



**Balaxi**

# Unlocking Potential, Expanding Frontiers

BALAXI PHARMACEUTICALS LIMITED  
ANNUAL REPORT FY 2022-23

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# Unlocking Potential Expanding Frontiers

Welcome to Balaxi Pharma's FY23 annual report. Our unwavering commitment to "Unlocking Potential, Expanding Frontiers" serves as the guiding force behind our pursuit of excellence. We foster innovation, empower our diverse workforce, and collaborate globally, with a special focus on frontier markets, to ensure equitable healthcare access for all.

With a portfolio of over 800 registered products and advanced regulatory management capabilities, we are determined to extend the reach of life-changing treatments to patients in both existing and emerging markets. Our positive impact resonates with people, healthcare providers and collaborative missions dedicated to improving healthcare outcomes.

Rooted in responsible business practices and driven by forward-thinking strategies, we continuously unlock our inherent potential, propelling us closer to the realisation of our vision and mission. Together, we forge ahead, opening new horizons and unlocking the true potential of healthcare for the benefit of humanity.



## About Us

Balaxi Pharmaceuticals Limited ("Balaxi Pharma") is a globally recognised pharmaceutical company dedicated to enhancing healthcare worldwide. Renowned for its expertise in branded intellectual property rights (IPR), Balaxi Pharma primarily operates in frontier markets across Latin

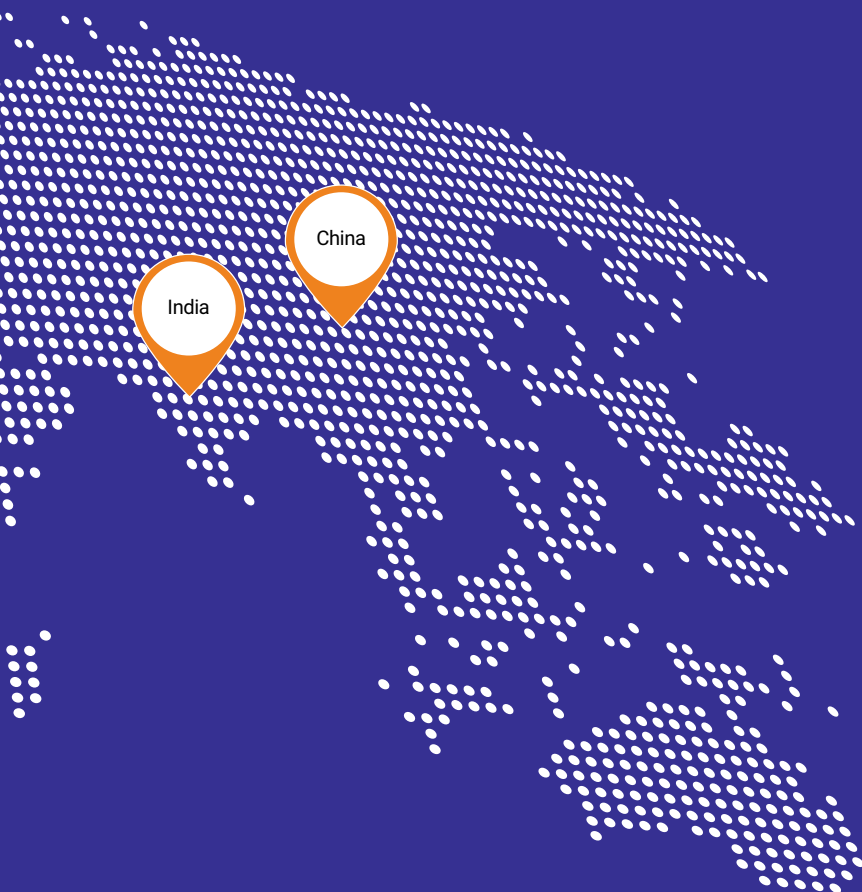
America and Africa. With an extensive range of essential over-the-counter (OTC) medicines, including a well-balanced mix of generics and branded generics, the company strives to make affordable healthcare accessible worldwide.

Balaxi Pharma primarily operates in frontier markets across Latin America and Africa. With an extensive range of essential over-the-counter (OTC) medicines, including a well-balanced mix of generics and branded generics

Balaxi Pharma has a diverse product portfolio covering various therapeutic areas, including Antibiotics, Analgesics, Anti-malaria drugs, and more. With an impressive track record of 808 product registrations in six countries and an additional 700 registrations underway, the company is committed to expanding its market presence.

Moreover, Balaxi Pharma is establishing a pharmaceutical formulation facility in Hyderabad, India, which will bolster its manufacturing capabilities. By fostering innovation, forging strategic partnerships, and upholding stringent quality standards, Balaxi Pharma remains dedicated to advancing healthcare in frontier markets and making a lasting impact on global well-being.



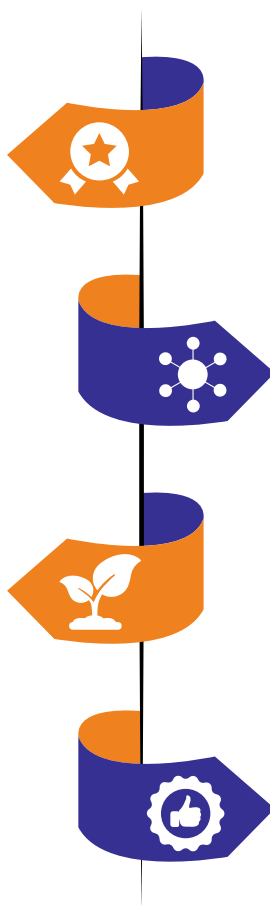


### OUR PURPOSE

At Balaxi Pharma, our purpose is to bring high-quality everyday medicines within the reach of populations in promising frontier markets, thus creating sustainable value for all our stakeholders.

### OUR VISION

Our mission is to establish strong portfolios of pharmaceutical formulation registrations and strong channel networks in each market we target. The company also aims to establish its presence and expand into 20 frontier markets over the next 5 years.



### OUR MISSION

Our vision is to be amongst the top pharmaceutical players in multiple global frontier markets, giving us scale, market homogeneity, healthy margins, and quality growth where value and volume are both established in a balanced way.

### OUR VALUES

Customer Centricity  
Quality Products  
Professional Approach  
Best-in-class Business  
Practices

# Chairman & MD's Message



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## Dear Shareholders

It is with great pleasure that we extend a warm welcome to every one of you as we present the Annual Report of Balaxi Pharma for the year 2023. This comprehensive report reflects our achievements, progress, and financial performance over the past year. We invite you to delve into the pages of this report, where you will discover the remarkable milestones we have reached, the strategic initiatives we have undertaken in our markets and the positive impact we create for our stakeholders.

## Key Highlights of the Year

The global pharma sector encountered various challenges during the year, and its impact extended to the Indian pharma sector. This necessitated adaptability, resilience, and strategic responses to evolving market conditions, supply chain disruptions, and customer demands.

Despite external challenges, Balaxi's performance in FY23 was satisfactory. We managed to navigate through the obstacles and achieve positive results. This success speaks to the resilience and determination of our team and our unique business model. We remain committed to

overcoming future challenges and driving the company towards even more significant accomplishments.

During the year under review, higher contributions from the pharmaceuticals business led to y-o-y growth of 20% in revenues for FY23 compared to FY22. The share of LATAM markets increased to 40% of pharmaceutical revenues, highlighting our ability to expand geographical presence quickly. Key contributions to growth came from recently launched operations in markets like Honduras and El Salvador showing stronger demand for our products, apart from substantial growth in Guatemala and Dominican Republic. Our pharma business in Angola continues to generate strong cash flows that are being re-invested for expanding into new markets.

In terms of EBITDA, operating EBITDA stood at Rs. 59.17 crore, a growth of 7.2% y-o-y. This was due to increasing contribution from LATAM markets and expansion into newer geographies. EBITDA margin has declined by over 200 bps to 17.6% in FY23; however, with contribution from the newly entered market rising, we expect a steady rise in our margins. Further, Profit After Tax stood at Rs. 45.96 crore. Earnings per Share (EPS) for the year was recorded at Rs. 45.81 compared to Rs. 47.66 in the previous year.

Balaxi Pharma's financial performance demonstrates our resilience and growth amidst challenging market conditions. We will continue to focus on driving sustainable growth, enhancing operational efficiency, and delivering value to our shareholders.

I am delighted to share with you all that we are setting up our first pharmaceutical formulation manufacturing unit. It will produce General Oral Solid Dosage (OSD) and Liquid Injection formulations, meeting the demand for high-quality products in Latin American markets. This strategic move allows full backward integration of our supply chain. The manufacturing unit near Hyderabad will be operational during the second half of FY 2025. This investment is a significant step towards enhancing our self-sufficiency and competitiveness.

## Expanding Market Footprints:

We have achieved successful operational establishment in key markets, including Guatemala, the Dominican Republic, and Angola. We have strengthened our market presence by introducing new operations in Honduras, El Salvador, and the Central African Republic. These expansions enable us to serve our customers better and enhance our global footprint.

In addition, we are actively pursuing expansion plans in Nicaragua, Ecuador, and Chile, opening doors to new opportunities and allowing us to expand our reach. Furthermore, we are exploring potential markets in the Asia

Pacific region, and our due diligence process is progressing positively.

These strategic moves reflect our commitment to growth and our dedication to meeting the healthcare needs of patients in the frontier markets.

### Regulatory Affairs

Our Regulatory Affairs Management is a cornerstone of our business, enabling us to meet regulatory requirements, drive innovation, and deliver high-quality pharmaceutical products to patients globally. We fully comply with the local regulatory frameworks in our markets. Our Regulatory Affairs Management is built on comprehensive in-house capabilities, supported by seamless cross-functional coordination with our business and technology teams. This collaboration ensures a smooth and efficient regulatory process.

To enhance our operations, we have digitised our regulatory affairs. This end-to-end management system streamlines processes and ensures the highest data security standards. We actively support corporate planning and strategy by monitoring the typical 12-24 month regulatory process at every stage, facilitating timely product launches and market entries.

Our firm commitment to regulatory compliance demonstrates our dedication to upholding the highest standards and reinforces the creation of strong local intellectual property (IP). By navigating the regulatory landscape effectively, we safeguard our IP assets and strengthen our competitive position in the local markets.

### Outlook

Branded IPR is central to Balaxi Pharma's success. Our unique stock & sell business model and our commitment to operational excellence and strategic market expansion position us for sustained growth and success. With a strong presence in OTC segments and a robust portfolio of generics, we are a trusted provider of high-quality medicines. Our leadership in Latin America and Africa reflects our commitment to expansion and serving diverse patients. We aim for a top 2 position in each geography, leveraging our expertise. Our comprehensive therapeutic portfolio addresses global healthcare needs, supported by a reliable distribution network. An asset-light structure enables efficient entry into semi-regulated markets through partnerships, minimising risks. Our manufacturing foray will further ensure quality, reliability, and global competitiveness. Our ongoing strategies aim to provide our presence in the top 20 frontier markets over the next five years. By expanding our presence and exploring new markets, we are poised to capture emerging opportunities and solidify our position as a leading pharmaceutical company.

### Business Responsibility

At Balaxi Pharma - an affordable pharmaceutical company, we are committed to creating significant social value in our frontier markets. Our strong emphasis on corporate governance ensures transparency and accountability throughout our operations. We have implemented a robust regulatory affairs mechanism to comply with local regulations and maintain the highest quality and safety standards. Moreover, we prioritise developing our human resources to foster a skilled and motivated workforce.

As an asset-light model, we strive to minimise environmental impact. We are fully conscious of our environmental and social responsibility and take proactive measures to reduce our ecological footprint. We are delighted to share that our ESG (Environmental, Social, and Governance) initiatives are disclosed in the newly introduced Business Responsibility and Sustainability Report, which is an integral part of this annual report.

### Concluding Remarks

In conclusion, I want to thank our dedicated employees, loyal customers, supportive banks, regulatory bodies, suppliers and channel partners. Your unwavering commitment and trust have been instrumental in our success. I would also like to thank our investors for their continued belief in our vision and for staying invested in Balaxi Pharma. Together, we have achieved remarkable milestones, and I am confident that with our collective efforts, we will continue to thrive and create value for all stakeholders.

Thank you once again for your invaluable support.

Sincerely,

**ASHISH MAHESHWARI**  
Chairman & Managing Director

# Business Model

Balaxi Pharma has adopted a highly successful “Produce, Stock, Sell” business model, which has been a driving force behind its growth and success. The company focuses on market research, efficient procurement, stocking of inventory, and effective sales strategies to optimise its operations and deliver value to customers.

## 1. CENTRALISED DIGITAL PROCUREMENT AND REGULATORY MANAGEMENT

Balaxi Pharma has implemented centralised digital procurement and regulatory management systems. These technological advancements enable streamlined processes, better inventory management, and effective compliance with regulatory requirements. Additionally, customised customer relationship management (CRM) tools have been introduced to enhance customer service and engagement.

## 2. PRODUCT PORTFOLIO AND REGISTRATIONS

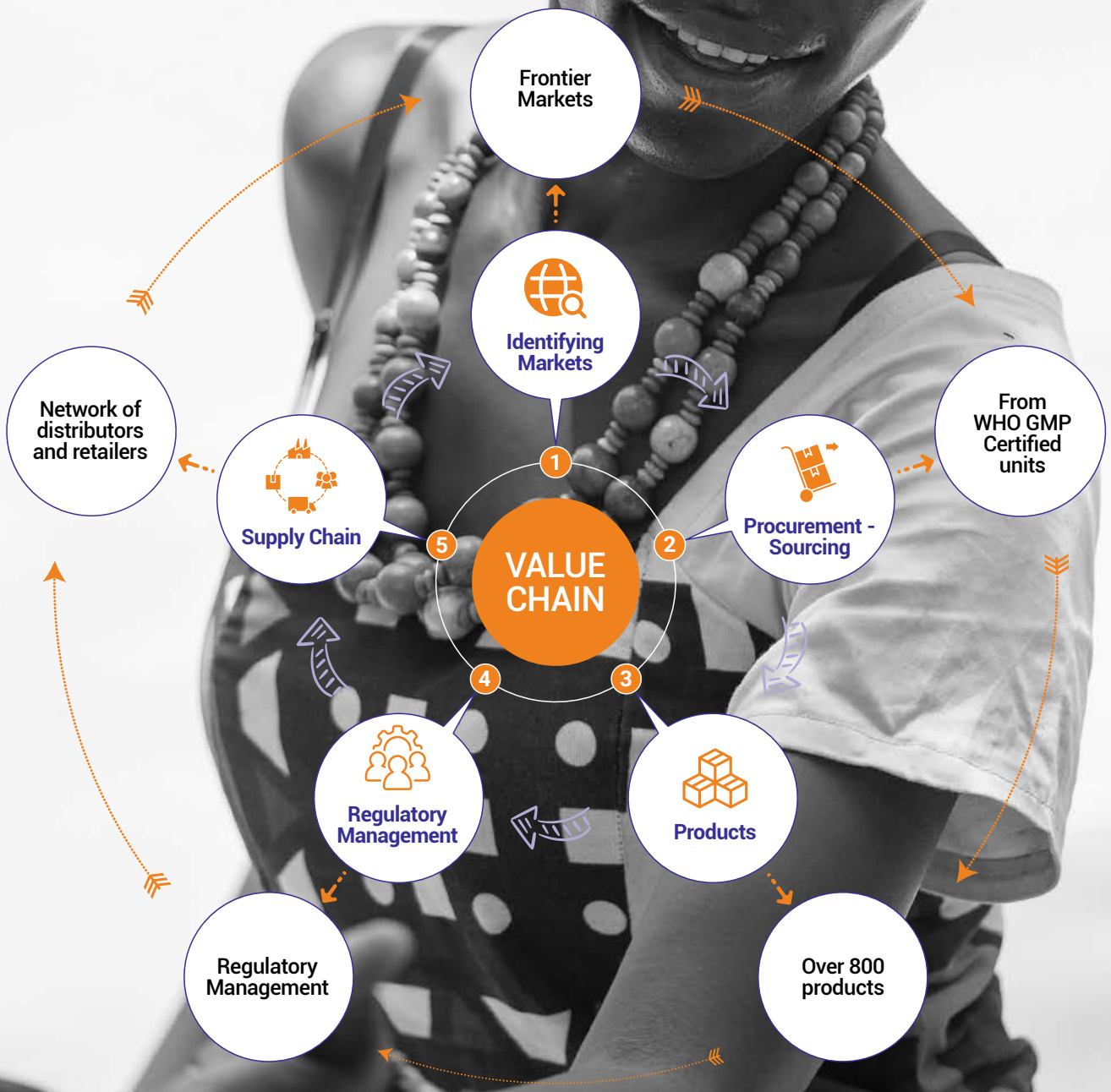
Balaxi Pharma offers a wide range of essential over-the-counter (OTC) medicines, comprising both generics and branded generics. With an impressive track record of 808 product registrations across six countries, and an additional 700 registrations in progress or in the pipeline, Balaxi Pharma demonstrates its commitment to delivering quality healthcare solutions.

## 3. SUPPLY CHAIN EFFICIENCY & DISTRIBUTION

To ensure a robust supply chain, Balaxi Pharma outsources production from World Health Organization Good Manufacturing Practice (WHO GMP) certified plants located in India, China, and Portugal. This strategic outsourcing allows the company to leverage the expertise and capabilities of trusted manufacturing partners while maintaining high-quality standards.

Balaxi Pharma has established a strong distribution network, with 38 strategically located warehouses and on-ground fleet support. This widespread presence enables efficient delivery and ensures timely access to pharmaceutical products. The success of its distribution process has paved the way for replicating the model in other frontier markets.





## Expanding Frontiers

Building on its achievements, Balaxi Pharma plans to expand its operations into additional global markets in the near to medium term.

This expansion strategy aligns with the company's vision to make affordable healthcare accessible to people worldwide, further solidifying its position as a global player in the pharmaceutical industry.

Balaxi Pharma's successful business model, combined with its focus on innovation, supply chain efficiency, regulatory compliance, and customer service, positions the company as an emerging leader in the pharmaceutical industry.

### MARKET EXPANSION AND OPERATIONS

**Balaxi Pharma has established operations in various regions, including:**

#### Established Operations

The company has a strong presence in Guatemala (Latin America), the Dominican Republic (Caribbean), and Angola (Africa), where it has successfully penetrated the market and established a solid customer base.

#### New Operations

Balaxi Pharma has recently expanded its operations to include Honduras, El Salvador, and the Central African Republic. These strategic expansions allow the company to tap into new markets and serve a broader customer base.

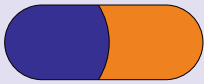
#### Expansion Initiatives

The company has initiated expansion plans in Nicaragua, Ecuador, and Chile in Latin America. This reflects Balaxi Pharma's commitment to continuous growth and market diversification.

# Milestones

Balaxi Pharma has achieved significant milestones throughout its journey, demonstrating its commitment to growth and expansion in the pharmaceutical industry.

## 2003-2007



The company commenced its operations by supplying white-labelled products to customers in Africa. These products were sourced from WHO GMP-certified plants based in India, ensuring the highest quality standards.

## 2008-2010



Balaxi Pharma established a front-end presence by establishing its first pharma wholesale depot in Angola. This step helped enhance its distribution capabilities and strengthen its market position.

## 2011-2013



The company diversified its supply chain by sourcing pharmaceutical products from WHO GMP-certified manufacturers in China. This strategic move allowed Balaxi Pharma to expand its product range and ensure a reliable supply of high-quality medicines.

## 2014-2016



Continuing its expansion in Angola, Balaxi Pharma set up its 14th pharma wholesale depot and a central distribution warehouse. Additionally, the company made significant progress in the Dominican Republic by initiating product registrations and opening a central distribution warehouse.

## 2017-2019



Balaxi Pharma expanded its presence by establishing a central distribution warehouse in Guatemala, marking its entry into the third geography. This expansion helped the company strengthen its distribution network and cater to a wider customer base.

## 2020-2023

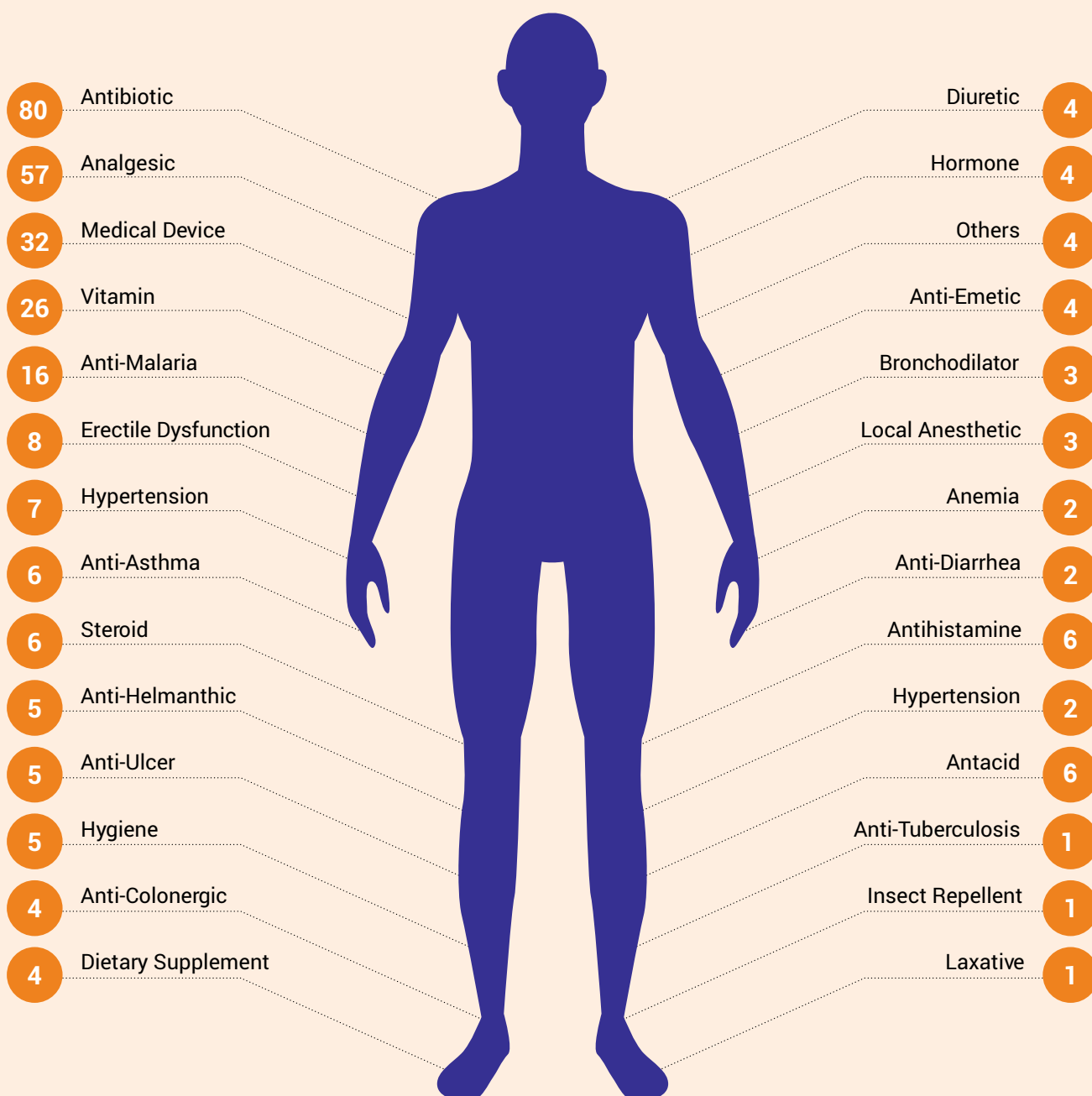
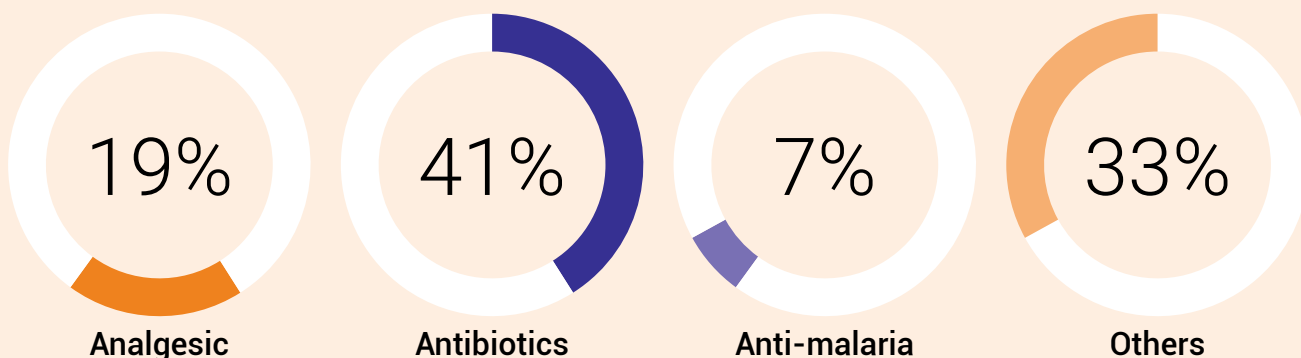


Balaxi Pharma further expanded its operations by venturing into Honduras, El Salvador, and the Central African Republic. These strategic moves allowed the company to extend its reach and tap into new markets.

Additionally, Balaxi Pharma achieved a significant milestone by successfully completing a Preferential issue fundraising, garnering a total commitment of INR 49.36 crore. This substantial capital infusion serves as vital financial backing for the company's growth initiatives, specifically its strategic backward integration plan to establish its inaugural pharmaceutical formulation facility in Hyderabad. This venture exemplifies Balaxi Pharma's unwavering dedication to vertical integration and enhancing its capabilities.

