.69	-920.6	676.02	593.83	496.59	280.6	402.28	507.23	428.35
"Retained Earning (Non Cumulative)"	857.23	918.53	-920.6	633.4	564.74	328.51	138.88	273.56	377.23	335.57
B. Assets and Liabilities										
Tangible Fixed Assets (Net)	4491.95	4542.41	4974.44	5126.98	5381.59	5688.79	5525.65	4781	5055.9	4761.6
Intangible Assets (Net)	797.86	722.74	639.09	567.1	446.87	466.41	462.29	486.65	486.56	508.7
Investments	839.60	839.6	741.69	744.19	744.19	117.5	117.51	109.5	1.5	1.5
Net Current Assets	5596.06	4632.70	3251.92	4431.67	4814.67	2747.67	1382.67	1242	834.5	35.29
Share Capital	1482.24	1482.24	1417.24	1417.24	1417.24	1417.24	1287.24	1287.24	1287.24	1111.14
Reserves	7249.82	6449.52	5177.24	6268.7	5806.16	6127.47	5078.29	4800	4543.9	4107.5
C. Ratios										
Earning Per share	5.79	6.41	-6.28	4.77	4.19	3.51	2.18	3.14	4.77	4.77
Dividend Per Equity Shares (%)	10	10	'-	10	10	10	10	10	10	7.5
Book Value Per Equity	59	54	47	54	51	47.75	44.05	43.19	45.04	45.04

OUR MISSION

A full fledged global player catering to the needs of medical fraternity and pharmaceutical industry

Bal Unit - 1 Bangalore

- ◆ Plant commissioned in the year 1992
- ◆ WHO - GMP certified & ISO 9001:2000 approved
- ◆ Manufacture of finished dosage forms



Bal Unit - 4 Rudrapur

- ◆ State of the art plant designed for regulated markets in excise free zone
- ◆ API manufacturing facility for Tablets, Capsules and Ointments

Bal Unit - 2 Bangalore

- ◆ Plant commissioned in the year 1996
- ◆ Multi purpose API facility approved as per WHO-GMP guidelines
- ◆ Manufacture R&D lab approved Department of Science & Technology



Bal Unit - 5 Sangli

- ◆ Multi Purpose API manufacturing facility approved as per WHO-GMP guidelines
- ◆ Specializes in manufacture of Intermediates, which supplements Unit 2 production requirements

Bal Unit - 3 with FFS Technology, Pune

- ◆ Formulations plant modernized as per WHO-GMP Guidelines
- ◆ Manufacture of SVP & LVP by Form fill&seal technology



Bal Unit - 6 Udaipur

- ◆ Golden Drugs Private Ltd, a whole owned subsidiary of Bal Pharma Ltd acquired during F.Y 17.18.
- ◆ WHO-GMP certified API manufacturing facility expected to commence production shortly



BAL PHARMA LIMITED

CIN# L85110KA1987PLC008368

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