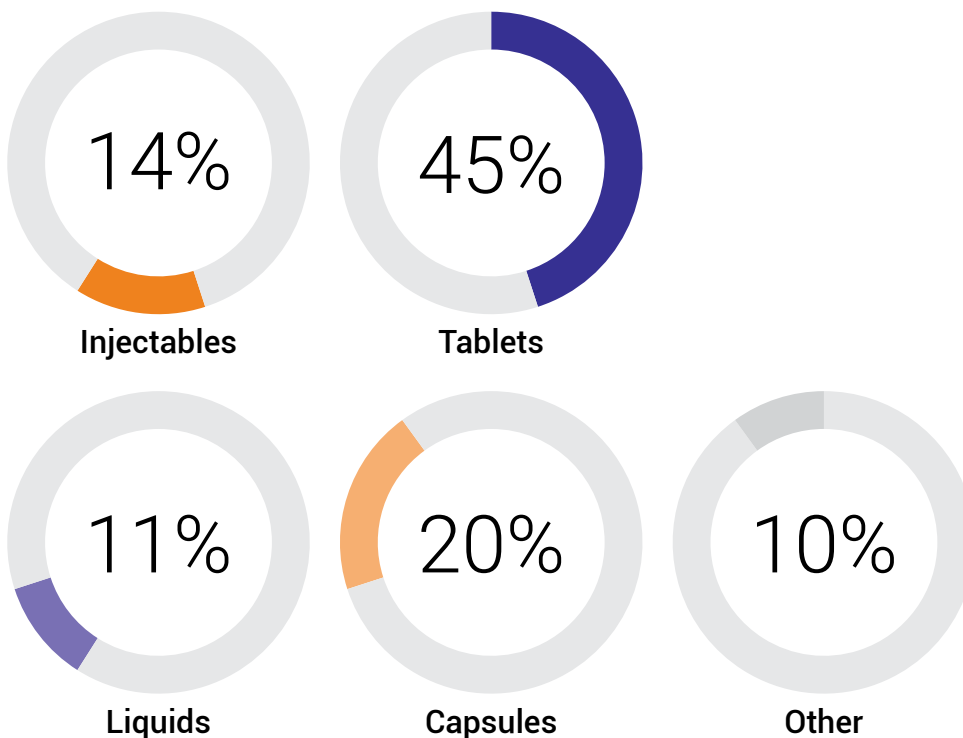
These noteworthy achievements underscore Balaxi Pharma's unwavering commitment to continuous growth, diversification, and expansion into frontier and ROW (Rest of World) markets. The company has emerged as a prominent player in the pharmaceutical industry, solidifying its position in key markets and paving the way for future success.

# Products & Therapeutic Areas





## DOSAGE FORMS



Balaxi Pharma is a dynamic pharmaceutical company firmly dedicated to providing premium branded and generic pharmaceutical products in geographical frontier markets. Our extensive product portfolio covers a wide range of therapeutic areas, ensuring comprehensive healthcare solutions for diverse needs.

To ensure top-notch quality, we outsource our production to WHO GMP-certified plants located in India, China, and Portugal. This strategic approach guarantees our adherence to stringent quality standards and allows us to offer a wide array of branded and generic medicines.

As a branded IPR-based pharmaceutical company, we strive to balance branded and generic medications. This strategy enables us to cater to various market segments while optimising returns. We take pride in our strong presence in the over-the-counter (OTC) segments, bolstered by our robust portfolio of branded generics.

Our product offerings span 30 therapeutic areas, including Antibiotics, Analgesics, Anti-malaria drugs, and more. This diverse range allows us to address the healthcare needs of

a broad patient population, fostering improved access to essential medications.

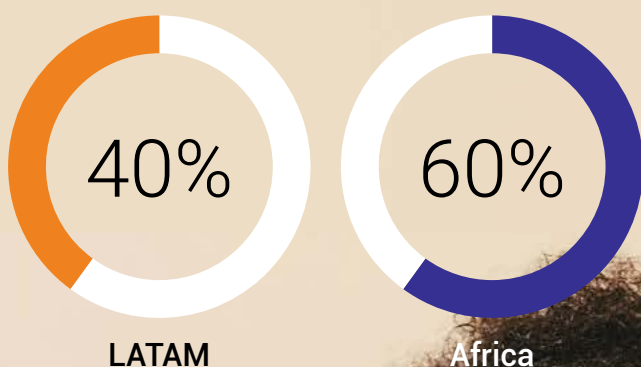
Our extensive product registrations show our commitment to product quality and regulatory compliance. We have achieved a remarkable milestone of 808 product registrations in six countries, with an additional 700+ registrations currently in the pipeline. This demonstrates our dedication to expanding our product portfolio and reaching more patients needing effective treatments.

Through our strategic focus on a comprehensive product range, adherence to quality standards, and relentless pursuit of regulatory compliance, we solidify our position as a trusted pharmaceutical solutions provider across various therapeutic areas.

# Expanding Frontiers

During the year the company successfully expanded its geographical presence, with the share of LATAM markets increasing to 40% of revenues. Notably, the newly launched operations in Honduras and El Salvador exhibited strong demand for Balaxi's products, complemented by significant growth in Guatemala and the Dominican Republic. Furthermore, In Africa, Balaxi's well-established pharmaceutical business in Angola generated robust cash flows. In its future endeavours, the company aims to expand into new markets, capitalize on the growing demand, and proactively pursue opportunities for further growth.

## GEOGRAPHIES



# Key Drivers of the Business

Demand for pharmaceutical products in frontier markets is often driven by several factors, including growing populations, increasing healthcare awareness, and expanding access to medical services. These markets typically have a significant unmet medical need and limited access to quality healthcare, making pharmaceutical products crucial in addressing various diseases and improving public health. Frontier markets may need more healthcare infrastructure, limited local manufacturing capabilities, and reliance on imports for medicines, creating opportunities for both branded and generic pharmaceutical companies.

## Connecting Key Drivers of the Business and Balaxi's Capabilities

**KEY DRIVERS:** Growing Populations in the Frontier Markets and Increasing Healthcare Awareness

**BALAXI CAPABILITIES:** Deep Distribution Presence and Leadership

Balaxi Pharma can leverage its deep distribution presence in frontier markets to reach the expanding populations efficiently. By establishing operations and expansion initiatives in Latin American and African countries, Balaxi Pharma can ensure the timely delivery of pharmaceutical products to meet the growing demand in these markets.

Balaxi Pharma's leadership position in frontier markets enhances its brand reputation and credibility. This, in turn, can leverage the increasing healthcare awareness among the population. Balaxi Pharma can further strengthen its leadership by tailoring its products and services to meet the specific needs of each market based on the healthcare awareness and preferences of the local population.

**KEY DRIVERS:** Limited Access to Quality Healthcare and Unmet Medical needs

**BALAXI CAPABILITIES:** Vast Portfolio across Diverse Therapeutic Areas sourced from WHO GMP Certified plants

Balaxi Pharma's vast portfolio of pharmaceutical products can address the limited access to quality healthcare in frontier markets. By offering reliable and effective medications that meet international quality standards, Balaxi Pharma contributes to improving public health outcomes. The diverse therapeutic areas covered by Balaxi Pharma's portfolio allow the company to cater to the varied healthcare needs of the population in these underserved regions.

Balaxi Pharma's outsourcing of production from WHO GMP-certified plants ensure the manufacturing of high-quality pharmaceutical products. This capability enables Balaxi Pharma to identify and develop targeted pharmaceutical products to address the unmet medical needs in frontier markets. Balaxi Pharma can capture a significant market share in these regions by providing effective treatment options.

**KEY DRIVERS:** Underdeveloped Healthcare Infrastructure, Local Manufacturing and Reliance on Imports

**BALAXI CAPABILITIES:** Strengthened Functionality in Supply Chain, Regulatory Affairs, and Customer Service

Balaxi Pharma's new initiatives to strengthen functionality in the supply chain, regulatory affairs, and customer service align with the challenges of underdeveloped healthcare infrastructure and limited local manufacturing capabilities in frontier markets. By focusing on operational excellence, Balaxi Pharma can bridge the gap in healthcare infrastructure and contribute to developing local healthcare systems. Improved efficiency, compliance with local regulations, and excellent customer support strengthen Balaxi Pharma's position in these markets.

Balaxi Pharma's centralised digital procurement, regulatory management, and customised CRM tools provide advantages in addressing the reliance on imports in frontier markets. These digital tools enhance operational efficiency, inventory management, regulatory compliance, and customer relationship management. Balaxi Pharma can leverage these tools to optimise operations and provide competitive pricing, quality products, and reliable supply chains, establishing long-term customer relationships in these markets.

# Unique Advantages

At Balaxi Pharma, we take pride in our unique advantages that distinguish us and propel us towards success in the pharmaceutical industry. These advantages serve as the foundation of our operations, empowering us to deliver exceptional solutions to meet our customer's needs and establish a prominent presence in the market.

**MARKET SELECTION METHODOLOGY:** We adopt a meticulous approach to selecting our target markets. Our focus is on countries with tremendous economic growth potential. We identify non-English speaking nations with similar characteristics, offering opportunities with low competition and the potential to secure a leading position. Our on-ground feedback mechanism gives us deep insights into market dynamics, empowering us to make informed decisions and capitalise on emerging prospects.

**HUMAN CAPITAL MANAGEMENT:** We prioritise the management of our exceptional workforce, which is the cornerstone of our success. Our team comprises over 100 Indian expatriates in our operating geographies. We prioritise their financial security, fostering a supportive ecosystem that nurtures motivation and leadership. We provide language training and collaborate closely with local staff to enhance our on-ground effectiveness and reinforce our market presence.

**REGULATORY AFFAIRS SYSTEMS:** Our comprehensive regulatory affairs systems ensure strict compliance with local regulatory frameworks. We possess robust in-house capabilities bolstered by seamless coordination across business and tech teams. We achieve end-to-end management and stringent data security measures by embracing digitisation in our regulatory operations. This approach enables us to navigate the typical 12-18 month

regulatory processes efficiently, supporting our corporate planning and strengthening our local intellectual property (IP) position.

**ASSET LIGHT MODEL:** At Balaxi Pharma, we embrace an asset-light business model that emphasises efficiency and agility. By leveraging strategic partnerships and outsourcing production from WHO GMP-certified plants in India, China, and Portugal, we minimise the need for heavy infrastructure investments. This enables us to maintain a lean and flexible operational structure, focusing our resources on core competencies such as market research, product development, marketing, and distribution. The asset-light model allows us to swiftly adapt to changing market dynamics, capitalise on emerging opportunities, and achieve sustainable growth while optimising costs.

Furthermore, as a part of its corporate evolution, Balaxi is embarking on establishing its inaugural pharmaceutical formulation manufacturing unit. This strategic initiative aims to meet the increasing demand for high-quality products in existing and targeted markets. Through this facility, Balaxi will create a robust manufacturing ecosystem that enables enhanced control, streamlined regulatory processes, and reduced time to market for new product launches. This progressive step will strengthen Balaxi's position in the industry and reinforce its commitment to delivering superior pharmaceutical solutions.





# Unlocking Potential Balaxi's Strategies

Balaxi Pharma's current strategies revolve around geographic expansion, maintaining a consistent business model, complying with quality standards, optimising its product portfolio, and targeting growth in frontier and ROW Markets. These strategies reflect the company's aspirations for global expansion, increased market share and sustainable profitability.

**EXPANSION INTO NEW MARKETS:** Balaxi Pharma is poised to extend its reach beyond current markets and venture into other lucrative regions, including Latin American countries, South-East Asia, and the CIS (Commonwealth of Independent States) markets. This strategic move signifies Balaxi Pharma's recognition of these regions' immense growth opportunities and potential profitability. By actively seeking to establish a foothold in these markets, the company is committed to capitalizing on untapped potential and further enhancing its global presence.

**OUTCOMES IN FY23:** In FY 2023, Company started operations in two Latin American Countries, i.e., Honduras and El Salvador and also the Company started operations in the Central African Republic.

**REPLICATING THE ESTABLISHED AND DIFFERENTIATED BUSINESS MODEL:** Balaxi Pharma plans to replicate its existing business model in the new markets it enters. This indicates that the company believes its current approach is successful and can be effectively applied to different regions. Balaxi Pharma aims to maintain consistency in its operations while leveraging its competitive advantages by replicating its established and differentiated business model.

**OUTCOMES IN FY23:** Continuing in the same vein, the company pursued new market opportunities by undertaking a substantial number of product registrations. These registrations encompassed diverse therapeutic areas and dosage forms, mirroring the company's successful stock-and-sell model.

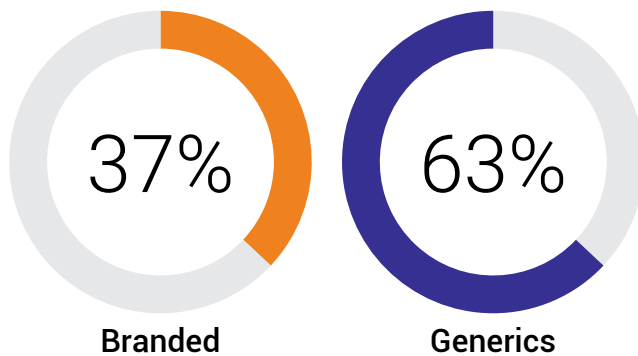
**SETTING UP COMPANY'S FIRST PHARMACEUTICAL MANUFACTURING FACILITY:** Balaxi Pharma actively seeks entry into new markets, recognising the need for a robust manufacturing setup to support its expansion endeavours. Balaxi is transitioning from an "Asset Light" to an "Asset Right" business model as part of its corporate evolution. The company has acquired land at Jadcherla, Hyderabad, where it is establishing its first pharmaceutical manufacturing facility.

This strategic move towards backward integration of the supply chain aims to bring greater control to Balaxi's existing markets, which rely on contract manufacturing relationships. The facility will enable the production of high-efficacy products that enjoy wider acceptance and enhanced profit margins. Operationally, Balaxi will establish a manufacturing ecosystem that provides better control, streamlines regulatory processes and reduces the time to market for new product launches.

Looking ahead, Balaxi envisions numerous new market opportunities emerging for its product lines in the medium term. The company is positioning itself to capitalise on these opportunities while ensuring a sustainable and competitive presence in the evolving pharmaceutical landscape.

**OUTCOMES IN FY23:** The company acquired land for the pharmaceutical facility at Jadcherla, Hyderabad. The company has also secured a financial commitment of Rs. 49.36 Crores through preferential issue of Equity Shares and Warrants.

## PRODUCTS



### FOCUS ON AN IDEAL MIX OF BRANDED AND GENERIC MEDICINES:

Balaxi Pharma offers a balanced portfolio of branded and generic medicines. This approach allows the company to cater to different market segments and capitalise on opportunities in both categories. By strategically selecting the right mix of branded and generic medicines, Balaxi Pharma aims to maximise its returns in key geographies, potentially increasing its market share and profitability.

**OUTCOMES IN FY23:** In line with its product mix strategy, the company strongly emphasised branded products. In the fiscal year 2023, the proportion of branded products within the overall product mix witnessed a notable increase, rising from 30% in the previous year to an impressive 37%. This strategic shift reflects the company's commitment to enhancing its branded product offerings and catering to its valued customers' evolving preferences and demands. By prioritising the development and promotion of branded products, the company is poised to capitalise on market opportunities and strengthen its position in the industry.

### TARGETING STRONG GLOBAL PRESENCE IN TOP 20 FRONTIER MARKETS:

Balaxi Pharma has set a specific goal of establishing a strong international presence in the top 20 frontier markets within the next five years. This indicates the company's ambition to expand beyond its current markets and venture into emerging, high-growth markets. Balaxi Pharma seeks to tap into new customer bases by targeting these frontier markets and gain a competitive advantage over its rivals.

**OUTCOMES IN FY23:** The company has established its presence in six markets, with three new markets—El Salvador, Honduras, and the Central African Republic—having been successfully entered during the fiscal year 2023. This expansion signifies the company's strategic focus on geographical diversification and its commitment to exploring untapped opportunities.

Furthermore, the company has initiated market surveys in other targeted markets, laying the foundation for future expansions. By conducting thorough assessments and gaining valuable insights into these markets, the company is positioning itself for future growth and ensuring a well-informed approach to market entry.





# Board of Directors

The Board of Directors at Balaxi Pharma comprises a diverse group of experienced professionals who bring a wealth of knowledge and expertise to the company. With backgrounds spanning various sectors and industries, the board members offer valuable insights on corporate governance, strategic planning, risk management, finance and regulatory compliance. Their collective experience enables them to make informed decisions, address challenges, and capitalise on emerging opportunities in the pharmaceutical industry.

Beyond their operational expertise, the board members also deeply understand market dynamics, customer needs, and industry trends. This knowledge allows them to shape the company's growth strategies and drive innovation, ensuring Balaxi Pharma remains at the forefront of the industry. Additionally, the board's commitment to social responsibility and ethical practices ensures that the company operates with integrity, considering the broader impact of its actions. Together, the Board of Directors leverage their collective experience and shared vision to guide Balaxi Pharma towards sustainable growth, industry leadership, and delivering value to stakeholders.

## BOARD DIVERSITY



67% Male



33% Female



### MR. ASHISH MAHESHWARI

Chairman & Managing Director

Mr. Ashish Maheshwari is the founder of Balaxi Pharma and serves as the Chairman and Managing Director. He is a first-generation entrepreneur and a qualified Chartered Accountant. Mr. Maheshwari started the business by supplying white-labelled pharmaceutical formulations to importers and successfully expanded the Balaxi Group into a conglomerate spanning four continents. He values knowledge, discipline, transparency, and accountability, and his leadership has been instrumental in the company's growth and success.



### MRS. MINOSHI MAHESHWARI

Non-Executive Director

Mrs. Minoshi Maheshwari is a co-founder of Balaxi Pharma and holds the position of Non-Executive Director. With a commerce background and over 20 years of experience, she played a crucial role in creating the Balaxi Group. Ms. Maheshwari exemplifies a tenacious and persistent approach in her work. Besides her directorial responsibilities, she also heads the group's corporate social responsibility (CSR) activities, showcasing her dedication to social impact.



**MR. KUNAL BHAKTA**

Independent Director

Mr. Kunal Bhakta is an Independent Director at Balaxi Pharma. He is a qualified Chartered Accountant with more than 14 years of experience in the field of Capital Markets. Currently serving as an investment manager for First Water Capital Fund, a SEBI-registered listed markets AIF, Mr. Bhakta has successfully executed multiple M&A, Capital raising, and Investor Relations Strategy Engagements in his previous roles. His expertise and insights contribute to the strategic decision-making process of the company.

**MR. GANDHI GAMJI**

Independent Director

Mr. Gandhi Gamji, an Independent Director, brings a wealth of experience and expertise to the Balaxi Pharma's Board of Directors. With a Masters's Degree in Business Administration and a Bachelor of Engineering, Mr. Gamji has over 20 years of experience in trading in Africa and GCC countries, specifically in Speciality Chemicals. His extensive knowledge of international trade, clarity of thought process, and adherence to ethical standards contribute to effective corporate governance and sustainable development of the company.

**MR. MANGINA SRINIVAS RAO**

Independent Director

Mr. Rao has more than three decades of experience in the areas of global markets, strategy formulation, project leadership and fund raising. He holds a Master's in Business Management Degree from Asian Institute of Management, Philippines. He has also completed PG Diploma courses from IIM Ahmedabad, Cornell University and Kansas State University. Mr. Rao has previously worked with ITC Ltd - Agri Business Division, as Head New Initiatives, where he led the expansion into new and profitable verticals. He also worked as the CEO of the Cereal Systems Initiative for South Asia mandated by BMGF and USAID and implemented by CGIAR international institutions - IRRI, CIMMYT, IFPRI and ILRI. He is on the Board of multiple other companies and specializes in Business Strategy and Corporate Governance.

**MRS. PURNIMA SINGH KAMBLE**

Independent Director

Mrs. Purnima has more than 23 years of experience in corporate and commercial law, including legal consultancy in foreign investment, infrastructure projects, joint ventures, mergers and acquisitions, capital structuring, land acquisitions, property-related issues and civil and commercial litigation. She is currently a Partner at Fox Mandal's Hyderabad Office. She has been the Chairperson of IWN Telangana and recognised for her bespoke counsel as one of the top 100 Lawyers in India by Forbes in 2022. Mrs. Purnima has served on numerous corporate, educational, and non-profit boards. She holds a Bachelor's Degree in Law (LLB) and Commerce (B.Com) from University of Lucknow. Mrs. Purnima takes a keen interest in women-related issues. She works actively in matters related to Sexual Harassment at the workplace, on which she has conducted several workshops and training sessions with CII in the past three years. In addition, she is a member of the Internal Complaints Committees of many Multinational Companies (MNCs).

# Senior Management



**MR. ASHISH MAHESHWARI**

Managing Director

Mr. Maheshwari is the Founder and Managing Director of the Company. He is a first-generation entrepreneur and a qualified Chartered Accountant. He started his entrepreneurial journey by supplying white-labelled pharmaceutical formulations to various importers. Today, the Balaxi Group has evolved into a conglomerate that spreads across four continents. His management philosophy is underpinned by his passion for knowledge, discipline, transparency, and accountability.



**MR. AMOL MANTRI**

Chief Financial Officer

Mr. Mantri is a qualified Chartered Accountant and Certified Public Accountant from the USA. He has been associated with the Balaxi Group since 2012. He possesses inherent talent in designing and implementing systematic processes and checks and balances in all operations of the Company. He clearly understands the Company's business complexities, which are spread across four continents and seven countries.



**MR. PRANAV MAHESHWARI**

Senior Vice President – Business Development

Mr. Maheshwari is a BBA and Economics graduate from Emory University, Atlanta. He is a keen observer, a quick learner, and leads from the front. He is responsible for originating the Company's vision for Latin America and oversees the execution of the Company's growth strategy in this global region.



**MS. PARIDHI MAHESHWARI**

Head – Alternate Channels

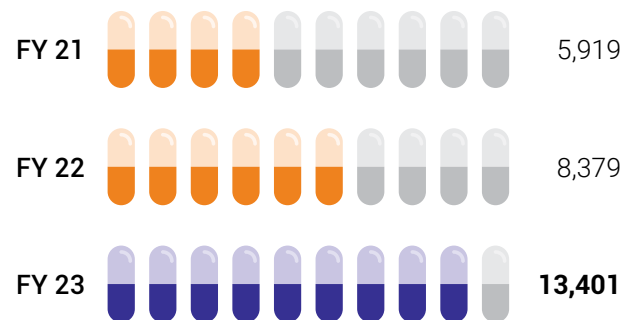
Ms. Paridhi is a MBA graduate from London Business School. She is passionate about establishing strong and well-defined systems and processes within the company. She is also responsible for pioneering the Company's product portfolio of consumer products to be marketed through the Company's global sales network.

# Financial Highlights (₹ in lakhs)

## REVENUE



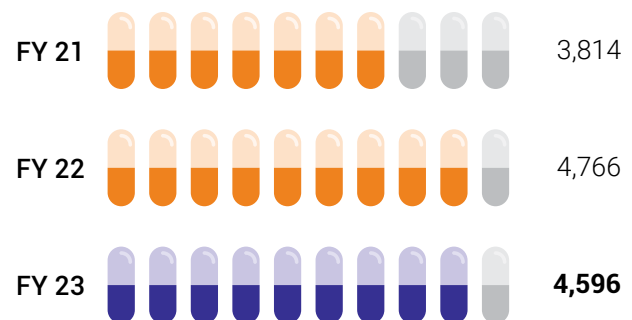
## GROSS PROFIT



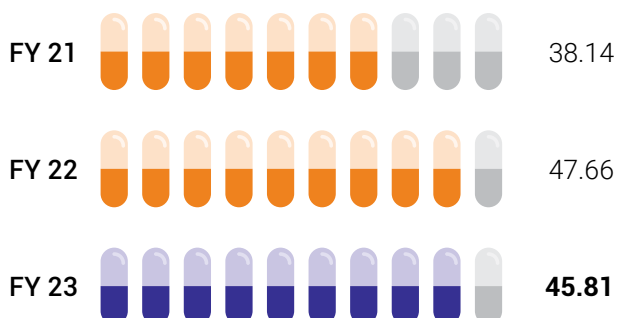
## EBITDA



## PROFIT AFTER TAX



## EPS (₹)



# Strategic Risks and Risk Mitigation

RISK	RISK PROBABILITY	RISK IMPACT	MITIGATION
Regulatory Compliance and Market Access	Moderate	High	Balaxi Pharma maintains a dedicated team to stay updated with the evolving regulatory landscape in frontier markets. Our team ensure strict adherence to local regulations and streamlines the registration process for new products. Building strong relationships and leveraging local expertise help mitigate potential delays or hurdles in obtaining necessary approvals. Additionally, the company conducts thorough market research and engages in proactive market access strategies for navigating the complexities of each market and ensuring timely entry.
Supply Chain Disruptions	Low to Moderate	Moderate to High	It has established strong relationships with its outsourcing partners and regularly assesses their capabilities and compliance with quality standards. Diversifying sourcing options and maintaining backup suppliers help mitigate the risk of disruptions caused by unforeseen events such as natural disasters, regulatory issues, or production delays. Robust inventory management systems and maintaining buffer stocks also ensure continuity of supply even during unexpected disruptions. The company actively monitor global supply chain trends and adjusts procurement strategies accordingly.
Competitive Market Dynamics	High	Moderate to High	The company continuously monitors market trends, competitor activities, and changing customer demands to stay ahead in the competitive landscape. Building strong brand recognition through effective marketing also aids in capturing market share. We also collaborate with healthcare professionals, distributors, and key opinion leaders to keep ourselves abreast with the market trends
Geopolitical and Economic Factors	Moderate to High	Moderate to High	At Balaxi Pharma, we closely monitor geopolitical and economic factors that can impact our operations in frontier markets. Diversifying our market presence across multiple countries and regions mitigates the risk of reliance on a single market. Comprehensive risk assessments and scenario planning enable proactive responses to potential disruptions, allowing us to adapt business strategies accordingly. Our commitment to monitoring, diversifying, and proactive risk management ensures the continued success of Balaxi Pharma in a dynamic global landscape.



# Corporate Information

**CIN:** L25191TG1942PLC121598

## BOARD OF DIRECTORS:

Mr. Ashish Maheshwari  
(Managing Director)

Mrs. Minoshi Maheshwari  
(Non-Executive Director)

Mr. Kunal Mahendra Bhakta  
(Independent Director)

Mr. Gandhi Gamji  
(Independent Director)

Mr. Mangina Srinivas Rao  
(Independent Director)

Mrs. Purnima Singh Kamble  
(Independent Director)

## BOARD COMMITTEES:

### AUDIT COMMITTEE:

Mr. Kunal Mahendra Bhakta  
(Chairman)

Mr. Gandhi Gamji (Member)

Mr. Ashish Maheshwari (Member)

### NOMINATION AND REMUNERATION COMMITTEE:

Mr. Kunal Mahendra Bhakta  
(Chairman)

Mr. Gandhi Gamji (Member)

Mrs. Minoshi Maheshwari (Member)

### STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Mr. Kunal Mahendra Bhakta  
(Chairman)

Mr. Gandhi Gamji (Member)

Mrs. Minoshi Maheshwari (Member)

### RISK MANAGEMENT COMMITTEE:

Mr. Ashish Maheshwari (Chairman)

Mr. Gandhi Gamji (Member)

Mr. Amol Mantri (Member)

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Mrs. Minoshi Maheshwari  
(Chairperson)

Mr. Ashish Maheshwari (Member)

Mr. Gandhi Gamji (Member)

## KEY MANAGERIAL PERSONNEL:

Mr. Ashish Maheshwari  
(Managing Director)

Mr. Amol Mantri  
(Chief Financial Officer)

Mr. Pranav Maheshwari  
(Senior Vice President-Business  
Development)

Mr. Udayan Shukla  
(Company Secretary and Compliance  
Officer)

## STATUTORY AUDITORS:

M/s P. Murali & Co.,  
Chartered Accountants  
6-3-255/2/3, Somajiguda,  
Hyderabad-500 082.

## INTERNAL AUDITORS:

M/s PCN & Associates,  
Chartered Accountants  
Plot No. "N Heights"  
Ground Floor, Software Layout Unit,  
Cyberabad, Hyderabad-500 081.

## SECRETARIAL AUDITORS:

BVR & Associates Company  
Secretaries LLP  
"Swastika", First Floor Chitteth House,  
P C Road Vytilla P. O., Cochin-682 019.

## BANKERS:

Kotak Mahindra Bank Limited

HDFC Bank Limited

Yes Bank Limited

State Bank of India

## REGISTERED OFFICE:

Plot No. 409, H. No. 8-2-293,  
Maps Towers, 3rd Floor, Phase III,  
Road No. 81, Jubilee Hills,  
Hyderabad (T.G.)-500 096

**Phone:** +91 40 23555300  
**Email:** info@balaxi.in  
**Website:** www.balaxipharma.in

## SUBSIDIARIES (INCLUDING STEP-DOWN SUBSIDIARIES):

Balaxi Global DMCC, Dubai

Balaxi Healthcare Guatemala,  
S.A, Republic of Guatemala

Balaxi Healthcare Dominicana,  
S.R.L, Dominican Republic

Balaxi Healthcare Honduras,  
S. DE R.L. DE C.V, Honduras

Balaxi Healthcare Centrafrique,  
SARL, Centrafrique

Balaxi Healthcare El Salvador S.A DE.,  
El Salvador

Balaxi Healthcare Angola,  
Republic of Angola

## REGISTRAR AND SHARE TRANSFER AGENT:

Aarthi Consultants Private Limited  
1-2-285, Domalguda,  
Hyderabad-500 029.

**Phone:** 040 27638111  
**Email:** info@aarthiconsultants.com  
**Website:** www.aarthiconsultants.com

# Management Discussion & Analysis

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### INDIA PHARMACEUTICAL SECTOR

The Indian pharmaceutical industry is a significant player globally, ranking third in pharmaceutical production by volume. It is renowned for its production of generic medicines and low-cost vaccines. In terms of its contribution to the Indian economy, the sector accounted for approximately 1.32% of the Gross Value Added in 2020-21, based on constant prices from 2011-12. The fiscal year 2021-22 saw a total annual turnover of Rs. 3,44,125 crore (USD 42.34 billion) in the pharmaceutical sector.

The major segments of the Indian pharmaceutical industry include generic drugs, over-the-counter (OTC) medicines, bulk drugs, vaccines, contract research and manufacturing, biosimilars, and biologics. India has established itself as a global leader in the supply of vaccines such as DPT, BCG, and Measles, accounting for 60% of global vaccine production.

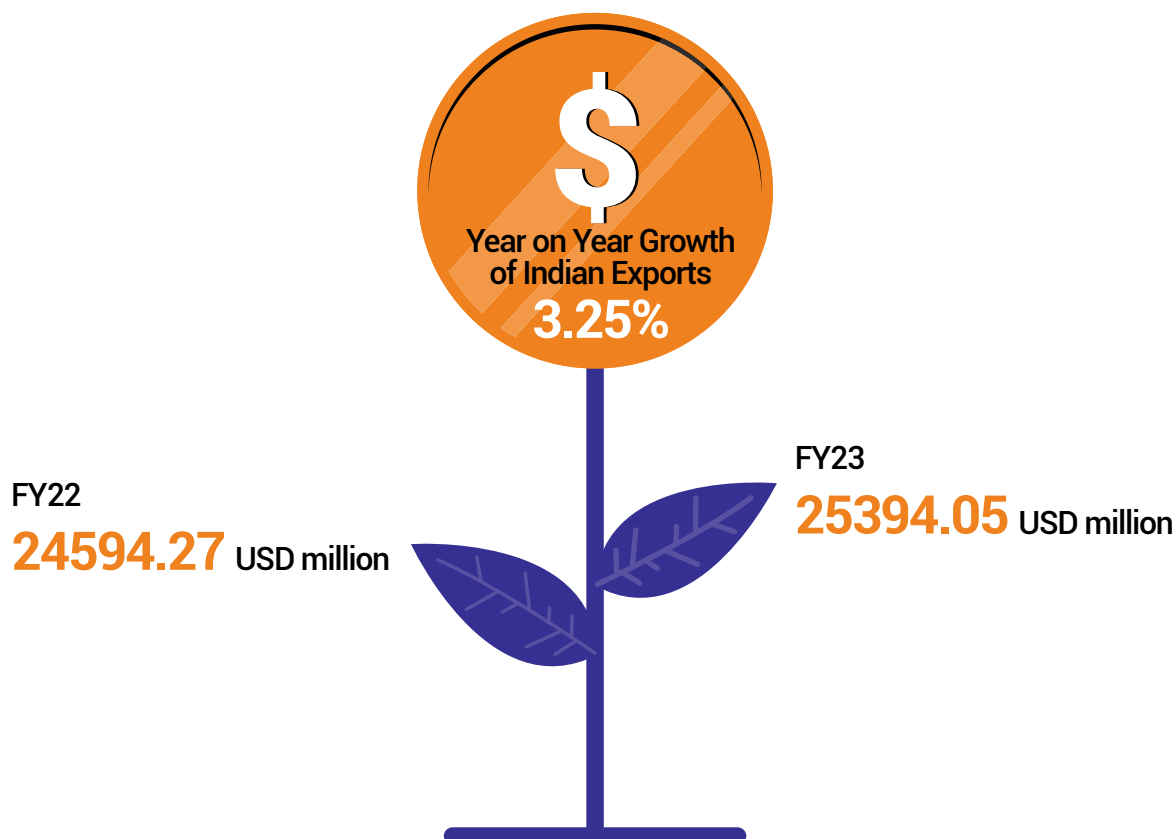
Over the past few years, the pharmaceutical sector in India has experienced healthy growth. In terms of active pharmaceutical ingredients (APIs), India boasts 500 API manufacturers, representing approximately 8% of

the global API industry. Furthermore, India is the largest supplier of generic medicines globally, producing around 60,000 generic brands across 60 therapeutic categories. It accounts for 20% of the global supply of generics.

### INDIA PHARMACEUTICAL SECTOR

India is a major exporter of Pharmaceuticals, with over 200+ countries served by Indian pharma exports. India supplies over 50% of Africa's requirement for generics, ~40% of generic demand in the US and ~25% of all medicine in the UK.

India's pharmaceutical exports totalled \$25.39 billion in FY23, a shade better than the previous fiscal but short of the \$27 billion target as headwinds, including the impact of the Russia-Ukraine war, hampered the pace of growth. Negative growth in the important market of Africa, on account of an economic slowdown, as well as in the CIS countries, primarily in Russia on account of the war and sanctions, were key factors that weighed in on the performance. An increase in raw material costs and withdrawal of GST exemption on ocean and air freight charges were among the headwinds despite which pharma exporters clocked year-on-year growth.





## OPPORTUNITIES AND THREATS

### SWOT ANALYSIS OF INDIA PHARMA SECTOR

#### Strengths:

**Manufacturing capabilities:** India has a robust pharmaceutical manufacturing sector, with a wide range of production facilities capable of producing high-quality generic drugs at competitive prices. The country is known for its cost-effective production methods and has a vast pool of skilled labour.

**Significant market potential:** India is the world's second-most populous country, providing a vast domestic market for pharmaceutical products. The growing middle class and increasing healthcare awareness drive the demand for pharmaceuticals, presenting significant opportunities for export growth.

**Regulatory compliance:** The Indian pharmaceutical industry adheres to stringent regulatory standards, with many companies complying with international regulations like U.S. FDA, WHO GMP and PIC/S. This compliance enhances the credibility and acceptance of Indian pharmaceutical exports in global markets.

**Research and development (R&D):** India has a strong pharmaceutical research and development base, with several pharmaceutical companies investing in R&D activities. This allows for developing new drugs, improved formulations, and cost-effective manufacturing processes, which can be leveraged for export opportunities.

#### Weaknesses:

**Infrastructure challenges:** Despite significant progress, India still needs infrastructure challenges such as inadequate logistics and transportation networks. Efficient cold chain systems and reliable supply chains are critical for pharmaceutical exports, and addressing these weaknesses can improve competitiveness.

**Intellectual property concerns:** India has faced criticism regarding intellectual property rights (IPR) issues in the past. Some Indian pharmaceutical companies have been involved in disputes over patent infringements, which have raised concerns among international partners. Strengthening IPR protection can enhance India's reputation and trustworthiness.

#### Opportunities:

**Growing global demand:** The global demand for pharmaceutical products continues to rise, driven by factors such as population growth, aging populations, and increasing healthcare expenditure. India can tap into these opportunities by expanding its export markets and catering to the evolving needs of the healthcare industry worldwide.

**Emerging and Frontier markets:** There is a growing demand for affordable pharmaceuticals in emerging markets across Asia, Africa, and Latin America. India can leverage its cost-effective manufacturing capabilities to penetrate these markets and establish strong export partnerships.

#### Threats:

**Intense competition:** The global pharmaceutical market is highly competitive, with several countries, including China, emerging as formidable competitors. Indian pharmaceutical exporters face competition in terms of price, quality, and regulatory compliance. Continuous innovation and maintaining high-quality standards are necessary to stay competitive.

**Regulatory challenges:** Compliance with different regulatory frameworks across various export markets can be complex and time-consuming. Keeping up with evolving regulations, documentation requirements, and product registrations can pose challenges for Indian pharmaceutical exporters.

## OUTLOOK - REVIEW OF OUR EXISTING AND EMERGING MARKETS

### OVERVIEW OF THE FRONTIER MARKETS

The pharmaceutical industry plays a vital role in providing essential healthcare solutions worldwide. While developed markets have traditionally been the main focus for pharmaceutical companies, the rising demand for pharmaceutical products in frontier markets has garnered significant attention.

#### Understanding Frontier Markets:

Frontier markets are characterised by economies with relatively low to middle-income levels, emerging industries, and significant growth potential. These markets are often located in Sub-Saharan Africa, Southeast Asia, and Latin America. They present unique challenges and opportunities for pharmaceutical companies due to limited infrastructure, poor healthcare systems, and diverse regulatory environments.

#### Growing Population and Increasing Healthcare Needs:

Frontier markets are experiencing rapid population growth, directly translating into increased healthcare needs. The expanding middle class and improving living standards contribute to higher demand for pharmaceutical products, including prescription drugs, over-the-counter medications, and healthcare equipment. As these markets progress, the prevalence of chronic diseases and non-communicable ailments rises, further driving the demand for pharmaceutical solutions.

#### Improving Healthcare Infrastructure and Access:

Many frontier markets are making significant investments in healthcare infrastructure, including establishing hospitals, clinics, and healthcare centers. Governments and international organizations are also working to improve access to healthcare services in these regions. This enhanced infrastructure, coupled with increasing healthcare expenditure, leads to a higher demand for pharmaceutical products to meet the growing medical needs of the population.

#### Rising Disease Burden and Epidemics:

Frontier markets often face several disease burdens, including many infectious diseases such as malaria, tuberculosis and many other diseases due to bacterial and viral infections. These countries may also experience periodic epidemics, such as Ebola outbreaks. Addressing these challenges requires access to effective pharmaceutical products for prevention, treatment, and control. Consequently, pharmaceutical companies face increased demand from various therapeutic areas.

#### Regulatory Landscape and Intellectual Property Rights:

The regulatory landscape in frontier markets can be complex and diverse. Pharmaceutical companies must navigate varying registration processes, quality standards, and intellectual property rights regulations. The absence of a harmonised regulatory framework across these markets can pose challenges to market entry and product distribution. However, efforts are being made to streamline regulations and improve intellectual property rights protection to attract investment and enhance market access.

#### Partnerships and Collaborations:

Pharmaceutical companies are increasingly partnering with local entities, including channel partners, governments, NGOs, and healthcare providers, to expand their presence in frontier markets. These collaborations facilitate technology transfer, arbitrage benefits, capacity building, and the development of localised healthcare solutions. By working closely with local stakeholders, pharmaceutical companies can better understand the unique needs of these markets and tailor their products accordingly.

#### Price Sensitivity and Affordability:

Affordability is a critical factor affecting the demand for pharmaceutical products in frontier markets. Many consumers in these regions have limited purchasing power, and out-of-pocket healthcare expenses are often high. Consequently, pharmaceutical companies need to adapt their pricing strategies, explore differential pricing models, and collaborate with government initiatives to make essential medicines more affordable and accessible to the population.

#### Conclusion:

The demand for pharmaceutical products in frontier markets is rising due to population growth, improving healthcare infrastructure, rising disease burdens, and efforts to enhance regulatory frameworks. To capitalise on these opportunities, pharmaceutical companies must navigate the unique challenges these markets pose. By understanding the local dynamics, establishing strategic partnerships, and developing innovative pricing strategies, pharmaceutical companies can cater to the growing demand for healthcare solutions in frontier markets, ultimately improving the health and well-being of millions of people.

#### Indian Pharma Exports to Frontier Markets:

India's pharmaceutical industry is known for its global presence and exports to various markets worldwide. Frontier markets, which typically refer to emerging or developing economies with significant growth potential,



present opportunities for India's pharmaceutical exports. These markets often have a growing demand for affordable healthcare solutions and pharmaceutical products, making them potential targets for Indian pharmaceutical companies.

India's expertise in the sourcing, producing and exporting pharma products across a wide range of therapeutics at low-cost can be particularly advantageous in frontier markets where access to affordable healthcare is a crucial factor. India's large-scale manufacturing capabilities, coupled with its reputation for quality and competitive pricing, position it well to cater to the pharmaceutical needs of these markets.

### OVERVIEW OF THE AFRICAN PHARMA MARKET

The African health sector is estimated to be worth \$259 billion by 2030. The African pharmaceutical market is a rapidly growing industry with significant potential for expansion. The continent's population is projected to reach 2.5 billion by 2050, driving the demand for healthcare products and services. Africa heavily relies on imports for its pharmaceutical needs, with a substantial portion of medicines being sourced from outside the continent.

The pharmaceutical market in Africa faces several challenges, including limited access to healthcare, inadequate healthcare infrastructure, counterfeit drugs, and high treatment costs. However, there are promising developments, such as increasing investments in healthcare infrastructure, rising disposable incomes, and a growing middle class, which drive the demand for quality pharmaceutical products.

As a leading player in the global pharmaceutical industry, India has significant potential to expand its exports to African countries. India has a well-established and competitive pharmaceutical manufacturing sector known for producing affordable generic medicines. This aligns with the needs of African countries, where access to affordable healthcare is a critical concern.

During FY23 as per the Pharmexcil Report India's pharmaceutical exports to Africa exhibit diverse trends across different regions. In Central or Middle Africa, Congo D. Rep. experienced a decline in exports, while Southern Africa saw a mixed scenario with South Africa's exports increasing, Angola witnessing growth, and Malawi's exports declining. In East Africa, Kenya and Tanzania showed positive trends, while Ethiopia's exports slightly declined, and Rwanda's remained stable. Western Africa displayed a varied picture with Nigeria and Ghana facing declines, Senegal experiencing significant export growth, and Mali, Guinea, and Burkina Faso witnessing decreases. These fluctuations highlight the complexity of India's pharmaceutical exports to Africa, suggesting the influence

of factors such as market dynamics, local demand, regulatory environments, and competition in shaping export patterns.

### SEVERAL FACTORS CONTRIBUTE TO INDIA'S POTENTIAL IN THE AFRICAN PHARMA MARKET:

**Cost-Effective Production:** Indian pharmaceutical companies have a strong track record of manufacturing cost-effective medicines, making them attractive to African countries facing budget constraints in their healthcare systems.

**Diverse Product Range:** Indian pharma companies offer various medicines, including generics, over-the-counter drugs, and essential medications for various diseases prevalent in Africa, such as malaria, HIV/AIDS, and tuberculosis.

**Regulatory Expertise:** Indian pharmaceutical companies comply with international quality standards and have experience navigating complex regulatory environments. This expertise can help ensure the quality and safety of medicines exported to African countries.

**Collaborative Initiatives:** India has been actively engaged in collaborative initiatives with African countries to enhance pharmaceutical access and healthcare capacity. These partnerships involve knowledge sharing, capacity building, technology transfer, and joint ventures, promoting long-term sustainable growth.

**Strong Distribution Networks:** Indian pharma companies have established robust distribution networks that can effectively reach remote areas in African countries, facilitating the availability of medicines where they are needed the most.

However, India should also be aware of specific challenges and considerations when exploring the African pharma market:

**Regulatory Compliance:** African countries have diverse regulatory frameworks, and navigating these complexities can pose challenges for Indian pharmaceutical companies. Adhering to country-specific regulations and obtaining necessary approvals is crucial for market entry.

**Infrastructure Limitations:** African countries may face infrastructure challenges, including inadequate storage facilities, unreliable transportation networks, and limited healthcare facilities. Indian exporters need to address these challenges to ensure the timely delivery of medicines and proper storage conditions.

**Competition:** India faces competition from other countries and multinational pharmaceutical companies in the African market. To maintain a competitive edge, Indian companies

should focus on innovation, quality assurance, and building strong relationships with local stakeholders.

## OVERVIEW OF THE LATIN AMERICAN PHARMA MARKET

**The Latin American pharmaceutical market is a dynamic and expanding market with considerable growth potential. The region's population, currently around 650 million, is characterised by increasing life expectancy, urbanisation, and a rising middle class, leading to a greater demand for healthcare services and products. Latin America relies heavily on imported pharmaceuticals, making it an attractive market for countries with strong pharmaceutical manufacturing capabilities like India.**

**India holds significant potential in exporting pharmaceutical products to Latin American countries for several reasons:**

**Cost-Effective Production:** Indian pharmaceutical companies are known for their cost-effective production methods, which align well with the needs of Latin American countries seeking affordable healthcare solutions. India's expertise in manufacturing all kinds of medicines allows for competitive pricing, particularly in countries with limited healthcare budgets.

**Generic Medicines:** Latin America has a significant demand for generic medicines, as they offer cost savings and increased access to essential treatments. Indian pharmaceutical manufacturers have a strong reputation for

producing high-quality generic medications, making them well-positioned to meet this demand.

**Regulatory Compliance:** Indian pharmaceutical companies comply with international quality standards and have experience navigating complex regulatory environments. This adherence to regulatory requirements ensures that the medicines exported to Latin American countries meet the necessary safety and quality standards.

**Therapeutic Range:** Indian pharmaceutical companies offer a diverse range of pharmaceutical products, including generics and medications for prevalent diseases in Latin America, such as cardiovascular diseases, diabetes, and infectious diseases like dengue and Chagas. This breadth of therapeutic offerings allows Indian exporters to cater to the specific healthcare needs of Latin American populations.

**Collaborative Initiatives:** India has been actively engaged in collaborative initiatives with Latin American countries, fostering partnerships in the healthcare sector. These collaborations involve technology transfer, knowledge sharing, and joint ventures, which contribute to long-term growth and mutual benefits.

**While India possesses significant potential, it is essential to consider certain challenges and factors in the Latin American pharma market:**

**Regulatory Environment:** Latin American countries have their own regulatory frameworks for pharmaceutical products, and compliance with these regulations is crucial

## AN ANALYSIS OF INDIAN EXPORT OF PHARMA TO MARKETS SERVED BY BALAXI (USD MILLION)

In FY23, Indian pharma exports to key markets of Balaxi Pharma experienced mixed trends compared to FY22. Angola saw an increase in exports from 78.32 USD million in FY22 to 93.03 USD million in FY23. However, Honduras witnessed a decline in exports from 33.76 USD million in FY22 to 29.75 USD million in FY23. Similarly, the Dominican Republic experienced a slight decrease in exports from 70.43 USD million in FY22 to 67.35 USD million in FY23.

On the other hand, Nicaragua saw an increase in Indian pharma exports from 24.16 USD million in FY22 to 27.79 USD million in FY23. Ecuador experienced significant growth in exports, with an increase from 40.95 USD million in FY22 to 50.69 USD million in FY23. Chile, witnessed a decline in exports from 169.23 USD million in FY22 to 156.94 USD million in FY23.

Furthermore, the Central African Republic experienced a notable decrease in exports from 12.04 USD million in FY22 to 7.81 USD million in FY23. Guatemala and El Salvador also saw declines in Indian pharma exports, with Guatemala decreasing from 77.18 USD million in FY22 to 73.16 USD million in FY23, and El Salvador declining from 36.13 USD million in FY22 to 31.83 USD million in FY23.

COUNTRY	FY22	FY23	% CHANGE
Angola	78.32	93.03	18.78%
Honduras	33.76	29.75	-11.86%
Dominic Rep	70.43	67.35	-4.36%
Central A Republic	12.04	7.81	-35.18
Guatemala	77.18	73.16	-5.22
El Salvador	36.13	31.83	-11.88

for market entry. Indian companies must understand and navigate these regulatory complexities to ensure timely approvals and successful market access.

**Intellectual Property Rights:** Intellectual property protection is a critical consideration for pharmaceutical companies. Indian exporters must ensure that they comply with the intellectual property regulations of individual Latin American countries to safeguard their products and technologies.

**Market Competition:** Latin America is home to both local pharmaceutical manufacturers and multinational companies operating in the region. Indian companies face competition from established players. Maintaining a competitive edge requires a focus on quality, innovation, and forging strong relationships with local partners.

**Localisation and Language:** Latin America comprises diverse countries with distinct cultural and linguistic variations. Indian companies should consider localisation efforts, such as translating product information and labels into local languages, to communicate with consumers and healthcare professionals effectively.



## Review of Operations

Balaxi Pharmaceuticals Limited operates as an intellectual property rights (IPR)-based pharmaceutical company with a focus on frontier markets.

**Product Portfolio:** Balaxi Pharmaceuticals boasts a vast and growing portfolio of drugs across multiple therapeutic segments. With 808 registered pharmaceutical products in 6 countries, the company has a diverse range of offerings. This extensive portfolio positions the company well to cater to the healthcare needs of its target markets. Apart from this, the company has over 700 registration submitted or in the pipeline.

**Market Presence:** Balaxi Pharmaceuticals has a strong on-ground presence in markets within Africa, the Caribbean Islands, and Latin America. The company has established itself in existing markets like Angola, Guatemala, Dominican Republic, El Salvador, Honduras and Central African Republic. It also aims to expand into newer geographies in Africa, Latin America, CIS and SEA markets. This expansion strategy demonstrates a commitment to tapping into emerging markets and capitalising on their growth potential.

**Business Model:** Balaxi Pharmaceuticals operates as an asset light pharmaceutical company. While participating in all stages of the pharmaceutical value chain except research and development and manufacturing, the company prefers to register established generic drugs under its brand. By sourcing these products from cost-effective WHO GMP-certified contract manufacturers in India, China, and Portugal, Balaxi Pharmaceuticals minimises manufacturing costs and time to market. This asset-light approach allows the company to focus on its core strengths such as registrations, sales growth, and expansion.

**Manufacturing Facility:** Balaxi Pharmaceuticals plans to establish a manufacturing facility in Hyderabad, India. This strategic move signifies the company's evolution toward becoming an asset right model. By gradually moving toward in-house manufacturing, Balaxi Pharmaceuticals is strengthening its value chain and becoming a prominent player in RoW markets. The facility will initially focus on producing niche branded products and proprietary drugs that are not easily outsourced. It will contribute to creating differentiated products for existing semi-regulated frontier markets.

**Distribution and Logistics:** Balaxi Pharmaceuticals has a robust distribution network with 37 warehouses and a fleet of owned vehicles across four countries. This infrastructure ensures efficient and timely delivery of pharmaceutical products to target markets. The company is planning additional pharma warehouses in our existing and target markets.

**Growth Strategy:** Balaxi Pharmaceuticals aims to capture incremental market share in existing geographies while establishing strong positions for sustained organic growth in selected markets. The company has demonstrated success in frontier markets and aims to expand its presence in additional African and Latin American markets. Balaxi Pharmaceuticals also strives to maintain an ideal blend of branded and generic medicines to maximise returns.



# Review of Financial Performance

The consolidated financial performance of the Company for the Financial Year 2022-23 ("FY 23") is as follows:



\* NOTE: Financial Results for FY23 are not strictly comparable with FY22 due to the consolidation of Balaxi Healthcare LDA Angola, which became a wholly-owned subsidiary of Balaxi Global DMCC with effect from 1st January 2022.

# Ratios

## DEBTORS TURNOVER RATIO:



**Explanation:** The debtors turnover ratio has increased significantly. This is mainly due to the consolidation of Angola, where the secondary turnover is now captured as part of the consolidation.

## INVENTORY TURNOVER RATIO:



**Explanation:** The inventory turnover ratio has decreased. This is mainly due to the consolidation of Angola, where the secondary turnover is now captured as part of the consolidation.

## INTEREST COVERAGE RATIO:



**Explanation:** The interest coverage ratio has decreased. This is due to the company availing a working capital facility in FY 23. However, the ratio is still positive, indicating that the company is able to cover its interest expenses.

## CURRENT RATIO:



**Explanation:** The current ratio has improved significantly. This is because the company has reduced its trade payables and increased its overall debtors, resulting in a better current ratio. A higher current ratio indicates improved short-term liquidity.

## DEBT EQUITY RATIO:



**Explanation:** The debt equity ratio has increased on account of the Working Capital Facility that company availed in FY 23.

## OPERATING PROFIT MARGIN (%):



**Explanation:** The change in the operating profit margin is less than 25%, indicating a relatively stable performance in terms of profitability.

## NET PROFIT MARGIN (%):



**Explanation:** The change in the net profit margin is less than 25%

## RETURN ON NET WORTH, NET OF GOODWILL (%):



**Explanation:** The return on net worth has decreased. Given the current scenario, the company has managed to maintain the same level of profits as last year, the equity portion has gone up due to the preferential issue and the previous year's profits. This has resulted in a lower return on net worth.



#### Management Discussion & Analysis

## Risk and Risk Mitigation:

Risk and Concerns: Balaxi Pharmaceuticals Limited faces risks and uncertainties commonly encountered by global players in the pharmaceutical industry. These risks have the potential to impact the company's earnings and future operations significantly. The Board of Directors, in collaboration with the executive management, conducts robust assessments to determine and evaluate these risks within the company's risk context. The Board is confident that these risks are being appropriately and consistently managed.



### **Risk: Regulatory Compliance**

**Risk Impact: High**

**Risk Probability: Medium**

Mitigation: Balaxi Pharmaceuticals operates in a highly regulated industry, and non-compliance with regulatory requirements can have severe consequences. To mitigate this risk, the company should establish a robust compliance framework. This includes staying updated with evolving regulations, maintaining strong relationships with regulatory authorities, conducting regular audits to ensure adherence to regulations, and implementing effective compliance training programs for employees. By proactively addressing compliance requirements, Balaxi Pharmaceuticals can minimize the risk of penalties, legal issues, and reputational damage.

### **Risk: Supply Chain Disruptions**

**Risk Impact: Medium to High**

**Risk Probability: High**

Mitigation: Balaxi Pharmaceuticals relies on a complex global supply chain to source raw materials and finished products. Any disruptions, such as natural disasters, transportation delays, or supplier issues, can significantly impact the company's operations and product availability. To mitigate this risk, the company should diversify its supplier base, maintain strong relationships with key suppliers, and implement robust supply chain management practices. Developing contingency plans and implementing risk mitigation strategies, such as buffer stocks and alternative sourcing options, can help minimise the impact of supply chain disruptions.

### **Risk: Intellectual Property Infringement**

**Risk Impact: Medium to High**

**Risk Probability: Medium**

Mitigation: Balaxi Pharmaceuticals operates in an industry where intellectual property (IP) rights are critical. There is a risk of infringement claims from competitors or legal challenges related to the company's own IP. To mitigate this risk, Balaxi Pharmaceuticals should invest in comprehensive IP protection measures, including patent filings, trademarks, and copyrights. Conducting regular IP audits and

monitoring the market for potential infringements can help identify and address issues proactively. Additionally, establishing strong legal partnerships and conducting thorough due diligence when entering into collaborations can help safeguard the company's IP rights.

### **Risk: Market Competition and Pricing Pressure**

**Risk Impact: Medium**

**Risk Probability: High**

Mitigation: The pharmaceutical industry is highly competitive, with pricing pressures and the presence of numerous competitors. This can impact Balaxi Pharmaceuticals' market share and profit margins. To mitigate this risk, the company should focus on product differentiation, innovation, and maintaining a strong brand reputation. Investing in research and development to introduce new products or improve existing ones can help maintain a competitive edge. Additionally, establishing strategic partnerships, exploring new markets, and diversifying the product portfolio can help mitigate the impact of intense competition and pricing pressures.

### **Risk: Economic and Currency Fluctuations**

**Risk Impact: Medium to High**

**Risk Probability: Medium to High**

Mitigation: Balaxi Pharmaceuticals operates in multiple markets, exposing it to economic and currency fluctuations. These fluctuations can impact the company's revenue, profitability, and financial stability. To mitigate this risk, the company should regularly monitor economic trends and currency movements in its key markets. Implementing hedging strategies to manage currency risk, maintaining a diversified market presence, and closely managing costs can help mitigate the impact of economic uncertainties. Additionally, conducting thorough market research and adjusting pricing strategies based on local economic conditions can help maintain competitiveness in different markets.





## Management Discussion & Analysis

### INTERNAL CONTROLS:

An esteemed external agency is conducting an audit of Balaxi Pharmaceuticals Limited's internal controls. This comprehensive evaluation ensures an impartial and independent assessment of the effectiveness and adequacy of the company's internal control systems in achieving optimal operational outcomes. The primary objectives of these controls are to safeguard and protect the company's assets from unauthorised use or disposition, maintain accurate accounting records, and verify the authenticity of all transactions.

Balaxi Pharmaceuticals Limited has implemented an efficient compliance management system that promptly issues preventive warnings in the event of any violations. The company's independent Audit Committee and/or Board of Directors regularly review its performance to ensure alignment with overall corporate policies and predetermined objectives. Internal auditing services are provided by PCN & Associates, who play a crucial role in facilitating smooth risk management operations, raising awareness of risks across businesses and corporate functions, developing formal reporting and monitoring processes, and creating maintenance plans to keep risk management information up to date. They have also implemented an Enterprise Risk Management (ERM) framework in key business areas and corporate functions, aligning risk management with the business plan.

### MARKET RESEARCH:

Market research plays a vital role as a catalyst for Balaxi Pharmaceuticals Limited, enabling the development and global marketing of differentiated generic and speciality products. The company utilises best-in-class technologies to support its Market Research capabilities, enabling the cost-effective delivery of products worldwide. Proactive investments are made to build a robust global pipeline of generics, over-the-counter drugs, and speciality products. With a team of intellectual property experts, the company focuses on sourcing products in various dosage forms, including injectables, orals, liquids, ointments, gels, and

sprays. Given the highly competitive nature of frontier markets, Balaxi Pharmaceuticals Limited adopts a pragmatic approach to identify future projects.

### PEOPLE - THE CORE OF OUR STRENGTH:

Balaxi Pharmaceuticals Limited strives to provide its employees with a congenial work environment that encourages a balanced, healthy, and safe lifestyle. The company offers various growth opportunities, rewards merit, and recognises employee achievements. Training programs are available to enhance employees' skills and promote inclusive growth and knowledge sharing. The company continues to upgrade its HR processes and institutionalise them to create a value system and behavioural skills necessary for achieving short and long-term goals. As of March 31, 2023, Balaxi Pharmaceuticals Limited had over 600 employees on a consolidated basis and continues to attract exceptional talent from within and outside India to further its business interests. The company maintains cordial industrial relations.

### INFORMATION TECHNOLOGY

Balaxi Pharmaceuticals Limited is making substantial investments in its digital reinvention platform. The company aims to automate as many business processes as possible to enhance efficiency and accuracy. A comprehensive framework has been developed to leverage the opportunities presented by new-age digital technologies, transforming the company into a digitally proficient pharmaceutical organisation. Several technologies and platforms have been piloted to provide a seamless and integrated experience to partners and clients. The company prioritises data analytics for agile decision-making, business process automation, innovation through digital business models, and consumer engagement to identify, reach, and engage with customers. Analytics and automation form the core of the company's business strategy. Digital consumer engagement is being increased to improve automation in manufacturing plants year after year.

### CAUTIONARY STATEMENTS

The Management Discussion and Analysis statements provided by Balaxi Pharmaceuticals Limited may contain "forward-looking statements" within the scope of applicable securities laws and regulations. Actual results may differ from expressed or implied projections, estimates, and expectations. Various factors, such as economic conditions affecting demand and supply, price fluctuations in domestic and overseas markets, changes in government regulations and tax laws, and other incidental factors, can influence the company's operations.

# Board's Report

Dear Members,

The Board of Directors are pleased to submit its report on the performance of the Company along with the audited standalone and consolidated financial statements for the financial year ended March 31, 2023.

## 1. FINANCIAL HIGHLIGHTS AND PERFORMANCE:

(₹ in Lakhs)

PARTICULARS	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	10813.76	10129.19	33643.27	27938.78
Other Income	660.41	274.80	263.69	497.17
<b>Total Income</b>	<b>11474.17</b>	<b>10403.99</b>	<b>33906.96</b>	<b>28435.95</b>
Operating expenditure	9131.68	8402.97	27989.48	22918.34
<b>Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense (EBITDA)</b>	<b>2342.49</b>	<b>2001.02</b>	<b>5917.47</b>	<b>5517.61</b>
Less: Depreciation	(51.54)	(25.03)	(175.25)	(51.22)
Less: Finance Costs	(45.90)	(6.12)	(50.00)	(14.16)
<b>Profit /loss before Tax Expense (PBT)</b>	<b>2245.05</b>	<b>1969.87</b>	<b>5692.23</b>	<b>5452.23</b>
Less: Tax Expense (Current & Deferred)	(622.84)	(503.11)	(1095.98)	(686.45)
<b>Profit After Tax (PAT)</b>	<b>1622.21</b>	<b>1466.75</b>	<b>4596.25</b>	<b>4765.78</b>
Basic EPS (₹)	16.17	14.67	45.81	47.66
Diluted EPS (₹)	16.02	14.67	45.40	47.66

## 2. STATE OF COMPANY'S AFFAIRS:

### Consolidated:

During the period under review the Company recorded a total revenue from operations of ₹ 33,643.27 Lakhs as against ₹ 27,938.78 Lakhs in the previous financial year. Profit before tax (PBT) increased to ₹ 5,692.23 Lakhs as against ₹ 5,452.23 Lakhs in the previous financial year. Profit after tax (PAT) decreased to ₹ 4,596.25 lakhs as against ₹ 4,765.78 Lakhs in the previous financial year.

### Standalone:

During the period under review the Company recorded a total revenue from operations of ₹ 10,813.76 Lakhs as against ₹ 10,129.19 Lakhs in the previous financial year. Profit before tax (PBT) increased to ₹ 2,245.05 Lakhs as against ₹ 1,969.87 Lakhs in the previous financial year. Similarly, Profit after tax (PAT) increased to ₹ 1,622.21 lakhs as against ₹ 1,466.75 Lakhs in the previous financial year.

## 3. DIVIDEND:

The Board of Directors of the Company after considering factors such as elongated working capital cycle and capex requirement, have not recommended

any dividend for the financial year ended March 31, 2023.

The Company has formulated a Dividend Distribution Policy in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Dividend Distribution Policy can be accessed from the Investor section of the website of the Company at [https://balaxipharma.in/assets/images/corporatepolicies/Dividend\\_Distribution\\_Policy.pdf](https://balaxipharma.in/assets/images/corporatepolicies/Dividend_Distribution_Policy.pdf).

## 4. TRANSFER TO RESERVES:

During the year under review, no transfer is proposed to any reserves and accordingly, the entire balance available in the statement of profit and loss is retained in it.

## 5. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments, affecting the financial position of the Company that have occurred between the close of the financial year ended March 31, 2023 and the date of this Board's Report.

## 6. PREFERENTIAL ISSUE:

During the year under review, pursuant to the approval accorded by the members, at their Extraordinary General Meeting held on September 27, 2022 and the In Principle approval received from National Stock Exchange of India Limited, the Company has issued the following securities on preferential basis:

- i. 24,500 (Twenty-Four Thousand Five Hundred) Equity Shares at an issue price of ₹ 451/- (Rupees Four Hundred and Fifty-One only) each i.e., of the face value of ₹ 10/- each and at a premium of ₹ 441/- each per Equity Share aggregating to ₹ 1,10,49,500/- (Rupees One Crore Ten Lakhs Forty-Nine Thousand Five Hundred only) to certain persons belonging to public category.
- ii. 10,70,000 (Ten Lakhs Seventy Thousand) Convertible Warrants at an issue price of ₹ 451/- (Rupees Four Hundred and Fifty-One only) each per Warrant aggregating up to ₹ 48,25,70,000/- (Rupees Forty-Eight Crores Twenty-Five Lakhs Seventy Thousand only) to certain persons belonging to public category with a right to Warrant Holder to apply for and get allotted one equity share of face value of ₹ 10/- (Rupees Ten only) each per Warrant.

The upfront money of 25% of issue price i.e., ₹ 112.75/- per warrant aggregating to ₹12,06,42,500/- (Rupees Twelve Crores Six Lakhs Forty-Two Thousand Five Hundred only) was received by the Company on allotment of warrants. The balance money of 75% of the issue price i.e., ₹ 338.25/- per warrant will be paid by the warrant holders on conversion of the warrants.

The amount raised by preferential issue will be used by the Company to meet the capital expenditure requirements to support the construction of the Company's first pharmaceutical formulation plant, being set up at Jadcherla, Hyderabad. Further, it may be utilized to meet working capital requirements and general corporate purposes and may also be utilized to undertake any additional business activities under the main objects clause of the Memorandum of Association of the Company.

During the period under review, there has been no deviation or variation in the utilization of the proceeds of the preferential issue.

## 7. SHARE CAPITAL:

The paid-up share capital of the Company as on March 31, 2023, was ₹ 10,18,12,500/- (Rupees Ten Crore Eighteen Lakhs Twelve Thousand Five Hundred only) divided into 1,01,81,250 (One Crore One Lakh Eighty-One Thousand Two Hundred and Fifty) equity shares of ₹ 10/- each.

During the year under review, the Company has allotted 24,500 Equity Shares at an issue price of ₹ 451/- each i.e., of the face value of ₹ 10/- each and at a premium of ₹ 441/- each per equity share on a preferential basis to certain persons belonging to public category.

Further, several warrant holders to whom the warrants were allotted by the Company had applied for conversion of warrants into equity shares. Consequently, the Board of Directors vide circular resolutions passed on January 27, 2023, February 15, 2023 and March 14, 2023 have allotted 1,16,500, 16,500 and 23,750 Equity Shares respectively at an issue price of ₹ 451/- each i.e., of the face value of ₹ 10/- each and at a premium of ₹ 441/- each per equity share to the warrant holders who had applied for conversion of their warrants.

## 8. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

### i. Balaxi Global DMCC, Dubai- Subsidiary Company

Your Company has a wholly owned subsidiary, Balaxi Global DMCC in Dubai, United Arab Emirates ("UAE"). The Subsidiary was incorporated with a focus to carry out the international distribution business of the Company. The main objects of the subsidiary Company are in line with the main objects of the parent Company.

The Subsidiary, Balaxi Global DMCC further have six wholly owned subsidiaries:

- (a) Balaxi Healthcare Guatemala, S.A, Republic of Guatemala
- (b) Balaxi Healthcare Dominicana, S.R.L, Dominican Republic
- (c) Balaxi Healthcare Honduras, S. DE R.L. DE C.V, Honduras
- (d) Balaxi Healthcare Centrafrique, SARL, Centrafrique
- (e) Balaxi Healthcare El Salvador S.A DE., El Salvador
- (f) Balaxi Healthcare Angola, Republic of Angola

The above-mentioned Companies are step down subsidiaries of your Company, these step-down subsidiaries work as an extended arm for the Company by managing the local operations and distribution in our existing markets of Africa and Latin America.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("the Act") read with Companies (Accounts) Rules, 2014, a statement containing the salient features of financial statements of the Subsidiaries in Form

No. AOC-1 is attached as **Annexure- A** to this report. The statement also provides details of the performance and the financial position of the subsidiaries.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company including the consolidated financial statements along with relevant documents are available on Investor section of the website of the Company at <https://balaxipharma.in/financial-results>. Copies of the financial statements of the subsidiary companies are also available on the Company's website at <https://balaxipharma.in/subsidiaries-financial-statements>.

## ii. Associate Company/ Joint Venture

During the year under review, the Company does not have any associates or Joint ventures.

During the year under review no Company has ceased to be Company's Subsidiary/ Joint Venture/ Associate.

## 9. CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements for the financial year ended March 31, 2023, are prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 and other relevant provisions of the Act.

As per the provisions of Section 136 of the Act, the Company has placed separate audited accounts of its subsidiaries on its website at <https://balaxipharma.in/subsidiaries-financial-statements> and a copy of separate audited financial statements of its subsidiaries will be provided to shareholders upon their request.

## 10. CHANGE IN THE NATURE OF BUSINESS:

There have been no changes in the nature of the business of the Company during the year under review.

## 11. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As on March 31, 2023, The Board consists of 6 (six) Directors, with an optimum mix of 4 (four) Independent Directors, 1 (one) Executive Director and 1 (one) Non-Executive Director. The Board consists of 2 (two) Woman Directors, 1 (one) of whom is an Independent Director.

### i. Appointments and Resignations during the year under review:

#### Directors:

- Members of the Company at the 79<sup>th</sup> Annual General Meeting of the Company held on July 11, 2022, approved the re-appointment of Mr. Ashish Maheshwari (DIN: 01575984) as the

Managing Director of the Company for a period of 5 (five) years with effect from May 03, 2022.

- Members of the Company through postal ballot by way of remote e-voting approved the re-appointment of Mrs. Purnima Singh Kamble (DIN: 00241708) as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from March 26, 2023.

Except the above, there were no changes in the Board of Directors of the Company.

#### Key Managerial Personnel:

- Mrs. Shalini Chinta, resigned from the position of Company Secretary and Compliance Officer of the Company w.e.f. close of business hours on September 16, 2022. The Board placed on record its sincere appreciation for the contribution made by her during her tenure.
- The Board of Directors at their meeting held on November 05, 2022, approved the appointment of Mr. Udayan Shukla as Company Secretary and Compliance Officer of the Company with immediate effect.

Except the above, there were no changes in the Key Managerial Personnel of the Company.

## ii. Re-appointments proposed at the AGM:

- In accordance with the provisions of the Act and the Articles of Association of the Company, Mrs. Minoshi Maheshwari (DIN: 01575975), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends her re-appointment as a Director, liable to retire by rotation.
- Members of the Company, at the 78<sup>th</sup> Annual General Meeting of the Company, held on August 25, 2021, approved the appointment of Mr. Mangina Srinivas Rao (DIN: 08095079) as an Independent Director, not liable to retire by rotation, for a period of 3 (Three) years commencing from September 15, 2020. The term of appointment of Mr. Mangina Srinivas Rao is up to September 14, 2023. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on May 29, 2023 recommended the re-appointment of Mr. Mangina Srinivas Rao as an Independent Director, not liable to retire by rotation, for a second term of five years commencing from September 15, 2023 to September 14, 2028, based on his skills, experience, knowledge and positive outcome of performance evaluation.

**12. MEETINGS OF THE BOARD OF DIRECTORS:**

During the year under review, The Board of Directors of the Company met 6 (six) times on April 25, 2022, May 23, 2022, August 02, 2022, September 05, 2022, November 05, 2022 and February 01, 2023. The maximum interval between any two meetings did not exceed 120 days, as prescribed under the Act. The details of the meetings are provided in the Corporate Governance Report, which forms a part of this annual report.

**13. COMMITTEES OF THE BOARD:**

As on March 31, 2023, pursuant to the requirement under the Act and the Listing Regulations, the Board of Directors had the following Committees:

- i. Audit Committee;
- ii. Nomination and Remuneration Committee;
- iii. Stakeholders' Relationship Committee;
- iv. Corporate Social Responsibility Committee and
- v. Risk Management Committee.

As on March 31, 2023, the Audit Committee comprises of Mr. Kunal Bhakta, Chairman, Mr. Gandhi Gamji, Member and Mr. Ashish Maheshwari, Member.

The composition, terms of reference of the Committees and number of meetings held during the year are provided in the Corporate Governance Report, which forms a part of this annual report.

During the year, all the recommendations made by the Board Committees, including the Audit Committee, were accepted by the Board.

**14. MEETING OF INDEPENDENT DIRECTORS:**

Meeting of the Independent Directors without the presence of Non- Independent Directors and members of Management was duly held on February 20, 2023, where the Independent Directors inter alia evaluated the performance of Non-Independent Directors and the Board of Directors as a whole, reviewed the performance of Chairperson of the Board and assessed the quality, quantity and timeliness of the flow of information between the Management of the Company and the Board of Directors.

**15. DECLARATION BY INDEPENDENT DIRECTORS:**

All Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. Based on the declarations submitted by the Independent Directors, Board is of the opinion that the Independent Directors fulfil the conditions specified in the Act and Listing Regulations and are independent of the Management.

Independent Directors have also confirmed of having complied with Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, by including/ registering their names in the data bank of Independent Directors maintained with Indian Institute of Corporate Affairs.

In the opinion of the Board, all the Independent Directors have the integrity, expertise and experience, including the proficiency required to effectively discharge their roles and responsibilities in directing and guiding the affairs of the Company.

**16. FAMILIARIZATION PROGRAMMES FOR INDEPENDENT DIRECTORS:**

All Directors including Independent Directors go through a structured orientation/ familiarization programme to make them familiar with their roles, rights and responsibilities in the Company at the time of appointment and also on a recurrent basis. The details of various programmes undertaken for familiarizing the Independent Directors are available on the website of the Company at [https://balaxipharma.in/assets/images/corporatepolicies/FAMILIARIZATION\\_PROGRAMME\\_TO\\_INDEPENDENT\\_DIRECTORS\\_.pdf](https://balaxipharma.in/assets/images/corporatepolicies/FAMILIARIZATION_PROGRAMME_TO_INDEPENDENT_DIRECTORS_.pdf).

**17. BOARD EVALUATION:**

Pursuant to the provisions of the Act and the Listing Regulations, Company has put in place a criteria for annual evaluation of performance of Chairperson, Individual Directors (Independent & Non – Independent), Board Level Committees and the Board as a whole.

Board evaluated the effectiveness of its functioning and that of Committees and of Individual Directors by seeking their inputs on various aspects of Board/ Committee Governance. Aspects covered in the evaluation included criteria of corporate governance practices, role played by the Board in decision making, evaluating strategic proposals, discussing annual budgets, assessing adequacy of internal controls, review of risk Management procedures, participation in the long-term strategic planning, the fulfilment of Directors' obligations and fiduciary responsibilities and active participation at Board and Committee meetings. Performance evaluation was made on the basis of structured questionnaire considering the indicative criteria as prescribed by the Evaluation Policy of the Company. The evaluation policy can be accessed on the website of the Company at [https://balaxipharma.in/assets/images/corporatepolicies/Board\\_Evaluation\\_Policy.pdf](https://balaxipharma.in/assets/images/corporatepolicies/Board_Evaluation_Policy.pdf).

In a separate meeting of the Independent Directors, the performance of the Non-Independent Directors, the Board as a whole and Chairman of the Board were evaluated.



## 18. INVESTOR EDUCATION PROTECTION FUND (IEPF):

### i. Transfer of Un-claimed/Un-paid dividend to Investor Education and Protection Fund

Dividend transferred to Unpaid Dividend Account which remained as unpaid or unclaimed for a period of seven years from the date of such transfer, has to be transferred to Investor Education and Protection Fund as per Section 124 (5) of the Act. In compliance with the above, the Company transferred Rs. 30,675/- (Rupees Thirty Thousand Six Hundred and Seventy-Five only) to the above Fund on November 10, 2022, being the unclaimed dividend for the Financial Year 2014-15.

### ii. Transfer of Equity shares to Investor Education Protection Fund

Pursuant to the provisions of the Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended) and other applicable rules, notifications and circulars, if any, every Company is required to transfer the shares, in respect of which dividend remains unpaid / unclaimed for a period of seven (7) consecutive years or more, to the Investor Education and Protection Fund.

In compliance with the above, the Company transferred 2,910 (Two Thousand Nine Hundred and Ten) Equity Shares on November 21, 2022, to Investor Education and Protection Fund in respect of which dividend was not claimed for seven consecutive years from the date of transfer to unpaid dividend account of the Company for the respective year(s). The details of the same can be accessed from the website of the Company at <https://balaxipharma.in/investor-unclaimed-dividend>.

#### Details of Nodal Officer:

The details of the Nodal Officer appointed under the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, are given below and the same is disseminated on the website of the Company.

Name of the Nodal Officer	Mr. Udayan Shukla
Designation	Company Secretary and Compliance Officer
Address and Contact Number	Address: Plot No. 409, H. No. 8-2-293, Maps Towers, 3rd Floor, Phase - III, Road No. 81, Jubilee Hills, Hyderabad (T.G.) – 500 096.  Contact Number: +91 40 23555300
Email ID	secretarial@balaxi.in

## 19. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Act, it is hereby confirmed that the Directors have:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- selected such accounting policies and applied them consistently and made judgments 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.
- 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 and detecting fraud and other irregularities.
- prepared the annual accounts on a going concern basis.
- laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 20. AUDIT AND AUDITORS:

### i. Statutory Auditors and their report

The Members of the Company, at the 75<sup>th</sup> Annual General Meeting ("AGM") of the Company held on September 20, 2018, had approved the appointment of M/s P. Murali & Co., Chartered Accountants (Firm registration number: 007257S), as Statutory Auditors of the Company, to hold office from the conclusion of 75<sup>th</sup> AGM till the conclusion of the ensuing 80<sup>th</sup> AGM.

In terms of the provisions of Section 139 of the Act, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as statutory auditors for not more than 2 (two) terms of 5 (five) consecutive years. M/s P. Murali & Co. is eligible for re-appointment for a further period of five years. After evaluating various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on

May 29, 2023, proposed the re-appointment of M/s P. Murali & Co., as the Statutory Auditors of the Company, for a second term of five consecutive years from the conclusion of 80<sup>th</sup> AGM till the conclusion of the 85<sup>th</sup> AGM of the Company to be held in the year 2028. Further, the proposed remuneration payable to M/s P. Murali & Co. for statutory audit services for the financial year ending March 31, 2024, will be in the range of ₹ 5,00,000/- (Rupees Five Lakhs only) to ₹ 8,00,000/- (Rupees Eight Lakhs only), plus applicable taxes and out of pocket expenses. Revision, if any, to the statutory audit fees for the remaining part of the tenure, shall be approved by the Audit Committee/ Board of Directors, as may be required. This proposal for re-appointment of Statutory Auditor forms part of the Notice of AGM for your approval.

The Auditors Report for the Financial Year ended March 31, 2023, does not contain any qualification, reservation, adverse remark or disclaimer. The report is enclosed with the financial statements in this Annual Report.

## ii. Secretarial Auditors and their report

Section 204 of the Act, inter-alia, requires every listed Company to annex to its Board's report, a Secretarial Audit Report, given in the prescribed form, by a Company Secretary in Practice.

The Board of Directors had appointed BVR & Associates Company Secretaries LLP as Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year ended March 31, 2023 and their report in Form MR-3 is annexed to this Report as **Annexure B**. There are no qualifications, reservations, adverse remarks or disclaimer in the said report except the following:

*Based on the aforesaid information provided by the Company, we report that during the financial year under report, the Company has complied with the provisions of the Act/s, Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have not found material observation or instance of non-compliance in respect of the same except that the Company received a letter from NSE for delayed compliance of Regulation 29(2) of SEBI (LODR) Regulations, 2015.*

### Board's Comment:

*The proposal to recommend the dividend was decided only on the day of the meeting and the same was taken up as any other matter with the permission of the Board. The disclosure was submitted to the exchange after the conclusion of Board Meeting. Company has submitted its response to NSE and has also paid a fine of ₹ 11,800/- (Rupees Eleven Thousand Eight Hundred only) for the same.*

Further, in compliance with Regulation 24A of the Listing Regulations, the Annual Secretarial Compliance Report issued by the Secretarial Auditors, was submitted to the stock exchanges within the statutory timelines.

The Board of Directors, on the recommendation of the Audit Committee, has re-appointed BVR & Associates Company Secretaries LLP as Secretarial Auditors, to conduct the secretarial audit of the Company for the financial years 2023-24 and 2024-25. They have confirmed their eligibility for the said re-appointment.

## iii. Internal Auditors

Internal Audit for the Financial Year 2022-23 was conducted by M/s PCN & Associates, Chartered Accountants, Hyderabad. The idea behind conducting Internal Audit is to examine that the company is carrying out its operations effectively and performing the processes, procedures and functions as per the prescribed norms. The Internal Auditors reviewed the adequacy and efficiency of the key internal controls guided by the Audit Committee.

## 21. PARTICULARS OF EMPLOYEES:

Information required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure C** to this report.

Information required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate Annexure forming part of this report.

However, the annual report is being sent to the Members, excluding the aforesaid Annexure. In terms of Section 136 of the Act, the said Annexure is open for inspection. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

## 22. REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors or the Internal Auditors have reported to the Audit Committee, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees.

## 23. NOMINATION AND REMUNERATION POLICY:

Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with an objective of having a Board with diverse backgrounds and experience. Characteristics expected from all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate

constructively in deliberations and willingness to exercise authority in a collective manner. Policy on appointment and removal of Directors can be accessed at the weblink [https://balaxipharma.in/assets/images/corporatepolicies/POLICY\\_ON\\_Director\\_APPOINTMENT.pdf](https://balaxipharma.in/assets/images/corporatepolicies/POLICY_ON_Director_APPOINTMENT.pdf).

Based on the recommendations of Nomination and Remuneration Committee, Board approved the Remuneration Policy for Directors, Key Managerial Personnel (KMP) and all other employees of Company. As part of the policy, Company strives to ensure that:

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- ii. Relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- iii. Remuneration to Directors, KMP and senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of Company and its goals.

The salient features of this policy are:

- This Policy sets out the guiding principles for the Human Resources and Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.
- It lays down the parameters based on which payment of remuneration (including sitting fees and remuneration) should be made to Non-Executive Directors.
- It lays down the parameters based on which remuneration (including fixed salary, benefits and perquisites, commission, retirement benefits) should be given to Whole-time Directors, KMPs and rest of the employees.

The Remuneration Policy for Directors, KMP and other employees can be accessed at the weblink [https://balaxipharma.in/assets/images/corporatepolicies/Remuneration\\_Policy.pdf](https://balaxipharma.in/assets/images/corporatepolicies/Remuneration_Policy.pdf).

The CSR Committee comprises of the following directors:

S. No.	Name of Committee Members	Designation in the Committee	Category of Directorship
1.	Mrs. Minoshi Maheshwari	Chairperson	Non - Executive and Promoter
2.	Mr. Ashish Maheshwari	Member	Executive and Promoter
3.	Mr. Gandhi Gamji	Member	Non-Executive and Independent

During the year under review, there were no substantive changes in the Policy except to align the Policy with amendments made in the Act and the policy is available on the website of the Company at [https://balaxipharma.in/assets/images/corporatepolicies/CSR\\_Policy.pdf](https://balaxipharma.in/assets/images/corporatepolicies/CSR_Policy.pdf).

## 24. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy for Vigil Mechanism for Directors and Employees to report to the Management instances of unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee. No person has been denied access to the Audit Committee.

During the year under review, the Company has not received any instances of genuine concerns from Directors or employees under this mechanism. The Company has also hosted the Whistle Blower Policy on the website of the Company and can be accessed at the weblink [https://balaxipharma.in/assets/images/corporatepolicies/BPL\\_WHISTLE\\_BLOWER\\_POLICY.pdf](https://balaxipharma.in/assets/images/corporatepolicies/BPL_WHISTLE_BLOWER_POLICY.pdf).

## 25. POLICY ON MATERIAL SUBSIDIARIES:

The Board of Directors of the Company has, in accordance with the Listing Regulations, approved and adopted a Policy for determining material subsidiaries and the said policy as uploaded on the website of the Company can be accessed at the weblink: [https://balaxipharma.in/assets/images/corporatepolicies/03-POLICY\\_ON\\_MATERIAL\\_SUBSIDIARY.pdf](https://balaxipharma.in/assets/images/corporatepolicies/03-POLICY_ON_MATERIAL_SUBSIDIARY.pdf).

## 26. CORPORATE SOCIAL RESPONSIBILITY:

Your Company has always discharged its social responsibility as a part of its Corporate Governance philosophy. We are ethically and socially motivated and have always contributed towards the development of the society at large. For us, business priorities co-exist with social commitments to drive holistic development of people and communities. We seek to touch and transform people's lives by promoting healthcare, education and sustainability.

The Corporate Social Responsibility Committee ("CSR Committee") constituted by the Board of Directors has formulated a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company. The CSR Committee monitors the CSR Policy and recommends the amount of expenditure to be incurred towards CSR activities. CSR Committee has met twice during the year under review on August 01, 2022 and November 04, 2022.

As per the provisions of Section 135 of the Act and the Rules made thereunder, the Company was required to spend ₹ 33.04 Lakhs for the financial year 2022-23, i.e., at least 2% of the average net profits of the Company made during the three immediately preceding financial years. The Company, however, spent an amount of ₹ 9.54 Lakhs towards CSR activities during the financial year 2022-23. The unspent amount of ₹ 23.50 Lakhs relates to an ongoing project and has been transferred to a separate bank account titled 'Balaxi Pharmaceuticals Ltd UCSR FY 2022-23'. The amount transferred will be spent within the time limits specified in the Act and the Rules made thereunder.

The brief outline of the CSR Policy of the Company, initiatives undertaken by the Company on CSR activities during the year under review and details regarding CSR Committee are set out in **Annexure D** of this report as "Annual Report on CSR Activities".

## 27. RISK MANAGEMENT POLICY:

The Company has developed and implemented a Risk Management policy detailing risks associated with its business, process of identification of elements of risks, monitoring and mitigation of these risks. The Management of the Company with the help of inhouse team and internal auditor, identifies the risks. Risks are generally associated with the areas of new products, information security, digitization etc. The Company had taken adequate checks and balances to eliminate and minimize the risk through the robust implementation of ERP (SAP) system. The Risk Management Policy of the Company may be accessed at the website of the Company at [https://balaxipharma.in/assets/images/corporatepolicies/Risk\\_Management\\_Policy.pdf](https://balaxipharma.in/assets/images/corporatepolicies/Risk_Management_Policy.pdf).

## 28. INTERNAL FINANCIAL CONTROLS:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. The Company's Chief Financial Officer has overall responsibility for the Management of the Company, including the design, implementation, and monitoring of internal control. Internal controls are implemented by individuals throughout the Company, and it is important that competent, well-trained individuals are involved in the design and oversight of the controls. Audit Committee reviews the adequacy and effectiveness of internal control system and monitors the implementation of audit recommendations.

The Company has implemented adequate procedures and internal control systems which provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements. The Company is operating in a fully computerized environment and maintains all its records in ERP (SAP) System and the

workflow, approvals are completely routed through ERP(SAP).

The Company has appointed Internal Auditors to examine the internal controls and verify whether the workflow of the organization is in accordance with the approved policies of the Company. Internal Financial Controls were reviewed by the Audit Committee. Further, the Board also reviews effectiveness of the Company's internal control system and the Statutory Auditors of the Company also carried out audit of Internal Financial Controls over Financial Reporting of the Company as on March 31, 2023 and issued their report which forms part of the Independent Auditor's report.

## 29. DEPOSITS:

During the period under review, the Company has not accepted any deposits within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 and accordingly no amount on account of principal or interest on public deposits was outstanding as on March 31, 2023.

## 30. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Particulars of loans given, guarantees provided and investments made by the Company during the financial year ended March 31, 2023, as required under the provisions of Section 186 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014, are disclosed in the notes to Financial Statements which may be read as a part of this Report.

## 31. REVISION MADE IN FINANCIAL STATEMENTS/ BOARD'S REPORT:

The Company has not revised the Financial Statements or Board's Report in respect of any of the three preceding financial years.

## 32. CODE OF CONDUCT:

In compliance with Regulation 17(5) of the Listing Regulations, the Board of Directors have framed and adopted Code of Conduct ("the Code") for Directors and Senior Management of the Company. The Code provides guidance on ethical conduct of business and compliance of law. The Code is available on the Company's website at [https://balaxipharma.in/assets/images/corporatepolicies/Code\\_of\\_Conduct\\_for\\_Board\\_members\\_and\\_the\\_Senior\\_Management.pdf](https://balaxipharma.in/assets/images/corporatepolicies/Code_of_Conduct_for_Board_members_and_the_Senior_Management.pdf).

All Members of the Board and Senior Management personnel have affirmed the compliance with the Code as on March 31, 2023. A declaration to this effect, signed by the Managing Director in terms of the Listing Regulations, is given in the Corporate Governance Report forming part of this Annual Report.

## 33. ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on March 31,

2023 is available on the website of the Company in the Miscellaneous section at <https://balaxipharma.in/investor-annual-report>.

### **34. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review is presented in a separate section and forms part of this Annual Report.

### **35. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All contracts, arrangements and transactions entered by the Company with related parties during the financial year 2022-23 were in the ordinary course of business and on an arm's length basis. During the year, the Company did not enter into any transaction, contract or arrangement with related parties, which could be considered material, in accordance with the Company's Policy on dealing with Related Party Transactions ("RPT Policy"). Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable.

During the year under review, all related party transactions entered into by the Company were approved by the Audit Committee. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen and are repetitive in nature.

As required under the Indian Accounting Standards, related party transactions are disclosed in Notes to the Company's financial statements for the financial year ended March 31, 2023.

In accordance with the requirements of the Listing Regulations, the Company has adopted a Policy on Materiality of Related Party Transactions and the same has been placed on the website of the Company at [https://balaxipharma.in/assets/images/corporatepolicies/02-POLICY\\_ON\\_RELATED\\_PARTY\\_TRANSACTIONS.pdf](https://balaxipharma.in/assets/images/corporatepolicies/02-POLICY_ON_RELATED_PARTY_TRANSACTIONS.pdf).

### **36. CORPORATE GOVERNANCE:**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements. The Corporate Governance Report, as required under Regulation 34 read with Schedule V of the Listing Regulations, forms part of this Annual Report.

The Practicing Company Secretary's Certificate confirming compliance with Corporate Governance norms is attached to the Corporate Governance Report.

Further, as required under Regulation 17(8) of the Listing Regulations, a certificate from the Managing Director and CFO is also attached to the Corporate Governance Report.

### **37. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT:**

The Business Responsibility & Sustainability Report ("BRSR") of the Company for the Financial year ended March 31, 2023 forms part of this Annual Report as required under Regulation 34(2)(f) of the Listing Regulations.

### **38. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith and forms part of this Report as **Annexure E**.

### **39. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Company has zero tolerance towards sexual harassment at the workplace. Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder.

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the Company has not received any Complaint of sexual harassment.

### **40. LISTING STATUS:**

The Company's equity shares are listed on National Stock Exchange of India Limited ("NSE"). The Company has paid the listing fees to NSE and the Annual Custody Fee to National Securities Depository Limited and Central Depository Services (India) Limited for the financial year ended March 31, 2023.

### **41. PREVENTION OF INSIDER TRADING AND CODE OF FAIR DISCLOSURE:**

The Board has formulated a code of internal procedures and conduct to regulate, monitor and report trading by Insiders. This code lays down guidelines, procedures to be followed and disclosures to be made by the insiders while dealing with shares of the Company and cautioning them on consequences of non-compliance. The copy of the same is available on the website of the Company in the Investor section at [https://balaxipharma.in/assets/images/corporatepolicies/BPL\\_PIT\\_Code\\_of\\_Conduct.pdf](https://balaxipharma.in/assets/images/corporatepolicies/BPL_PIT_Code_of_Conduct.pdf).



Further, the Board has also formulated code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Fair Disclosure Code") for fair disclosure of events and occurrences that could impact price discovery in the market for the Company's securities and to maintain the uniformity, transparency and fairness in dealings with all stakeholders and ensure adherence to applicable laws and regulations. The copy of the same is available on the website of the Company in the Investor section at [https://balaxipharma.in/assets/images/corporatepolicies/Code\\_of\\_Practices\\_And\\_Procedures\\_For\\_Disclosure\\_of\\_UPSI.pdf](https://balaxipharma.in/assets/images/corporatepolicies/Code_of_Practices_And_Procedures_For_Disclosure_of_UPSI.pdf).

#### 42. OTHER DISCLOSURES:

- i. The Company does not have any Employee Stock Option Scheme & Employee Stock Purchase Scheme for its Employees/ Directors.
- ii. The Company has not issued sweat equity shares and shares with differential rights as to dividend, voting or otherwise.
- iii. The Company has complied with Secretarial Standards, i.e. SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings, issued by the Institute of Company Secretaries of India.
- iv. There were no significant or material orders passed by the regulators or courts or tribunals which could impact the going concern status of the Company and its future operations.
- v. The Company is not required to make and maintain such accounts and cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act read with the Companies (Accounts) Rules, 2014.

- vi. Pursuant to Section 197 (14) of the Act, the Managing Director of the Company did not receive any remuneration or commission from its subsidiaries/ holding company.
- vii. There are no applications made or proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.
- viii. The Company has not entered into one time settlement with any Banks or Financial Institutions during the year. Hence, disclosure pertaining to difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan is not applicable.

#### 43. ACKNOWLEDGEMENT:

The Directors wish to place on record their appreciation for the continued co-operation and support extended to the Company by government authorities, customers, vendors, regulators, banks, financial institutions, rating agencies, stock exchanges, depositories, auditors, legal advisors, consultants, business associates, members and other stakeholders during the year. The Directors also convey their appreciation to employees at all levels for their contribution, dedicated services and confidence in the management.

#### For and on behalf of the Board of Directors,

**Mr. Ashish Maheshwari**  
(Managing Director)  
DIN: 01575984

**Mrs. Minoshi Maheshwari**  
(Director)  
DIN: 01575975

Date: May 29, 2023  
Place: Hyderabad

# Annexure - A

## FORM AOC-1

(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 or associate companies or joint ventures

### Part A: Subsidiaries

Amount (INR in Lakhs)

S.No.	Particulars	Details
1	Name of the Subsidiary	Balaxi Global DMCC, Dubai*
2	The date since when subsidiary was acquired	September 04, 2019
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
4	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting Currency: USD Exchange Rate as on last date of the relevant financial year: 82.16
5	Share Capital	2,134.52
6	Reserves & Surplus	10,199.94
7	Total Assets	22,076.99
8	Total Liabilities	9,742.53
9	Investments#	-
10	Turnover	33,643.29
11	Profit/ (Loss) before Taxation	3,954.67
12	Provision for taxation	473.14
13	Profit/ (Loss) after Taxation	3,481.54
14	Proposed Dividend	-
15	Extent of shareholding (in percentage)	100%

# Investments other than in subsidiary companies

\*Represents details as per consolidated financial statements of Balaxi Global DMCC which includes the financial statements of its subsidiaries Balaxi Healthcare Guatemala, S.A, Balaxi Healthcare Dominicana, S.R.L, Balaxi Healthcare Honduras, S. DE R.L. DE C.V, Balaxi Healthcare Centrafrique, SARL, Balaxi Healthcare El Salvador, S.A DE and Balaxi Healthcare Angola.

Note: 1. Names of subsidiaries which are yet to commence operations: Nil

Note: 2. There are no subsidiaries which are liquidated or sold during the year.

### Part B: Associates and Joint Ventures

Part B of AOC-1 is not applicable to the Company as the Company has no Associates/ Joint Ventures and there are no Associates/ Joint Ventures that have been liquidated or sold during the year.

#### For and on behalf of the Board of Directors

**Ashish Maheshwari**  
(Managing Director)  
DIN: 01575984

**Minoshi Maheshwari**  
(Director)  
DIN: 01575975

**Amol Mantri**  
(Chief Financial Officer)

**Udayan Shukla**  
(Company Secretary and Compliance Officer)  
Membership No.: F11744

Place: Hyderabad  
Date: May 29, 2023

# Annexure - B

## FORM NO: MR 3 SECRETARIAL AUDIT REPORT

For the Financial Year ended 31<sup>st</sup> March, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**BALAXI PHARMACEUTICALS LIMITED**

Plot No.409, H. No. 8-2-293, Maps Towers

3<sup>rd</sup> Floor, Phase-III, Road No.81, Jubilee Hills

Hyderabad Telangana - 500096

We, BVR & Associates Company Secretaries LLP have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Balaxi Pharmaceuticals Limited** (CIN: L25191TG1942PLC121598). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We would like to state that we have not physically verified the records of the Company for the purpose of secretarial audit and have instead placed our reliance solely on the contents of electronically signed / scanned copies of the records, documents, papers, information, confirmation, etc.; provided to us over e-mail by the Company, its officers and authorized representatives.

Based on our limited verification of Balaxi Pharmaceuticals Limited 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 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:

We herewith report that maintenance of proper and updated Books, Papers, Minute Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2023, as per the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (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) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and
  - (f) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- v. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the rules made thereunder;
- vi. Employees' State Insurance Act, 1948 and the rules made thereunder; vii. Drugs and Cosmetics Act, 1940 and the Regulations framed thereunder;
- viii. Foreign Trade Policy
- ix. RBI-Master Direction – Export of Goods and Services

We have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange(s).

Based on the aforesaid information provided by the Company, we report that during the financial year under report, the Company has complied with the provisions of the Act/s, Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have not found material observation or instance of non-compliance in respect of the same except that the *Company received a letter from NSE for delayed compliance of Regulation 29(2) of SEBI (LODR) Regulations, 2015.*

We 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. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were duly sent 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.

The Company filed following E-form with MCA for the Financial Year under Review:-

SI No	Date of filing	SRN	Form
1.	18/05/2022	F01495191	FORM MGT-14
2.	18/05/2022	F01496702	FORM MR-1
3.	22/06/2022	F08044372	FORM MGT-14
4.	26/07/2022	AA00042918	FORM CHG-1
5.	03/08/2022	F18524850	FORM MGT-15
6.	04/08/2022	F18654244	FORM MGT-14
7.	09/08/2022	F20209565	FORM AOC-4XBRL
8.	22/08/2022	F22473763	FORM IEPF-7
9.	09/09/2022	F24271983	FORM MGT-7
10.	09/09/2022	F24278889	FORM IEPF-2
11.	21/09/2022	F25658055	FORM MGT-14
12.	30/09/2022	F27070317	FORM MGT-14
13.	14/10/2022	F29611035	FORM PAS-3
14.	14/10/2022	F29604048	FORM DIR-12
15.	14/10/2022	F29606548	FORM MGT-14
16.	09/11/2022	F41534330	FORM IEPF-1
17.	09/11/2022	F41789801	FORM IEPF-2

SI No	Date of filing	SRN	Form
18.	10/11/2022	F42097659	FORM MGT-14
19.	10/11/2022	F42095661	FORM DIR-12
20.	17/11/2022	F44759835	FORM BEN-2
21.	17/11/2022	F44768737	FORM BEN-2
22.	30/11/2022	F50743251	FORM IEPF-4
23.	03/12/2022	F51446748	FORM CSR-2
24.	03/02/2023	AA1299149	FORM PAS-3
25.	20/02/2023	AA1392732	FORM PAS-3
26.	24/02/2023	F59106484	FORM BEN-2
27.	24/02/2023	F59108464	FORM BEN-2
28.	24/02/2023	F59089649	FORM BEN-2
29.	24/02/2023	F59105627	FORM BEN-2
30.	02/03/2023	F59326199	FORM MGT-6
31.	14/03/2023	AA1598975	FORM MGT-14
32.	16/03/2023	AA1605345	FORM PAS-3
33.	29/03/2023	F60041829	FORM BEN-2
34.	29/03/2023	F60042918	FORM BEN-2

We 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.

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

#### CS YOGINDUNATH S

DESIGNATED PARTNER

BVR & ASSOCIATES COMPANY SECRETARIES LLP

Membership Number: F7865

Certificate of Practice No: 9137

UDIN: F007865E000403337

PEER REVIEW NUMBER: P2010KE020500

Place: Cochin

Date: 29-05-2023



## ANNEXURE A

To,

The Members,

**BALAXI PHARMACEUTICALS LIMITED**

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
7. 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.

**CS YOGINDUNATH S**

DESIGNATED PARTNER

BVR & ASSOCIATES COMPANY SECRETARIES LLP

Membership Number: F7865

Certificate of Practice No: 9137

UDIN: F007865E000403337

PEER REVIEW NUMBER: P2010KE020500

Place: Cochin

Date: 29-05-2023

# Annexure - C

Disclosure in Board's Report as per provisions of Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

## I Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Particulars	Name of Director	Designation	Ratio
1	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:	Mr. Ashish Maheshwari	Managing Director	19.77
		Mrs. Minoshi Maheshwari	Director	2.74
		Mr. Kunal Mahendra Bhakta	Independent Director	0.71
		Mr. Gandhi Gamji	Independent Director	0.60
		Mr. Mangina Srinivas Rao	Independent Director	0.71
		Mrs. Purnima Singh Kamble	Independent Director	0.71
	Note: Independent Directors are only paid sitting fees for attending meetings of the Board.			

## 2 The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name and Designation of Director/ KMP	Percentage (%) increase in remuneration in the financial year
Mr. Ashish Maheshwari, Managing Director	166.67
Mrs. Minoshi Maheshwari, Director	Nil
Mr. Kunal Mahendra Bhakta, Independent Director	Nil
Mr. Gandhi Gamji, Independent Director	Nil
Mr. Mangina Srinivas Rao, Independent Director	Nil
Mrs. Purnima Singh Kamble, Independent Director	Nil
Mr. Pranav Maheshwari, Senior Vice President - Business Development	66.67
Mr. Amol Mantri, Chief Financial Officer	Not Applicable^
Mr. Udayan Shukla, Company Secretary and Compliance Officer	Not Applicable*
Note: ^Mr. Amol Mantri, Chief Financial Officer is drawing remuneration from Balaxi Global DMCC, Wholly Owned Subsidiary of the Company.	
*Mr. Udayan Shukla was appointed as Company Secretary and Compliance Officer of the Company with effect from November 05, 2022. Hence, his remuneration is not comparable.	
3 The percentage (%) increase in the median remuneration of employees in the financial year:	18.24
4 The number of permanent employees on the rolls of Company:	51

5	<b>Average percentile increase already made in the salaries of 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 the managerial remuneration:</b>	Average percentile increase in the salaries of employees other than the Managerial Personnel was 27.70% whereas the increase in remuneration of Managerial Personnel was 166.67%. Members of the Company at the 79 <sup>th</sup> AGM held on July 11, 2022, re-appointed Mr. Ashish Maheshwari as Managing Director of the Company for a period of five years from May 03, 2022 at a remuneration of ₹ 80,00,000/- per annum. The remuneration was increased by the Members on the recommendation of the Nomination and Remuneration Committee and the Board of Directors from ₹ 30,00,000/- per annum to ₹ 80,00,000/- per annum.
6	<b>Affirmation that the remuneration is as per the remuneration policy of the Company:</b>	It is affirmed that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors,

**Mr. Ashish Maheshwari**  
(Managing Director)  
DIN: 01575984

Date: May 29, 2023  
Place: Hyderabad

**Mrs. Minoshi Maheshwari**  
(Director)  
DIN: 01575975

# Annexure - D

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

### 1. Brief outline on CSR Policy of the Company:

Balaxi Pharmaceuticals Limited ("Balaxi") always strives for creating a warm space in the society by contributing its profit share towards the social cause of betterment of society. Balaxi discerns that social responsibility allows the Company's business interests to reunite with the admissible interests of the different stakeholders that may be affected, and also assumes the impact of the company's activities on the community in general and the environment.

In accordance with the requirements under the Companies Act, 2013, Balaxi's CSR Activities, amongst others, will focus on:

- HUNGER, POVERTY, MALNUTRITION AND HEALTH: Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation including contribution to Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.
- EDUCATION: Promoting education, including special education and employment-enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects.
- GENDER EQUALITY AND EMPOWERMENT OF WOMEN: Promoting gender equality and empowering women; setting up homes, hostels and day care centres and such other facilities for women and orphans; setting up old age homes and such other facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.
- ENVIRONMENTAL SUSTAINABILITY: Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- NATIONAL HERITAGE, ART AND CULTURE: Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.
- BENEFIT OF ARMED FORCES VETERANS: Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- PROMOTION OF SPORTS: Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
- CONTRIBUTION TO RELIEF FUNDS: Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, the scheduled tribes, other backward classes, minorities and women.
- CONTRIBUTION TO RESEARCH: Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government.
- CONTRIBUTION TO UNIVERSITIES: Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- RURAL DEVELOPMENT PROJECTS: Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.



- **SLUM AREA DEVELOPMENT:** Developing slum areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods.

For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- **DISASTER MANAGEMENT:** Disaster management, including relief, rehabilitation and reconstruction activities.

## 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Minoshi Maheshwari	Director, Chairperson of CSR Committee	2	2
2.	Mr. Ashish Maheshwari	Managing Director, Member of CSR Committee	2	2
3.	Mr. Gandhi Gamji	Independent Director, Member of CSR Committee	2	1

## 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

Particulars	Web-Link
Weblink for Composition of CSR Committee	<a href="https://balaxipharma.in/board-committees">https://balaxipharma.in/board-committees</a>
Weblink for CSR Policy	<a href="https://balaxipharma.in/assets/images/corporatepolicies/CSR_Policy.pdf">https://balaxipharma.in/assets/images/corporatepolicies/CSR_Policy.pdf</a>
Weblink for CSR Projects approved by the Board	<a href="https://balaxipharma.in/corporate-social-responsibility">https://balaxipharma.in/corporate-social-responsibility</a>

## 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not Applicable.

## 5. (Amount in ₹)

(a) Average net profit of the company as per sub-section (5) of section 135.	16,52,02,652/-
(b) Two percent of average net profit of the company as per sub-section (5) of section 135.	33,04,053/-
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	Nil
(d) Amount required to be set-off for the financial year, if any.	Nil
(e) Total CSR obligation for the financial year [(b)+(c)-(d)].	33,04,053/-

## 6. (Amount in ₹)

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	9,54,000/-
(b) Amount spent in Administrative Overheads.	Nil
(c) Amount spent on Impact Assessment, if applicable.	Nil
(d) Total amount spent for the Financial Year [(a)+(b)+(c)].	9,54,000/-

### (e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year (In ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
9,54,000/-	23,50,053/-	April 24, 2023	Not Applicable	Nil	Not Applicable

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (In ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	33,04,053/-
(ii)	Total amount spent for the Financial Year	9,54,000/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (In ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (In ₹)	Amount Spent in the Financial Year (In ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (In ₹)	Deficiency, if any
					Amount (In ₹)	Date of Transfer	
Not Applicable							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

(1)	(2)	(3)	(4)	(5)	(6)		
Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:

The unspent amount of ₹ 23,50,053/- (Rupees Twenty-Three Lakhs Fifty Thousand Fifty-Three only) is allocated towards an ongoing project of construction of Sri Saraswathi Vidya Mandir School at Kandikal Gate, Hyderabad. The unspent amount has been transferred to unspent CSR Account and it will be spent within the time limits specified in the Companies Act, 2013 and the rules made thereunder.

For & on behalf of the Board of Directors

Ashish Maheshwari  
(Managing Director)  
DIN: 01575984

Minoshi Maheshwari  
(Chairperson of CSR Committee)  
DIN: 01575975

Place: Hyderabad  
Date: May 29, 2023

# Annexure - E

## PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### A. Conservation of Energy:

The steps taken or impact on conservation of energy	Being an International Wholesale Distribution Company, we are not involved in any manufacturing activities and therefore, the Company's activities involve very low energy consumption.
The steps taken by the Company for utilizing alternate sources of energy	However, efforts are taken to conserve energy to the best possible extent. The employees are disciplined on saving energy. Lighting at the offices of the Company have been upgraded with LED Lights.
The Capital investment on energy conservation equipment	Nil

### B. Technology Absorption:

The efforts made towards technology absorption	During the year, the Company has successfully implemented an in-house regulatory management software which has enabled digitalization of regulatory operations such as product registrations to ensure end-to-end management of regulatory function and data security. The complete product registration process is monitored at every stage through this software.
The benefits derived like product improvement, cost reduction, product development or import substitution	The in-house regulatory management software has streamlined the process of product registrations and has also helped in achieving operational excellence.
Imported technology	Nil
Expenditure incurred on Research & Development	Nil

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(₹. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Expenditure/ Outflow	398.14	867.55
Earnings/ Inflow	8,023.89	10,001.71

#### For & on behalf of the Board of Directors

**Ashish Maheshwari**  
(Managing Director)  
DIN: 01575984

**Minoshi Maheshwari**  
(Director)  
DIN: 01575975

Place: Hyderabad  
Date: May 29, 2023

# Corporate Governance Report

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time, and the report contains the details of Corporate Governance systems and processes of the Company:

## 1. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:

The Company believes that good corporate governance emerges from the application of the best and sound Management practices and compliance with highest standards of transparency and business ethics. These practices are continuously followed by the Company and the same has immensely contributed to its sustained growth. Efforts are being channelized into reimagining the current practices and processes to inspire dynamic business environment that the Company resides in. The Governance system followed by the Company over the years has enhanced the value of stakeholders.

Our corporate governance is a reflection of our value system, encompassing our culture, policies, and relationships with our stakeholders. We are committed to defining, following and practicing the highest level of corporate governance across all our business functions.

## 2. BOARD OF DIRECTORS:

### a. Composition and Category of Directors:

The present composition of the Board is in conformity with the requirements of Regulation 17 of the Listing Regulations and Section 149 and Section 152 of the Companies Act, 2013 ("the Act"). The Board of Directors (the "Board") of the Company have an optimum combination of Executive and Non-Executive Directors, with more than half of the Board comprising of Independent Directors.

As on March 31, 2023, strength of the Board of the Company consists of six Directors, of which one is an Executive Director, one is a Non-Executive Director and four are Non-Executive Independent Directors. The Company has two Women Directors out of which one is an Independent Director. The Board periodically reviews its composition to ensure compliance with the regulatory requirements and it is closely aligned with the strategic and long-term goals of the Company.

As on March 31, 2023, the Board of Directors of the Company comprises of the following directors:

S. No.	Name of the Director	Designation	Category
1.	Mr. Ashish Maheshwari	Managing Director	Executive and Promoter
2.	Mrs. Minoshi Maheshwari	Director	Non – Executive and Promoter
3.	Mr. Kunal Mahendra Bhakta	Independent Director	Non-Executive and Independent
4.	Mr. Gandhi Gamji	Independent Director	Non-Executive and Independent
5.	Mr. Mangina Srinivas Rao	Independent Director	Non-Executive and Independent
6.	Mrs. Purnima Singh Kamble	Independent Director	Non-Executive and Independent

### b. Attendance of each Director at the meeting of Board of Directors and last Annual General Meeting:

During the year under review, The Board of Directors of the Company met 6 (six) times on April 25, 2022, May 23, 2022, August 02, 2022, September 05, 2022, November 05, 2022 and February 01, 2023. The maximum interval between any two meetings did not exceed 120 days, as prescribed under the Act and Listing Regulations. Last Annual General Meeting of Members of the Company was held on July 11, 2022.

Details of attendance of Directors at the meetings of the Board of Directors held during the year and the last annual general meeting are given below:

S. No.	Name of the Director	Attendance at Board Meetings		Attendance at the last Annual General Meeting held on July 11, 2022
		Number of Board Meetings held/ eligible to attend	Number of Board Meetings attended	
1.	Mr. Ashish Maheshwari	6	6	Yes
2.	Mrs. Minoshi Maheshwari	6	6	No
3.	Mr. Kunal Mahendra Bhakta	6	6	Yes
4.	Mr. Gandhi Gamji	6	5	No
5.	Mr. Mangina Srinivas Rao	6	6	No
6.	Mrs. Purnima Singh Kamble	6	6	No

During the year under review, Meeting of the Independent Directors without the presence of Non- Independent Directors and members of Management was duly held on February 20, 2023, where the Independent Directors inter alia evaluated the performance of Non-Independent Directors and the Board of Directors as a whole, reviewed the performance of Chairperson of the Board and assessed the quality, quantity and timeliness of the flow of information between the Management of the Company and the Board of Directors.

**c. Number of other Boards or Committees in which a director is a member or chairperson and names of listed entities where a person is a Director:**

S. No.	Name of the Director	Number of other Directorships*		Number of other Committee Membership/ Chairmanship**		Names of the listed entities in which Directorship is held (Category of Directorship)
		Public Companies	Private Companies	Membership	Chairmanship	
1.	Mr. Ashish Maheshwari	-	2	-	-	-
2.	Mrs. Minoshi Maheshwari	-	2	-	-	-
3.	Mr. Kunal Mahendra Bhakta	-	1	-	-	-
4.	Mr. Gandhi Gamji	-	1	-	-	-
5.	Mr. Mangina Srinivas Rao	3	-	4	-	a) Droneacharya Aerial Innovations Limited (Non – Executive, Independent) b) Total Transport Systems Limited (Non – Executive, Independent) c) EFC (I) Limited (Non – Executive, Independent)
6.	Mrs. Purnima Singh Kamble	-	1	-	-	-

\*Excludes foreign companies.

\*\*Only Membership/ Chairmanship in Audit Committee(s) and Stakeholders Relationship Committee(s) of listed and unlisted public companies are considered.

The number of Directorship(s) and Committee Membership(s) / Chairmanship(s) of all Directors is / are within the respective limits prescribed under the Act and the Listing Regulations.



**d. Number of meetings of the Board of Directors held and dates on which held:**

During the year under review, The Board of Directors of the Company met 6 (six) times on the following dates:

S. No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	April 25, 2022	6	6
2.	May 23, 2022	6	6
3.	August 02, 2022	6	6
4.	September 05, 2022	6	6
5.	November 05, 2022	6	6
6.	February 01, 2023	6	5

**e. Disclosure of relationship between directors inter-se:**

Mrs. Minoshi Maheshwari, Director, is the spouse of Mr. Ashish Maheshwari, Managing Director of the Company. None of the other Directors are related to each other.

**f. Number of shares and convertible instruments held by non-executive Directors:**

S. No.	Name and Designation of Non - Executive Director	Number of equity shares held in the Company	Number of convertible warrants held in the Company
1.	Mrs. Minoshi Maheshwari, Director	1,05,580	Nil
2.	Mr. Kunal Mahendra Bhakta, Independent Director	5,771	2,00,000
3.	Mr. Gandhi Gamji, Independent Director	Nil	Nil
4.	Mr. Mangina Srinivas Rao, Independent Director	5,000	5,000
5.	Mrs. Purnima Singh Kamble, Independent Director	Nil	Nil

**g. Details of familiarization programmes imparted to Independent Directors:**

All Directors including Independent Directors go through a structured orientation/ familiarization programme to make them familiar with their roles, rights and responsibilities in the Company at the time of appointment and also on a recurrent basis. The details of various programmes undertaken for familiarizing the Independent Directors are available on the website of the Company at [https://balaxipharma.in/assets/images/corporatepolicies/FAMILIARIZATION\\_PROGRAMME\\_TO\\_INDEPENDENT\\_DIRECTORS\\_.pdf](https://balaxipharma.in/assets/images/corporatepolicies/FAMILIARIZATION_PROGRAMME_TO_INDEPENDENT_DIRECTORS_.pdf).

**h. List of skills, expertise and competencies of the Board of Directors:**

The Company is engaged in the business of International Wholesale Distribution of Pharmaceuticals. To manage the operations and to formulate long term strategies for its growth, different skill sets are required.

The Board comprises qualified and experienced members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- International Trade
- Strategy and Transformation
- Sales/ Marketing
- Finance
- Corporate Governance
- Leadership
- Legal/ Regulatory and Risk Management

The table below summarizes the skills, expertise and competencies possessed by the Board of Directors of the Company:

Name of the Director	Skills/ Expertise/ Competencies						
	International Trade	Strategy & Transformation	Sales/ Marketing	Finance	Corporate Governance	Leadership	Legal/ Regulatory and Risk Management
Mr. Ashish Maheshwari	✓	✓	✓	✓	✓	✓	✓
Mrs. Minoshi Maheshwari	✓	✓	✓	-	✓	✓	-
Mr. Kunal Mahendra Bhakta	✓	✓	-	✓	✓	✓	✓
Mr. Gandhi Gamji	✓	✓	✓	-	✓	✓	✓
Mr. Mangina Srinivas Rao	✓	✓	✓	-	✓	✓	-
Mrs. Purnima Singh Kamble	-	✓	-	✓	✓	✓	✓

**i. Confirmation on Independent Directors:**

All Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. Based on the declarations submitted by the Independent Directors, Board is of the opinion that the Independent Directors fulfil the conditions specified in the Act and Listing Regulations and are independent of the Management.

Independent Directors have also confirmed of having complied with Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, by including/ registering their names in the data bank of Independent Directors maintained with Indian Institute of Corporate Affairs.

None of the Independent Directors have resigned during the Financial Year 2022-23.

its financial information to ensure that the financial statements are correct, sufficient and credible;

- ii. Recommending to the Board for appointment (including re-appointment and replacement), remuneration and terms of appointment of the Auditors of the Company;
- iii. Approval of payment to Statutory Auditor for any other services rendered by the Statutory Auditor;
- iv. Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;

**3. AUDIT COMMITTEE:**

Audit Committee acts as a link between Management and external auditors and is responsible for overseeing Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of audits. The composition and terms of reference of the Audit Committee of the Company are in line with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations.

**a. Brief description of terms of reference:**

The terms of reference of the Audit Committee, inter alia, include:

- i. Overseeing the Company's financial reporting process and the disclosure of

- f) Disclosure of any related party transactions;
- g) Modified opinion(s) in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the Company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with Internal Auditor of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the Internal Auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xvi. Discussion with Statutory Auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors, if any;
- xviii. Reviewing the functioning of the Whistle Blower Mechanism;
- xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- xxi. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- xxii. Carrying out any other function as may be delegated by the Board from time to time.

**b. Composition, name of members and Chairperson:**

The Audit Committee of the Board is constituted with 3 (three) directors comprising of 2 (two) Non – Executive Independent Directors and 1 (one) Executive Director. All members of Audit Committee are financially literate and majority of them have expertise in accounting/financial management.

Composition of the Audit Committee is as follows:

S. No.	Name of Committee Members	Designation in the Committee	Category of Directorship
1.	Mr. Kunal Mahendra Bhakta	Chairperson	Non-Executive and Independent
2.	Mr. Gandhi Gamji	Member	Non-Executive and Independent
3.	Mr. Ashish Maheshwari	Member	Executive and Promoter

The Company Secretary acts as the Secretary to the Audit Committee. The Chief Financial Officer along with the Statutory Auditors and Internal Auditors are invitees to the said Committee. The Auditors and Senior Management personnel are invited as and when required.

Mr. Kunal Mahendra Bhakta, Independent Director and Chairperson of the Audit Committee was present at the 79<sup>th</sup> Annual General Meeting of the Company held on July 11, 2022.

During the year, there were no changes to the composition of the Committee.

**c. Meetings and attendance during the year:**

During the year under review, The Audit Committee of the Company met 5 (five) times on April 25, 2022, May 23, 2022, August 02, 2022, November 05, 2022 and January 31, 2023. The maximum time gap between any of the two consecutive meetings was not more than 120 days. The necessary quorum was present in all the meetings.

Details of attendance of the committee members at the meetings of the Audit Committee held during the year are given below:

S. No.	Name and Designation of Committee Members	Audit Committee Meeting Dates					Number of committee meetings held/ eligible to attend	Number of committee meetings attended
		(1)	(2)	(3)	(4)	(5)		
		April 25, 2022	May 23, 2022	August 02, 2022	November 05, 2022	January 31, 2023		
1.	Mr. Kunal Mahendra Bhakta, Chairperson	✓	✓	✓	✓	✓	5	5
2.	Mr. Gandhi Gamji, Member	✓	✓	✓	✓	✓	5	5
3.	Mr. Ashish Maheshwari, Member	✓	✓	✓	✓	✓	5	5
✓	Attended							

**4. NOMINATION AND REMUNERATION COMMITTEE:**

The purpose of the Nomination and Remuneration Committee is to oversee the Company's nomination process including succession planning for the senior management and the Board and specifically to assist the Board in identifying, screening and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and determine the role and capabilities required for Independent Directors consistent with the criteria as stated by the Board in its Policy on Appointment of Directors. The Nomination and Remuneration Committee and the Board periodically reviews the succession planning process of the Company and is satisfied that the Company has adequate process for orderly succession of Board Members and Members of the Senior Management. The composition and terms of reference of the Nomination and Remuneration Committee of the Company are in line with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

**Remuneration Policy:**

The Company has adopted Remuneration Policy for Directors, Key Management Personnel and other employees of the Company and the same is available on Company's website at [https://balaxipharma.in/assets/images/corporatepolicies/Remuneration\\_Policy.pdf](https://balaxipharma.in/assets/images/corporatepolicies/Remuneration_Policy.pdf).

**a. Brief description of terms of reference:**

The terms of reference of the Nomination and Remuneration Committee, inter alia, include:

- Formulation of the criteria for determining qualifications, positive attributes

and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other Employees;

- Evaluation of balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparation of description of role and capabilities required of an Independent Director;
- Formulation of criteria for evaluation of the performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of the Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- considering and recommending to the Board whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- Carrying out any other function as may be delegated by the Board from time to time.

**b. Composition, name of members and Chairperson:**

The Nomination and Remuneration Committee of the Board is constituted with 3 (three) non-executive directors, of whom 2 (two) members including the Chairperson of the Committee are Non – Executive Independent Directors.

Composition of the Nomination and Remuneration Committee is as follows:

S. No.	Name of Committee Members	Designation in the Committee	Category of Directorship
1.	Mr. Kunal Mahendra Bhakta	Chairperson	Non-Executive and Independent
2.	Mr. Gandhi Gamji	Member	Non-Executive and Independent
3.	Mrs. Minoshi Maheshwari	Member	Non-Executive and Promoter

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

Mr. Kunal Mahendra Bhakta, Independent Director and Chairperson of the Nomination and Remuneration Committee was present at the 79<sup>th</sup> Annual General Meeting of the Company held on July 11, 2022.

During the year, there were no changes to the composition of the Committee.

**c. Meetings and attendance during the year:**

During the year under review, The Nomination and Remuneration Committee of the Company met 3 (three) times on April 25, 2022, November 04, 2022 and January 31, 2023. The necessary quorum was present in all the meetings.

Details of attendance of the committee members at the meetings of the Nomination and Remuneration Committee held during the year are given below:

S. No.	Name and Designation of Committee Members	Nomination and Remuneration Committee Meeting Dates			Number of committee meetings held/ eligible to attend	Number of committee meetings attended
		(1)	(2)	(3)		
		April 25, 2022	November 04, 2022	January 31, 2023		
1.	Mr. Kunal Mahendra Bhakta, Chairperson	✓	✓	✓	3	3
2.	Mr. Gandhi Gamji, Member	✓	LOA	✓	3	2
3.	Mrs. Minoshi Maheshwari, Member	✓	✓	✓	3	3
✓	Attended					
	LOA Leave of Absence					

**d. Performance evaluation criteria for Independent Directors:**

Pursuant to the provisions of the Act and the Listing Regulations, Company has put in place a criteria for annual evaluation of performance of Chairperson, Individual Directors (Independent & Non – Independent), Board Level Committees and the Board as a whole.

During the year under review, Board evaluated the effectiveness of its functioning and that of Committees and of Individual Directors (Independent and Non – Independent) by seeking their inputs on various aspects of Board/ Committee Governance. Performance evaluation was made on the basis of structured questionnaire considering the indicative criteria as prescribed by the Evaluation Policy of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the director being evaluated.

The Independent Directors of the Company are evaluated based on various criteria such as Qualifications, Experience, Knowledge and Competency, Fulfilment of functions, Ability to function as a team, Initiative, Availability and attendance, Commitment, Contribution, Integrity, Independence and Independent views and judgement.



## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Stakeholders' Relationship Committee of the Company considers and resolves the grievances of our shareholders and warrant holders, including complaints relating to non-receipt of annual report, transfer and transmission of securities, non-receipt of dividends, issue of new/duplicate certificates, general meetings and such other grievances as may be raised by the security holders from time to time.

The Stakeholders' Relationship Committee also reviews:

- i. Measures taken for effective exercise of voting rights by shareholders;
- ii. Service standards adopted by the Company in respect of services rendered by our Registrar & Transfer Agent;
- iii. Measures rendered and initiatives taken for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend/annual report/notices and other information by shareholders.

The composition and terms of reference of the Stakeholders' Relationship Committee of the Company are in line with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations.

### a. Name of the non-executive director heading the committee:

Stakeholders' Relationship Committee is headed by Mr. Kunal Mahendra Bhakta, Non-Executive and Independent Director of the Company.

The Stakeholders' Relationship Committee of the Board is constituted with 3 (three) non-executive directors, of whom 2 (two) members including the Chairperson of the Committee are Non – Executive Independent Directors.

Composition of the Stakeholders' Relationship Committee is as follows:

S. No.	Name of Committee Members	Designation in the Committee	Category of Directorship
1.	Mr. Kunal Mahendra Bhakta	Chairperson	Non-Executive and Independent
2.	Mr. Gandhi Gamji	Member	Non-Executive and Independent
3.	Mrs. Minoshi Maheshwari	Member	Non-Executive and Promoter

The Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee.

Mr. Kunal Mahendra Bhakta, Independent Director and Chairperson of the Stakeholders' Relationship Committee was present at the 79<sup>th</sup> Annual General Meeting of the Company held on July 11, 2022.

During the year, there were no changes to the composition of the Committee.

During the year under review, The Stakeholders' Relationship Committee of the Company met 1 (one) time on January 31, 2023. All the members of the committee were present in that meeting.

### b. Name and designation of the compliance officer:

#### Mr. Udayan Shukla

Company Secretary and Compliance Officer  
Balaxi Pharmaceuticals Limited  
Plot No. 409, H. No. 8-2-293, Maps Towers  
3rd Floor, Phase III, Road No. 81, Jubilee Hills,  
Hyderabad (T.G.) – 500 096  
Contact Number: +91 40 23555300  
Email ID: secretarial@balaxi.in

### c. Redressal of Investor Grievances:

Company addresses all the complaints, suggestions and grievances expeditiously.

During the financial year 2022-23, the Company did not receive any complaints from its shareholders or warrant holders and hence, no complaint was pending as on March 31, 2023.

## 6. RISK MANAGEMENT COMMITTEE:

The Company has constituted a Risk Management Committee for framing, implementing and monitoring the risk management policy of the Company. The Risk Management Committee assists the Board in fulfilling its oversight responsibility with respect to Enterprise Risk Management. The composition and terms of reference of the Risk Management Committee of the Company are in line with the provisions of Regulation 21 of the Listing Regulations.

### a. Brief description of terms of reference:

The terms of reference of the Risk Management Committee, inter alia, include:

- i. Formulation of a detailed risk management policy which shall include:
  - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b) Measures for risk mitigation including

systems and processes for internal control of identified risks.

- c) Business continuity plan.
- ii. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- iii. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- iv. Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- v. Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- vi. Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- vii. Carrying out any other function as may be delegated by the Board from time to time.

### b. Composition, name of members and Chairperson:

The Risk Management Committee of the Board is constituted with 3 (three) members comprising of 1 (one) Non – Executive Independent Director, 1 (one) Executive Director and 1 (one) member of the senior management personnel of the Company.

Composition of the Risk Management Committee is as follows:

S. No.	Name of Committee Members	Designation in the Committee	Category of Directorship
1.	Mr. Ashish Maheshwari	Chairperson	Executive and Promoter
2.	Mr. Gandhi Gamji	Member	Non-Executive and Independent
3.	Mr. Amol Mantri	Member	-*

\*Mr. Amol Mantri is Chief Financial Officer of the Company.

The Company Secretary acts as the Secretary to the Risk Management Committee.

During the year, there were no changes to the composition of the Committee.

### c. Meetings and attendance during the year:

During the year under review, The Risk Management Committee of the Company met 2 (two) times on August 01, 2022 and January 09, 2023. The necessary quorum was present in both the meetings.

Details of attendance of the committee members at the meetings of the Risk Management Committee held during the year are given below:

S. No.	Name and Designation of Committee Members	Risk Management Committee Meeting Dates		Number of committee meetings held/ eligible to attend	Number of committee meetings attended
		(1)	(2)		
		August 01, 2022	January 09, 2023		
1.	Mr. Ashish Maheshwari, Chairperson	✓	✓	2	2
2.	Mr. Gandhi Gamji, Member	✓	✓	2	2
3.	Mr. Amol Mantri, Member	✓	✓	2	2
✓	Attended				

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The purpose of our Corporate Social Responsibility Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the initiatives to be undertaken by the Company, recommend the amount of expenditure the Company should incur on Corporate Social Responsibility ("CSR") activities and to monitor from time to time the CSR activities and Policy of the Company. The composition and terms of reference of the CSR Committee of the Company are in line with the provisions of Section 135 of the Act.

### a. Brief description of terms of reference:

The terms of reference of the CSR Committee, inter alia, include:

- i. Formulation and recommendation of the CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject specified in Schedule VII of the Act;
- ii. Recommending the amount of expenditure to be incurred on CSR Activities;
- iii. Monitoring the CSR Policy of the Company from time to time;
- iv. Formulation and recommendation of the Annual Action Plan in pursuance of CSR Policy of the Company.
- v. Carrying out any other function as may be delegated by the Board from time to time.

### b. Composition, name of members and Chairperson:

The CSR Committee of the Board is constituted with 3 (three) directors comprising of 1 (one) Non – Executive Director, 1 (one) Executive Director and 1 (one) Non-Executive Independent Director of the Company.

Composition of the CSR Committee is as follows:

S. No.	Name of Committee Members	Designation in the Committee	Category of Directorship
1.	Mrs. Minoshi Maheshwari	Chairperson	Non - Executive and Promoter
2.	Mr. Ashish Maheshwari	Member	Executive and Promoter
3.	Mr. Gandhi Gamji	Member	Non-Executive and Independent

The Company Secretary acts as the Secretary to the CSR Committee.

During the year, there were no changes to the composition of the Committee.

### c. Meetings and attendance during the year:

During the year under review, The CSR Committee of the Company met 2 (two) times on August 01, 2022 and November 04 2022. The necessary quorum was present in both the meetings.

Details of attendance of the committee members at the meetings of the CSR Committee held during the year are given below:

S. No.	Name and Designation of Committee Members	CSR Committee Meeting Dates		Number of committee meetings held/ eligible to attend	Number of committee meetings attended
		(1)	(2)		
		August 01, 2022	November 04, 2022		
1.	Mrs. Minoshi Maheshwari, Chairperson	✓	✓	2	2
2.	Mr. Ashish Maheshwari, Member	✓	✓	2	2
3.	Mr. Gandhi Gamji, Member	✓	LOA	2	1
✓	Attended				
	LOA Leave of Absence				

## 8. REMUNERATION OF DIRECTORS:

### a. All pecuniary relationship or transactions of the non – executive directors vis-à-vis the Company:

There were no pecuniary transactions with any of the Non - Executive Directors except for Remuneration/ Sitting Fees/ reimbursement of expenses, if any, paid to them as Directors of the Company.

### b. Criteria of making payments to Non-Executive Directors

The Board has adopted Remuneration Policy for Directors, Key Managerial Personnel and Other Employees, which describes the criteria of making payments to Non-Executive Directors. The Policy is available on the website of the Company at [https://balaxipharma.in/assets/images/corporatepolicies/Remuneration\\_Policy.pdf](https://balaxipharma.in/assets/images/corporatepolicies/Remuneration_Policy.pdf).

In line with the Company's remuneration policy, Non-Executive Directors are entitled to receive remuneration by way of sitting fees as approved by the Board of Directors and reimbursement of expenses for participation in the Board and committee meetings and commission, if any, as may be determined by the Board of Directors and shareholders on the recommendation of the Nomination and Remuneration Committee within the overall limits specified under the Act/ Listing Regulations.

### c. Disclosures with respect to remuneration:

The following are the details of remuneration and sitting fee paid to the Directors of the Company during the Financial Year under review:

(Amount in ₹)

S. No.	Name of the Director	Designation	Salary	Sitting Fee	Benefits, Bonuses, Stock Options, Pensions, etc.
1.	Mr. Ashish Maheshwari	Managing Director	80,00,000/-	3,00,000/-	(a) House Rent Allowance or provision of furnished accommodation. (b) Contribution to provident fund, superannuation fund or annuity fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. (c) Entitled to reimbursement of all actual expenses or charges including travel, entertainment or other out of pocket expenses incurred by him for an on behalf of the Company, in furtherance of its business.
2.	Mrs. Minoshi Maheshwari	Director	9,00,000/-	2,50,000/-	Nil
3.	Mr. Kunal Mahendra Bhakta	Independent Director	-	3,00,000/-	Nil
4.	Mr. Gandhi Gamji	Independent Director	-	2,50,000/-	Nil
5.	Mr. Mangina Srinivas Rao	Independent Director	-	3,00,000/-	Nil
6.	Mrs. Purnima Singh Kamble	Independent Director	-	3,00,000/-	Nil
<b>Total</b>			<b>89,00,000/-</b>	<b>17,00,000/-</b>	

Note:

- Company does not have performance linked incentive plan for directors.
- No severance fee is paid/payable to any of the directors.
- All the directors are entitled to reimbursement of reasonable expenses incurred during the performance of their duty as a director.

### Service Contract and Notice Period:

Mr. Ashish Maheshwari was appointed as a Managing Director of the Company for a period of five years from May 04, 2017 to May 03, 2022 and re-appointed from May 03, 2022 to May 02, 2027. Notice Period as per Company's Policy is three months.

## 9. GENERAL BODY MEETINGS:

### a. Location and time, where last three annual general meetings held:

The details of location and time, where the last three annual general meetings were held are as follows:

Financial Year	Day, Date and Time of Annual General Meeting ("AGM")	Venue/ Location
2021-22	79 <sup>th</sup> AGM: Monday, July 11, 2022 at 09:00 a.m. (IST)	Plot No. 409, MAPS Towers, 2 <sup>nd</sup> Floor, Phase – III, Road No. 81, Jubilee Hills, Hyderabad, Telangana – 500096.
2020-21	78 <sup>th</sup> AGM: Wednesday, August 25, 2021 at 11:00 a.m. (IST)	Meeting held through Video Conferencing/ Other Audio Visual Means.
2019-20	77 <sup>th</sup> AGM: Friday, September 11, 2020 at 09:00 a.m. (IST)	Meeting held through Video Conferencing/ Other Audio Visual Means.

### b. Special resolutions passed in the previous three annual general meetings:

The details of the special resolutions passed in the previous three annual general meetings are as follows:

Financial Year	Day, Date and Time of Annual General Meeting ("AGM")	Details of Special Resolutions Passed
2021-22	79 <sup>th</sup> AGM: Monday, July 11, 2022 at 09:00 a.m. (IST)	1) Re-appointment of Mr. Ashish Maheshwari (DIN: 01575984) as the Managing Director of the Company.
2020-21	78 <sup>th</sup> AGM: Wednesday, August 25, 2021 at 11:00 a.m. (IST)	1) Re-appointment of Mr. Gandhi Gamji (DIN: 01944694) as an Independent Director for a second term of five consecutive years. 2) Re-appointment of Mr. Kunal Mahendra Bhakta (DIN: 01710557) as an Independent Director for a second term of five consecutive years.
2019-20	77 <sup>th</sup> AGM: Friday, September 11, 2020 at 09:00 a.m. (IST)	1) Change the name of the Company from Balaxi Ventures Limited to Balaxi Pharmaceuticals Limited.

### c. Special resolutions passed last year through postal ballot – details of voting pattern:

During the financial year 2022-23, one special resolution was passed by the members through postal ballot, details of which are as follows:

S. No.	Description of special resolution passed
1.	Re-appointment of Mrs. Purnima Singh Kamble (DIN: 00241708) as an Independent Director of the Company.

The remote e-voting for the above-mentioned resolution commenced on Wednesday, February 08, 2023 at 09:00 a.m. (IST) and ended on Thursday, March 09, 2023 at 05:00 p.m. (IST). The shareholders approved the resolution with requisite majority on March 09, 2023.

Details of voting pattern for the above-mentioned resolution is as follows:

Voted in favour of resolution			Voted against the resolution			Invalid votes	
Number of Members voted	Number of valid votes cast	% of total number of valid votes	Number of Members voted	Number of valid votes cast	% of total number of valid votes	Total number of members whose votes were declared invalid	Total number of invalid votes cast
33	93,60,811	100.00	13	34	0.00	-	-

### d. Person who conducted the postal ballot exercise:

The Board of Directors of the Company appointed Mr. Yogindunath S, Designated Partner of BVR & Associates Company Secretaries LLP as the Scrutinizer to scrutinize the postal ballot by way of remote e-voting in a fair and transparent manner.

### e. Whether any special resolution is proposed to be conducted through postal ballot:

No special resolution is currently proposed to be conducted through postal ballot.



**f. Procedure for postal ballot:**

The Postal Ballot was carried out as per the provisions of Section 110 read with Section 108 and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations, Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, each as amended, and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs for holding general meetings/ conducting postal ballot process through e-voting vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022 and 11/2022 dated December 28, 2022 (collectively the "MCA Circulars").

The Company had engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing remote e-voting facility to its members, enabling them to cast their vote electronically and in a secure manner.

In line with the MCA Circulars, the Company sent the Postal Ballot Notice only in electronic form to those Members whose names appeared in the Register of Members/List of Beneficial Owners as received from the Depositories/ Registrar and Transfer Agents ("RTA") as on Friday, February 03, 2023 ("Cut-Off Date") and whose email addresses were registered with the Company/ RTA/Depositories or who registered their email addresses in accordance with the process outlined in the Postal Ballot Notice.

The Scrutinizer, after the completion of scrutiny, submitted his report to Mr. Ashish Maheshwari, Chairman. The results of the remote e-voting were then announced on March 10, 2023 and were also made available on the Company's website at [www.balaxipharma.in](http://www.balaxipharma.in) besides being communicated to National Stock Exchange of India Limited and CDSL.

**10. MEANS OF COMMUNICATION:**

**a. Quarterly Results:**

The quarterly, half-yearly and annual financial results of the Company were timely submitted to the stock exchange where the shares of the Company are listed i.e., National Stock Exchange of India Limited and are also placed on the website of the Company at [www.balaxipharma.in](http://www.balaxipharma.in).

**b. Newspapers wherein results normally published:**

Financial Results are published in Business Standard (English Daily) – All Editions and Nava Telangana (Telugu Daily) – Hyderabad Edition in compliance with Regulation 47 of the Listing Regulations.

**c. Details of website and display of official news releases and presentations made to institutional investors or to analysts on the website:**

The Company's website [www.balaxipharma.in](http://www.balaxipharma.in) contains a separate section for investors. The shareholders can access the profile of Board of Directors, Board Committees composition, policies adopted by the Board, Annual Reports, Financial Results, Investor Presentations, Corporate Announcements, Shareholding Pattern, details of unclaimed dividends, Corporate Governance Reports, contact details for investor grievance, etc. on the Company's website.

Press releases/ official news releases and presentations made to institutional investors or analysts, if any, are also regularly updated on the Company's website.

**11. GENERAL SHAREHOLDER INFORMATION:**

**a. Annual General Meeting – date, time and venue:**

The 80<sup>th</sup> Annual General Meeting of the Members of the Company is scheduled to be held on Friday, August 25, 2023 at 11:30 a.m. (IST). The Annual General Meeting will be held through Video Conferencing/ Other Audio-Visual Means.

**b. Financial Year:**

April 1 to March 31

**c. Dividend Payment Date:**

Board of Directors have not recommended any dividend for the financial year ended March 31, 2023.

**d. The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s):**

Equity Shares of the Company are listed on the following stock exchange:

**National Stock Exchange of India Limited**

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400 051, India

The Company has paid the requisite annual listing fee to National Stock Exchange of India Limited.

**e. Stock code:**

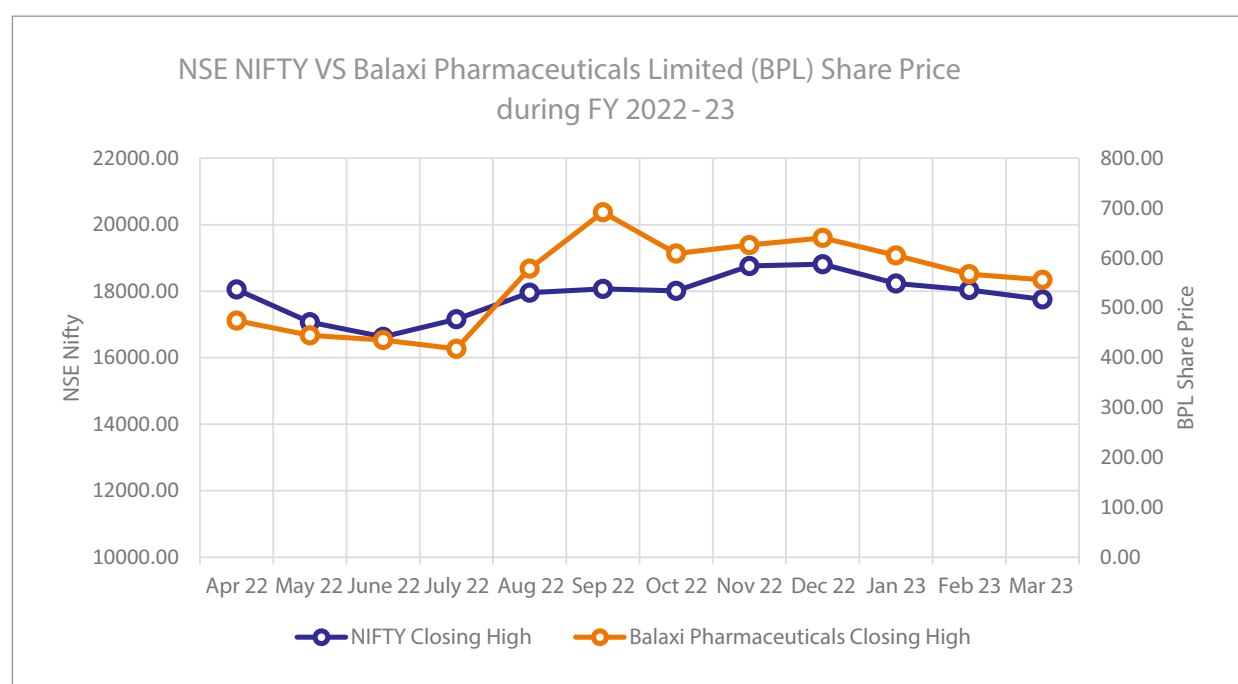
The Equity Shares of the Company are traded at National Stock Exchange of India Limited under the stock code/ symbol BALAXI.

- f. Market price data – high, low during each month in last financial year:

Name of the Stock Exchange where equity shares of the Company are listed: National Stock Exchange of India Limited		
Month	High (₹)	Low (₹)
April 2022	498.10	354.30
May 2022	527.50	354.95
June 2022	455.00	303.55
July 2022	432.00	350.20
August 2022	616.60	390.00
September 2022	706.00	542.00
October 2022	630.00	574.95
November 2022	655.00	548.15
December 2022	670.00	546.60
January 2023	625.00	504.55
February 2023	575.50	490.05
March 2023	559.90	510.10

- g. Performance of share price of the Company in comparison to Nifty 50:

Month	Closing Price of Equity Shares at NSE (₹)	NIFTY 50
April 2022	474.50	18053.40
May 2022	444.80	17069.10
June 2022	435.55	16628.00
July 2022	417.90	17158.25
August 2022	578.65	17956.50
September 2022	691.75	18070.05
October 2022	608.90	18012.20
November 2022	625.90	18758.35
December 2022	640.35	18812.50
January 2023	605.10	18232.55
February 2023	567.60	18035.85
March 2023	556.25	17754.40



- h. Confirmation on no suspension:

The Equity Shares of the Company were not suspended from trading at any time during the financial year ended March 31, 2023.

- i. Registrar and Share Transfer Agent:

Aarthi Consultants Private Limited  
Address: 1-2-285, Domalguda,  
Hyderabad – 500 029.  
Phone: 040 27638111  
Email: [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com)  
Website: [www.aarthiconsultants.com](http://www.aarthiconsultants.com)

- j. Share Transfer System:

Members may please note that SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and

Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the weblink at <https://balaxipharma.in/investor-contacts> and on the website of the Company's RTA at <https://www.aarthiconsultants.com/>. It may be noted that any service request can be processed only after the folio is KYC compliant. In terms of amended Regulation 40 of Listing Regulations, SEBI has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to

eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

Aarthi Consultants Private Limited, the Registrar and Share Transfer Agents looks after the share transfer system in the Company. Further, the Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Stakeholders' Relationship Committee of the Board.

#### k. Distribution of shareholding:

Distribution of Shareholding of the Company as on March 31, 2023, is as follows:

Category (Shares)	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
1 - 5,000	4,682	96.36	1,96,033	1.92
5,001 - 10,000	63	1.30	47,758	0.47
10,001 - 20,000	39	0.80	61,689	0.61
20,001 - 30,000	30	0.62	78,807	0.77
30,001 - 40,000	9	0.18	31,677	0.31
40,001 - 50,000	5	0.10	25,000	0.25
50,001 - 1,00,000	16	0.33	1,11,952	1.10
1,00,001 and above	15	0.31	96,28,334	94.57
<b>Total</b>	<b>4,859</b>	<b>100.00</b>	<b>1,01,81,250</b>	<b>100.00</b>

#### Shareholding Pattern as on March 31, 2023:

Particulars	No. of Shares	%
Promoters (including Promoter Group)	72,86,354	71.57
Foreign Portfolio Investors - Category I	9,50,000	9.33
Foreign Portfolio Investors - Category II	9,50,000	9.33
Resident Individuals holding nominal share capital up to ₹ 2 Lakhs	5,14,627	5.05
Key Managerial Personnel	1,73,465	1.70
Resident Individuals holding nominal share capital in excess of ₹ 2 Lakhs	92,043	0.90
Investor Education and Protection Fund	77,716	0.76
Bodies Corporate	63,235	0.62
Non-Resident Indians	40,183	0.39
Hindu Undivided Family	20,177	0.20
Directors or Director's Relative	10,771	0.11
Banks	2,632	0.03
Clearing Members	47	0.00
<b>Total</b>	<b>1,01,81,250</b>	<b>100.00</b>

#### l. Dematerialisation of shares and liquidity:

The equity shares of the Company are liquid and traded in dematerialised form on National Stock Exchange of India Limited. Equity Shares of the Company are available for trading through both the Depositories in India viz. National Securities Depositories Limited and Central Depository Services (India) Limited. The ISIN allotted to equity shares of the Company is INE618N01014.

The details of number of equity shares of the Company which are in dematerialised and physical form as on March 31, 2023, are given below:

Particulars	Number of equity shares	% of total shares
Shares held in dematerialised form	1,01,16,140	99.36
Shares held in physical form	65,110	00.64
<b>Total</b>	<b>1,01,81,250</b>	<b>100.00</b>

**m. Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity:**

During the year under review, pursuant to the approval accorded by the members, at their Extraordinary General Meeting held on September 27, 2022 and the In Principle approval received from National Stock Exchange of India Limited, the Board of Directors of the Company, on October 11, 2022, allotted 10,70,000 (Ten Lakhs Seventy Thousand) Convertible Warrants at an issue price of ₹ 451/- (Rupees Four Hundred and Fifty-One only) each per Warrant aggregating up to ₹ 48,25,70,000/- (Rupees

Forty-Eight Crores Twenty-Five Lakhs Seventy Thousand only) to certain persons belonging to public category with a right to Warrant Holder to apply for and get allotted one equity share of face value of ₹ 10/- (Rupees Ten only) each per Warrant. The warrants allotted can be converted into equity shares on or before April 11, 2024 (within a period of eighteen months from the date of allotment of warrants).

Further, several warrant holders to whom the warrants were allotted by the Company had applied for conversion of warrants into equity shares. Consequently, the Board of Directors vide circular resolutions passed on January 27, 2023, February 15, 2023 and March 14, 2023 have allotted 1,16,500, 16,500 and 23,750 Equity Shares respectively at an issue price of ₹ 451/- each i.e., of the face value of ₹ 10/- each and at a premium of ₹ 441/- each per equity share to the warrant holders who had applied for conversion of their warrants.

As on March 31, 2023, 9,13,250 (Nine Lakhs Thirteen Thousand Two Hundred and Fifty) convertible warrants were outstanding for conversion into equity shares.

The Shareholding Pattern assuming full conversion of the outstanding convertible warrants is given below:

S. No.	Category of Shareholder	Shareholding as on March 31, 2023		Shareholding assuming full conversion of outstanding warrants	
		Shares held	% of total shares	Shares held	% of total shares
1.	Promoters (including Promoter Group)	72,86,354	71.57	72,86,354	65.68
2.	Public	28,94,896	28.43	38,08,146	34.32
	<b>Total</b>	<b>1,01,81,250</b>	<b>100.00</b>	<b>1,10,94,500</b>	<b>100.00</b>

There are no outstanding Global Depository Receipts/ American Depository Receipts/ Any other convertible instrument (except warrants) as on March 31, 2023.

**n. Commodity price risk or foreign exchange risk and hedging activities:**

During the Year ended March 31, 2023, the Company has managed its foreign exchange risk by making necessary arrangements in the working capital cycle and by making suitable agreements with the customers of the Company. Details are provided in the financial statements of the Company.

**o. Plant locations:**

As on March 31, 2023, the Company does not have any manufacturing plant and hence, this clause is not applicable to the Company.

**p. Address for correspondence:**

Company Secretary and Compliance Officer  
Balaxi Pharmaceuticals Limited  
Plot No. 409, H. No. 8-2-293, Maps Towers,  
3rd Floor, Phase III, Road No. 81, Jubilee Hills,  
Hyderabad (T.G.) – 500 096.  
Website: [www.balaxipharma.in](http://www.balaxipharma.in)  
Email: [secretarial@balaxi.in](mailto:secretarial@balaxi.in)  
Contact Number: 040 23555300

**q. List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year:**

During the financial year ended March 31, 2023, the Company obtained credit ratings from CRISIL Ratings Limited for its bank loan facilities, details of which are given below:

(₹ in Crores)

Bank Facility	Amount	Rating
Working Capital Facility	30.00	CRISIL BBB+/Stable
Proposed Long Term Bank Loan Facility*	20.00	CRISIL BBB+/Stable

\*No long-term bank loan facility was availed by the Company during the year.

Further, there were no revisions in the credit ratings obtained by the Company during the year.

**12. OTHER DISCLOSURES:**

**a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

During the year under review, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. All related party transactions entered into by the Company are approved by the Audit Committee and prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen and are repetitive in nature.

As required under the Indian Accounting Standards, related party transactions are disclosed in Notes to the Company's financial statements for the financial year ended March 31, 2023.

**b. Details of non-compliance by the listed entity, penalties, strictures imposed on the Company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**

There were no instances of non-compliances, penalties, strictures imposed on the Company by the Stock Exchanges, SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

**c. Details of establishment of vigil mechanism/ whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:**

The Company has adopted a Whistle Blower Policy for Vigil Mechanism for Directors and

Employees to report to the Management instances of unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee. During the year, no person has been denied access to the Audit Committee.

During the year under review, the Company has not received any instances of genuine concerns from Directors or employees under this mechanism. The Company has also hosted the Whistle Blower Policy on the website of the Company and can be accessed at the weblink [https://balaxipharma.in/assets/images/corporatepolicies/BPL\\_WHISTLE\\_BLOWER\\_POLICY.pdf](https://balaxipharma.in/assets/images/corporatepolicies/BPL_WHISTLE_BLOWER_POLICY.pdf).

**d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

As on March 31, 2023, all mandatory requirements of the Listing Regulations have been complied with by the Company. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the SEBI Listing Regulations are as under:

**Modified Opinion(s) in Audit Report:** The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.

**Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee.

**e. Web link where policy for determining 'material' subsidiaries is disclosed:**

The Board of Directors of the Company has, in accordance with the Listing Regulations, approved and adopted a Policy for determining material subsidiaries and the said policy as uploaded on the website of the Company can be accessed at the weblink [https://balaxipharma.in/assets/images/corporatepolicies/03-POLICY\\_ON\\_MATERIAL\\_SUBSIDIARY.pdf](https://balaxipharma.in/assets/images/corporatepolicies/03-POLICY_ON_MATERIAL_SUBSIDIARY.pdf).

**f. Web link where policy for dealing in related party transactions is disclosed:**

In accordance with the requirements of the Listing Regulations, the Company has adopted a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions. The same has been placed on the website of the Company at [https://balaxipharma.in/assets/images/corporatepolicies/02-POLICY\\_ON\\_RELATED\\_PARTY\\_TRANSACTIONS.pdf](https://balaxipharma.in/assets/images/corporatepolicies/02-POLICY_ON_RELATED_PARTY_TRANSACTIONS.pdf).



**g. Disclosure of commodity price risks and commodity hedging activities:**

The Company does not involve in hedging activities in commodity markets.

Further, as the Company is into the business of International Wholesale Distribution of Pharmaceuticals, the disclosure of commodity price risks is not applicable to the Company.

**h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations:**

During the year under review, pursuant to the approval accorded by the members, at their Extraordinary General Meeting held on September 27, 2022 and the In Principle approval received from National Stock Exchange of India Limited, the Company has issued the following securities on preferential basis:

- i. 24,500 (Twenty-Four Thousand Five Hundred) Equity Shares at an issue price of ₹ 451/- (Rupees Four Hundred and Fifty-One only) each i.e., of the face value of ₹ 10/- each and at a premium of ₹ 441/- each per Equity Share aggregating to ₹ 1,10,49,500/- (Rupees One Crore Ten Lakhs Forty-Nine Thousand Five Hundred only) to certain persons belonging to public category.
- ii. 10,70,000 (Ten Lakhs Seventy Thousand) Convertible Warrants at an issue price of ₹ 451/- (Rupees Four Hundred and Fifty-One only) each per Warrant aggregating up to ₹ 48,25,70,000/- (Rupees Forty-Eight Crores Twenty-Five Lakhs Seventy Thousand only) to certain persons belonging to public category with a right

to Warrant Holder to apply for and get allotted one equity share of face value of ₹ 10/- (Rupees Ten only) each per Warrant.

The upfront money of 25% of issue price i.e., ₹ 112.75/- per warrant aggregating to ₹ 12,06,42,500/- (Rupees Twelve Crore Six Lakhs Forty-Two Thousand Five Hundred only) was received by the Company on allotment of warrants. The balance money of 75% of the issue price i.e., ₹ 338.25/- per warrant will be paid by the warrant holders on conversion of the warrants.

Further, several warrant holders to whom the warrants were allotted by the Company had applied for conversion of warrants into equity shares. Consequently, the Board of Directors vide circular resolutions passed on January 27, 2023, February 15, 2023 and March 14, 2023 have allotted 1,16,500, 16,500 and 23,750 Equity Shares respectively at an issue price of ₹ 451/- each i.e., of the face value of ₹ 10/- each and at a premium of ₹ 441/- each per equity share to the warrant holders who had applied for conversion of their warrants.

The amount raised by preferential issue will be used by the Company to meet the capital expenditure requirements to support the construction of the Company's first pharmaceutical formulation plant, being set up at Jadcherla, Hyderabad. Further, it may be utilized to meet working capital requirements and general corporate purposes and may also be utilized to undertake any additional business activities under the main objects clause of the Memorandum of Association of the Company.

As on March 31, 2023, the details of utilization of funds raised through preferential issue is as follows:

(Amount in ₹)

Amount Raised during the year	Funds Utilized during the year	Amount of Deviation or variation	Remarks, if any
18,47,12,687.50/-	2,15,03,844/-	Nil	-

During the year under review, there has been no deviation or variation in the utilization of the proceeds of the preferential issue.

**i. a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority:**

A certificate from a Company Secretary in practice confirming that none of the directors are disqualified or debarred from being appointed

or continuing as directors of the Company by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other authority is provided in **Annexure I** which forms part of this Corporate Governance Report.

**j. Acceptance of recommendations of committees:**

During the financial year 2022-23, the Board of Directors has accepted all the recommendations of the committees of the Board.

**k. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

During the financial year 2022-23, the details of total fees for all services paid by the Company to M/s P. Murali & Co., Chartered Accountants, Statutory Auditors of the Company is given below:

S. No.	Particulars	Amount in ₹
1.	Fee for Statutory Audit	5,00,000/-
2.	Fee for Certifications and other services	7,500/-
3.	Out of Pocket Expenses	-
	<b>Total</b>	<b>5,07,500/-</b>

Note: The above fees is exclusive of applicable taxes.

Further, None of the Subsidiary Companies have availed any services from the statutory auditors of the Company or any of its network firm/network entity.

**l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Name of the Material Subsidiaries	Date of Incorporation	Place of Incorporation	Name of the Statutory Auditors	Date of Appointment/ Re-appointment
Balaxi Global DMCC	September 04, 2019	Dubai, United Arab Emirates	Al Rammahi Auditing of Accounts, Chartered Accountants, Dubai	January 10, 2023
Balaxi Healthcare Angola (SU), LDA	September 22, 2017	Republic of Angola	Al Rammahi Auditing of Accounts, Chartered Accountants, Dubai	January 10, 2023
Balaxi Healthcare Dominicana, S.R.L, Dominican Republic	January 08, 2009	Dominican Republic	Al Rammahi Auditing of Accounts, Chartered Accountants, Dubai	January 10, 2023
Balaxi Healthcare Guatemala, S.A.	September 30, 2017	Guatemala	Al Rammahi Auditing of Accounts, Chartered Accountants, Dubai	January 10, 2023

**o. Web link where Dividend Distribution Policy is disclosed:**

The Company has formulated a Dividend Distribution Policy in accordance with the Listing Regulations. The Dividend Distribution Policy can be accessed from the Investor section of the website of the Company at [https://balaxipharma.in/assets/images/corporatepolicies/Dividend\\_Distribution\\_Policy.pdf](https://balaxipharma.in/assets/images/corporatepolicies/Dividend_Distribution_Policy.pdf).

Number of complaints filed during the financial year: Nil

Number of complaints disposed of during the financial year: Nil

Number of complaints pending as on end of the financial year: Nil

**m. Disclosure by Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:**

There are no loans and advances given by the Company and its subsidiaries to firms/companies in which directors are interested during the financial year 2022-23.

**n. Details of material subsidiaries of the Company; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:**

Wholly Owned Subsidiary of the Company i.e., Balaxi Global DMCC is a material subsidiary of the Company. Further, Balaxi Global DMCC has six subsidiaries, out of which, Balaxi Healthcare Angola (SU), LDA, Angola, Balaxi Healthcare Dominicana, S.R.L, Dominican Republic and Balaxi Healthcare Guatemala, S.A., are material subsidiaries of the Company.

**13. COMPLIANCE TO REQUIREMENTS OF CORPORATE GOVERNANCE REPORT:**

The company has duly complied with the requirements of the Corporate Governance Report of Sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.

**14. ADOPTION OF DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF THE LISTING REGULATIONS:**

The following discretionary requirements have been adopted by the Company pursuant to Part E of Schedule II of the Listing Regulations:

**Modified Opinion(s) in Audit Report:** The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.

**Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee.

**15. DISCLOSURE OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS:**

The Company is in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

**16. DECLARATION REGARDING COMPLIANCE BY BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT:**

Board of Directors and Senior Management Personnel have affirmed their compliance with the Code of Conduct for FY 2022-23. A declaration to this effect signed by Mr. Ashish Maheshwari, Managing Director of the Company, is attached as **Annexure II** to this report.

**17. COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:**

The Company has obtained compliance certificate from the Practising Company Secretaries regarding compliance of conditions of corporate governance. The same forms part of this report as **Annexure III**.

**18. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:**

There are no shares lying in the the demat suspense account or unclaimed suspense account with the Company and hence, the disclosure of reporting in terms of Regulation 34(3) read with Part F of Schedule V of the Listing Regulations is not applicable.

**19. CEO & CFO CERTIFICATION:**

In terms of Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board. The same forms part of this report as **Annexure IV**.

**For & on behalf of the Board of Directors**

**Ashish Maheshwari**  
(Managing Director)  
DIN: 01575984

**Minoshi Maheshwari**  
(Director)  
DIN: 01575975

Place: Hyderabad  
Date: May 29, 2023

# Annexure I

## to the Corporate Governance Report

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members

**Balaxi Pharmaceuticals Limited**

Plot No. 409, H. No. 8-2-293, Maps Towers,  
3rd Floor, Phase – III, Road No. 81, Jubilee Hills,  
Hyderabad (T.G.) – 500096

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Balaxi Pharmaceuticals Limited having Corporate Identification Number: L25191TG1942PLC121598 and having registered office at Plot No. 409, H. No. 8-2-293, Maps Towers, 3rd Floor, Phase-III, Road No. 81, Jubilee Hills, Hyderabad, 500096. (hereinafter referred to as '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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ending 31<sup>st</sup> March, 2023, have been debarred or disqualified from being appointed or continuing as Director(s) of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our test check basis 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.

Date: 29/05/2023  
Place: Cochin

**CS Yogindunath S**  
**BVR & Associates Company Secretaries LLP**  
Designated Partner  
M NO: 7865  
CP: 9137  
UDIN: F007865E000403535  
PEER REVIEW NUMBER: P2010KE020500

# Annexure II

## to the Corporate Governance Report

### DECLARATION REGARDING COMPLIANCE BY THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Board has laid down a code of conduct for all the members of the Board and senior management personnel of the Company. The Code of Conduct has also been uploaded on the website of the Company at <https://balaxipharma.in/corporate-policies>. It is further confirmed that all the members of the Board and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2023.

**For Balaxi Pharmaceuticals Limited**

**Ashish Maheshwari**  
(Managing Director)  
DIN: 01575984

Place: Hyderabad  
Date: May 29, 2023



# Annexure III

## to the Corporate Governance Report

### CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

**Balaxi Pharmaceuticals Limited**

Plot No. 409, H. No. 8-2-293, Maps Towers,  
3rd Floor, Phase – III, Road No. 81, Jubilee Hills,  
Hyderabad (T.G.) – 500096

We have examined the compliance of conditions of Corporate Governance by Balaxi Pharmaceuticals Limited ("the Company") for the year ended on March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the management, we certify that the Company to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

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

We further state that such compliance 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.

Date: 29/05/2023

Place: Cochin

**CS Yogindunath S**

**BVR & Associates Company Secretaries LLP**

Designated Partner

M NO: 7865

CP: 9137

UDIN: F007865E000403491

PEER REVIEW NUMBER: P2010KE020500

# Annexure IV

## to the Corporate Governance Report

May 29, 2023

To  
The Board of Directors  
**Balaxi Pharmaceuticals Limited**  
Hyderabad

### MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATE

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Balaxi Pharmaceuticals Limited ("the Company"), certify that:

- a) We have reviewed the Standalone and Consolidated Financial Statements and Cash Flow Statement of the Company for the year ended March 31, 2023 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company'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 period under review which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there are no deficiencies in the design or operation of such internal controls.
- d) We have indicated the auditors and the Audit committee that there are no:
  - (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year;
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

**For Balaxi Pharmaceuticals Limited**

**Ashish Maheshwari**  
(Managing Director)  
DIN: 01575984

**Amol Mantri**  
(Chief Financial Officer)

# Business Responsibility & Sustainability Report

## Section A) General Disclosures

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L25191TG1942PLC121598
2.	Name of the Listed Entity	Balaxi Pharmaceuticals Limited
3.	Year of incorporation	1942
4.	Registered office address	Plot No. 409, H. No. 8-2-293, Maps Towers, 3 <sup>rd</sup> Floor, Phase – III, Road No. 81, Jubilee Hills, Hyderabad (T.G.) – 500096.
5.	Corporate address	Plot No. 409, H. No. 8-2-293, Maps Towers, 3 <sup>rd</sup> Floor, Phase – III, Road No. 81, Jubilee Hills, Hyderabad (T.G.) – 500096.
6.	E-mail	<a href="mailto:secretarial@balaxi.in">secretarial@balaxi.in</a>
7.	Telephone	+91 40 23555300
8.	Website	<a href="http://www.balaxipharma.in">www.balaxipharma.in</a>
9.	Financial year for which reporting is being done	April 2022 – March 2023
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 10,18,12,500/- (Rupees Ten Crore Eighteen Lakhs Twelve Thousand Five Hundred only)
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Udayan Shukla, Company Secretary and Compliance Officer Telephone: +91 40 23555300 Email: <a href="mailto:secretarial@balaxi.in">secretarial@balaxi.in</a>
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures under this report are made on a Standalone basis.

### II. Product & Services

14. Details of business activities (accounting for 90% of the turnover):

S No	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1.	Trading	International Wholesale Trading/ Distribution	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover)

S No	Product /Service	NIC Code	% of the total turnover contributed
1	Pharmaceutical Products	464	75.00
2	Branded Consumer Products	463	22.00

### III. Operations

16. Number of locations where plants an/or operations/offices of the entity are situated

Location	Number of Plants	Number of Offices	Total
National	-	1	1
International	-	-	-

## 17. Markets served by the entity:

## a. Number of Locations

Locations	Number
National (No of States)	0
International (No of Countries)	8

## b. What is the contribution of exports as a percentage of the total turnover of the entity ?

100%

## c. A brief on types of customers

Distributors, Wholesalers and Retailers

## IV. EMPLOYEES

## 18. Details as at the end of Financial Year:

## a. Employees and Workers (including differently abled):

SL No.	Particulars	Total (A)	Male		Female	
			No. ( B)	% ( B/A)	No. (C)	% ( C/A)
Employees						
1	Permanent (D)	51	42	82.35	09	17.65
2	Other than Permanent (E)	-	-	-	-	-
3	Total Employees (D+E)	51	42	82.35	09	17.65
Workers						
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	Total (F+G)	-	-	-	-	-

## b. Differently Abled Employees &amp; Workers

SL No.	Particulars	Total (A)	Male		Female	
			No. ( B)	% ( B/A)	No. (C)	% ( C/A)
Differently Abled Employees						
1	Permanent (D)	-	-	-	-	-
2	Other than Permanent (E)	-	-	-	-	-
3	Total Employees (D+E)	-	-	-	-	-
Differently Abled Workers						
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	Total (F+G)	-	-	-	-	-

## 19. Participation/Inclusion/Representation of Women

Particulars	Total (A)	No. and percentage of Females	
		No.(B)	% ( B/A)
Board of Directors	6	2	33.33
Key Management Personnel	4	0	-

20. Turnover rate for permanent employees and workers.

	Turnover Rate - FY2023			Turnover Rate - FY2022			Turnover Rate - FY2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	17.5%	30.00%	20%	14.71%	Nil	11.36%	19.35%	11.11%	17.5%
<b>Permanent Workers</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA

## V. Holding, Subsidiary and Associate Companies ( Including joint ventures )

21. (a) Names of holding/subsidiary/associate companies/joint ventures

S No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Balaxi Overseas Private Limited	Holding Company	Not Applicable	No
2.	Balaxi Global DMCC, Dubai	Wholly Owned Subsidiary	100%	No
3.	Balaxi Healthcare Guatemala, S.A, Republic of Guatemala	Wholly Owned Step-Down Subsidiary	100%	No
4.	Balaxi Healthcare Dominicana, S.R.L, Dominican Republic	Wholly Owned Step-Down Subsidiary	100%	No
5.	Balaxi Healthcare Honduras, S. DE R.L. DE C.V, Honduras	Wholly Owned Step-Down Subsidiary	100%	No
6.	Balaxi Healthcare Centrafrique, SARL, Centrafrique	Wholly Owned Step-Down Subsidiary	100%	No
7.	Balaxi Healthcare El Salvador S.A DE., El Salvador	Wholly Owned Step-Down Subsidiary	100%	No
8.	Balaxi Healthcare Angola, Republic of Angola	Wholly Owned Step-Down Subsidiary	100%	No

*Note: Balaxi Global DMCC, Dubai, Wholly Owned Subsidiary of the Company holds 100% of shares in the step-down subsidiaries. Balaxi Overseas Private Limited is Holding Company of the Company and it holds 68.75% of the total equity shares in the Company.*

## VI. CSR Details

22 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover (In ₹ Lakhs): 10813.76

(iii) Net worth (in ₹ Lakhs): 9210.65



## VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place. Yes/No If Yes, then provide web-link for grievance redress policy	FY2023			FY2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes <a href="https://balaxipharma.in/corporate-policies">https://balaxipharma.in/corporate-policies</a>	Nil	Nil		Nil	Nil	
Investors (Other than Shareholders)	Yes <a href="https://balaxipharma.in/corporate-policies">https://balaxipharma.in/corporate-policies</a>	Nil	Nil		Nil	Nil	
Shareholders	Yes <a href="https://balaxipharma.in/corporate-policies">https://balaxipharma.in/corporate-policies</a>	Nil	Nil		Nil	Nil	
Employees	Yes <a href="https://balaxipharma.in/corporate-policies">https://balaxipharma.in/corporate-policies</a>	Nil	Nil		Nil	Nil	
Customers	Yes <a href="https://balaxipharma.in/corporate-policies">https://balaxipharma.in/corporate-policies</a>	Nil	Nil		Nil	Nil	
Value Chain Partners	Yes <a href="https://balaxipharma.in/corporate-policies">https://balaxipharma.in/corporate-policies</a>	Nil	Nil		Nil	Nil	

24. Overview of the entity's material responsible business conduct issues

Indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, the rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

SL No	Material Issue Identified	Indicate whether Risk or Opportunity	Rationale for identifying risk or opportunity	In case of risk approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Carbon Footprint in Global Supply Chain	Risk	Climate change will result in stricter environmental regulations across sectors, this will increase transportation cost for the Company.	Ensuring Vendors/ CDMOs are in compliance with the applicable environmental standards.	Negative : Increased operating costs in meeting the environmental standards.
2.	Diversity and Inclusion	Opportunity	Foster a diverse and inclusive workplace that promotes equality, non-discrimination, and equal opportunities for all employees. This will lead to a good talent pool for the Company.	-	Positive Implication: The productivity will increase due to healthy work environment.
3.	Corporate Governance	Opportunity	Ensuring good governance and transparent practices can help securing stakeholder interest, a higher reputation, reduced risks and improved financial performance.	-	Positive Implication: Reduced Risk due to transparent practices.

## SECTION B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="https://balaxipharma.in/corporate-policies">https://balaxipharma.in/corporate-policies</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	None								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is determined to follow the path envisioned under the 9 principles laid down in the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business issued by the Ministry of Corporate Affairs.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company shall continue to monitor its performance against the said principle(s) and take necessary action as and when the need arises.								

### Governance, leadership and oversight

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):	
	The purpose of our business is to dedicatedly serve to ensure stakeholder delight and influence the environment and society at large with our good work, as we abide by our values that form the cornerstone of our business strategies, decisions, and activities. We are committed to this roadmap as we seek to grow sustainably and deliver Pharmaceutical Products to frontier markers with excellence, again and again, with a lot more rigor and enthusiasm as the days pass.	
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Ashish Maheshwari (DIN: 01575984), Managing Director Telephone: +91 40 23555300 Email: <a href="mailto:secretarial@balaxi.in">secretarial@balaxi.in</a>
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No).	Yes, Committee consists of Managing Director as Chairman along with other functional heads.
	If yes, provide details.	

## 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action																		Half Yearly
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		Quarterly
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, Name of the agency.										P1 N	P2 N	P3 N	P4 N	P5 N	P6 N	P7 N	P8 N	P9 N

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)						NA			
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)						NA			

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## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**Principle 1. Businesses should Conduct and Govern themselves with integrity and in a manner that is ethical, transparent and accountable.**

**Essential Indicators:**

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	1	Anti Bribery and Anti Corruption Policy	100%
Key Managerial Personnel	1	Anti Bribery and Anti Corruption Policy	100%
Employees other than BoD and KMPs	4	Anti Bribery and Anti Corruption Policy POSH Act Grievance Redressal Mechanism Importance of Stakeholders	100%
Workers	Not Applicable		

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

## A. Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Penalty/Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding Fee	Nil	Nil	Nil	Nil	Nil

## B. Non Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred ? Yes/No
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory /enforcement agencies/judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, details in brief and if available, a web-link to the policy.

Yes, Company have an anti – corruption and anti-bribery policy, Company recognises and follows all applicable laws and regulations and respects lawful customs of the regions where we operate and transact. We are committed to acting and building relationships based on integrity and fairness in all our dealings. Hence, Balaxi has adopted a “Zero Tolerance” approach to bribery and corruption. The policy is available on the website of the company at <https://balaxipharma.in/corporate-policies>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY2023	FY2022
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

6. Details of complaints with regard to conflict of interest

Particulars	FY2023		FY2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.:

Not Applicable

## Principle 2. Businesses should provide goods and services in a manner that is sustainable and safe.

### Essential Indicators:

- Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	FY2023	FY2022	Details of improvements in environmental and social impacts
R&D	Nil*	Nil*	-
Capex	Nil*	Nil*	-

\* As on March 31, 2023, the Company is operating on an asset-light model and hence, no capex has been incurred by the Company.

- Sustainable Sourcing

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)  
Yes, We source from GMP Certified Contract Development Manufacturing Organisations ("CDMOs").
- If yes, what percentage of inputs were sourced sustainably?  
100% of our products are sourced from GMP Certified CDMOs.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

- Plastics (Including Packaging): Yes
- E- Waste: Yes
- Hazardous Waste: Yes
- Other Waste: Yes

We ensure the products are disposed off/ reused/ recycled, as per the nature of the product at the end of the life cycle in respective markets.

- Extended Producer Responsibility (EPR)

Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, steps taken to address the same.

Not Applicable, Company is not involved in any manufacturing activity. The Company is engaged in the business of International Wholesale Distribution in various international markets.

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## Principle 3. Businesses should respect and promote the well-being of all employees, including those in their value chains.

### 1. Essential Indicators:

- Details of measures for the well-being of employees

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	42	42	100	42	100	-	-	42	100	0	0
Female	09	09	100	09	100	09	100	-	-	0	0
Total	51	51	100	51	100	09	17.65	42	82.35	0	0
Other than permanent employees											
Male	0	0	0	0	0	-	-	0	0	0	0
Female	0	0	0	0	0	0	0	-	-	0	0
Total	0	0	0	0	0	0	0	0	0	0	0



b. Details of measures for the well-being of Workers

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	0	0	0	0	0	-	-	0	0	0	0
Female	0	0	0	0	0	0	0	-	-	0	0
Total	0	0	0	0	0	0	0	0	0	0	0
Other than permanent workers											
Male	0	0	0	0	0	-	-	0	0	0	0
Female	0	0	0	0	0	0	0	-	-	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

2. Details of retirement benefits, for current FY and previous financial year

Benefits	FY 2023			FY 2022		
	Number of employees covered as % of total employees	Number of Workers covered as % of total workers	Deducted and deposited with the authority (Y/N/N.A)	Number of employees covered as % of total employees	Number of Workers covered as % of total workers	Deducted and deposited with the authority (Y/N/N.A)
PF	100%	NA	Yes	100%	NA	Yes
Gratuity	100%	NA	Yes	100%	NA	Yes
ESI	17.65%	NA	Yes	26.53%	NA	Yes
Others – specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

Yes, the office of the Company is accessible to differently abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, a web-link to the policy.

Yes, the policy is available on the website of the company at <https://balaxipharma.in/corporate-policies>.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate	Retention Rate	Return to work Rate	Retention rate
Male	100%	100%	NA	NA
Female	-	-	NA	NA
Total	100%	100%	NA	NA

Note: Only 1 Male Employee availed parental leave during the year.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No ( if yes then give details of the mechanism in brief) :
Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes, The Company has a Grievance Redressal policy, which address all kinds of issues an employee may face while at work. The grievance may include: <ul style="list-style-type: none"> <li>Any kind of discrimination on account of disability, gender, race, sexual orientation, religion, marital status and social class</li> <li>Violation of human rights</li> <li>Bullying / workplace harassment</li> <li>Denial of applicable benefits</li> <li>Working conditions</li> </ul>
Other than permanent Employees	Not Applicable

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2023			FY2022		
	Total employees /workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (s) (B)	% (B/A)	Total employees /workers in respective category (C)	Total employees/ workers in respective category, who are part of association (s) or Union (s) (D)	% (D/C)
<b>Total Permanent Employees</b>						
Male	42	0	0	38	0	0
Female	9	0	0	11	0	0
<b>Total Permanent Workers</b>						
Male	NA	NA	-	NA	NA	-
Female	NA	NA	-	NA	NA	-

8. Details of training given to employees and workers

Category	FY2023					FY2022				
	Total (A)	On health and safety Measures		On skill upgradation		Total (D)	On health and safety Measures		On skill upgradation	
		NO. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No.(F)	%(F/D)
Employees										
Male	42	42	100	42	100	38	38	100	38	100
Female	9	9	100	9	100	11	11	100	11	100
Total	51	51	100	51	100	49	49	100	49	100
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

9. Details of performance and career development reviews of employees and workers:

Category	FY2023			FY2022		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
<b>Employees</b>						
Male	42	42	100	38	38	100
Female	09	09	100	11	11	100
Total	51	51	100	49	49	100
<b>Workers</b>						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. Health and safety management system

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?  
Yes, Company has implemented the Health and Safety Policy which covers all the employees of the Company.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?  
Appropriate policies / guidelines have been formulated to address various types of hazards and related risk assessment & mitigation.
  - All work-related hazards are identified basis the recommended guidelines.
  - Their associated risk assessment procedures are part of the Safety manual.
- Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)  
Yes
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)  
Yes

11. Details of safety related incidents, in the following format:

Safety Incident / Number	Category	FY2023	FY2022
Lost Time Injury Frequency Rate (LTIFR) Per One million -person hours worked	Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries	Employees	0	0
	Workers	NA	NA
No of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

12. Measures taken by the entity to ensure a safe and healthy work place.

Employee well-being programs/initiatives are conducted for all the employees and during FY 2022-23 the following well-being initiatives were undertaken:

- Women safety programs
- Posh & gender sensitization meetings
- Road safety programs
- Women self-defense program
- Fire emergency training exit
- General health check up

13. Number of Complaints on the following made by employees and workers:

	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	NIL	NIL		NIL	NIL	
Health & Safety	NIL	NIL		NIL	NIL	

14. Assessments for the year:

Particulars	% of plants and offices that were assessed (By entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company has implemented Hygiene Policy which ensures workplace cleanliness and basic amenities like availability of clean drinking water, proper sanitation facilities, etc. The HR team conducts review on a quarterly basis to ensure all the points under the hygiene policy are taken care of.

Further, Training of all employees regarding protocol to be followed in case of any safety incident has been conducted.

#### Principle 4. Businesses should respect the interests of and be responsive to all its stakeholders.

##### Essential Indicators:

1. Process for identification of key stakeholders

Balaxi, a pharmaceutical distribution company, effectively identifies its stakeholders through meticulous research and analysis. Senior management and HODs of the respective departments interact with the respective stakeholders before forming an association. Primary stakeholders such as customers, suppliers, employees, and investors are recognized, understanding their needs and expectations accordingly. The WHO GMP certified units from which Balaxi procures products are also considered stakeholders, ensuring high-quality standards.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers (Distributors, Wholesalers and Retailers)	No	<ul style="list-style-type: none"> <li>- satisfaction surveys</li> <li>- Marketing and advertising</li> <li>- Complaint handling and feedback</li> <li>- Electronic communication – social media, Calls</li> </ul>	It is a continuous process	Addressing requirements for products and grievances, if any
Suppliers/ CDMOs	No	<ul style="list-style-type: none"> <li>- Regular interaction through online and offline meetings, phone calls, e-mails</li> <li>- Conferences and workshops</li> <li>- In Person Meetings/ Visits.</li> </ul>	Daily	To share the specific requirements, Status update on product deliveries and other terms of trade.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> <li>- Trainings and development programmes</li> <li>- Performance management system</li> <li>- Emails. Written communication</li> <li>- circulars and internal publications</li> <li>- Employee engagement initiatives</li> </ul>	Daily/ Weekly	For smooth functioning of business operations.
Investors	No	<ul style="list-style-type: none"> <li>- Annual General meeting</li> <li>- Investor presentations and conference calls</li> <li>- Investor conferences and meets</li> <li>- Press releases, Quarterly Results and newsletters</li> </ul>	Quarterly/ Annually/ Need basis	To provide updates on company's operations and Financial Performance
Government/ Regulators	No	<ul style="list-style-type: none"> <li>- Meetings and formal dialogue</li> <li>- Filings with the regulators</li> </ul>	Others – Need basis	Business and Compliance related
Community	Yes	<ul style="list-style-type: none"> <li>- CSR partnerships - Contribution towards various causes</li> </ul>	Others – Need basis	CSR Initiatives of the Company

#### Principle 5. Businesses should respect and promote human rights

##### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY2023			FY2022		
	Total (A)	Number of employees and workers covered (B)	% (B/A)	Total (C)	Number of employees and workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	51	51	100	49	49	100
Other than Permanent	0	0	-	0	0	-
<b>Total Employees</b>	<b>51</b>	<b>51</b>	<b>100</b>	<b>49</b>	<b>49</b>	<b>100</b>
<b>Workers</b>						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
<b>Total Workers</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

## 2. Details of minimum wages paid to employees and workers, in the following format

Category	FY2023					FY2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than minimum wage	
		No.(B)	% (B/A)	No.(C)	% (C/A)		No. (E)	% (E/D)	No.(F)	% (F/D)
Employees										
Permanent										
Male	42	0	0	42	100	38	0	0	38	100
Female	9	0	0	9	100	11	0	0	11	100
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

## 3. Details of remuneration/salary/wages, in the following format:

Category	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (Amt. in ₹ Lakhs)	Number	Median remuneration/ salary/wages of respective category (Amt. in ₹ Lakhs)
<b>Board of Directors</b>	4	3.00	2	7.25
Key Managerial Personal	4	30.25	-	-
Employees other than BoD and KMP	39	4.20	9	2.04
Workers	NA	NA	NA	NA

\*Note: Remuneration includes sitting fee paid to directors.

## 4. Focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

## 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Company is committed to providing a safe and positive work environment. In keeping with this philosophy, the organization has an open-door policy. Employees also have access to Human Resource Department where they can highlight matters or concerns faced at the workplace. This is achieved through a well-established and robust grievance resolution mechanism comprising of Internal Resolution Committee. Internal Resolution Committee adhere to the principles of natural justice, confidentiality, sensitivity, non-retaliation and fairness while addressing concerns. The concerns are handled with sensitivity, while delivering timely action and closure.



6. Number of Complaints on the following made by employees and workers:

Category	FY2023			FY2022		
	Filed during the year	Pending Resolution at the end of the year	Remarks	Filed During the Year	Pending Resolution at the end of the year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human right related issues	0	0		0	0	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Yes, Company has mechanisms in place to prevent adverse consequences to the complainant in discrimination and harassment cases. The details of the complainant are kept confidential, and the authenticity of the complainant's report is investigated by the assigned committee. The details regarding the investigation are also limited to the internal resolution committee and kept confidential. The complainant is protected from any discrimination and harassment till the issue is resolved. This is done in order to safeguard the complainant's interest and confidence.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments of the year

Category	% of plants and offices that were assessed by the entity or by the statutory authorities or third parties
Child Labour	100%
Forced/Involuntary Labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	NA

10. Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No significant risks reported in the assessment.

#### Principle 6. Businesses should respect and make efforts to protect and restore the environment.

##### Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY23 (In Giga Joules)	FY22 (In Giga Joules)
Total electricity consumption (A)	133.76	127.74
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
<b>Total energy consumption (A+B+C)</b>	<b>133.76</b>	<b>127.74</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.012 GJ/ Rs. Lakhs	0.013 GJ/Rs. Lakhs
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

No

3. Provide details of the following disclosures related to water, in the following format

Parameter	FY23	FY22
Water Withdrawal by Source ( In Kiloliters )		
(i) Surface water	NA	NA
(ii) Groundwater	-	-
(iii) Third party water	567	838
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	567	838
<b>Total volume of water consumption (in kilolitres)</b>	567	838
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	0.05 KI/Rs. Lakhs	0.08 KI/ Rs. Lakhs
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Zero Liquid Discharge is not applicable to the Company as it is an International Wholesale Distribution Company and does not own any manufacturing plants.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format

Parameter	Please specify unit	FY23	FY22
NOx		Nil	Nil
Sox		Nil	Nil
Particulate Mater		Nil	Nil
Persistent organic pollutants (POP)		Nil	Nil
Volatile organic compounds (VOC)		Nil	Nil
Hazardous air pollutants (HAP)		Nil	Nil
Others – please specify		Nil	Nil

The Company is not into manufacturing and therefore the possibility of releasing emissions into the atmosphere is negligible/ not applicable.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

No

6. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity

Parameter	Unit	FY23	FY22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
Total Scope 1 and Scope 2 emissions per rupee of turnover		-	-
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity		-	-

The Company is not into manufacturing and therefore the possibility of releasing greenhouse gas emissions into the atmosphere is negligible/not applicable.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

No

7. Project related to reducing Green House Gas emission? If yes, details.

No, the Company does not have any project related to reducing greenhouse gas emissions.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY23	FY22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste ( A)	Nil	Nil
E-waste ( B)	Nil	Nil
Bio-medical waste ( C)	Nil	Nil
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	Nil	Nil
Radioactive waste (F)	Nil	Nil
<b>Other Hazardous waste (G)</b>	Nil	Nil
Other Non-hazardous waste generated (H)	Nil	Nil
(Break-up by composition i.e by materials relevant to the sector		
<b>Total ( A+B+C+D+E+F+G+H)</b>	Nil	Nil
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
i. Re-cycled	Nil	Nil
ii. Re-used	Nil	Nil
iii. Other recovery operations	Nil	Nil
<b>Total</b>	Nil	Nil
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of Waste</b>		
i. Incineration	Nil	Nil
ii. Landfilling	Nil	Nil
iii. Other disposal operations	Nil	Nil
<b>Total</b>	Nil	Nil

The nature of business of the Company is International Wholesale Distribution where Company does not have any manufacturing facility or produce anything inhouse and hence, this clause is not applicable to us.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As an International Wholesale Distribution Company, we do not manufacture any products and thus does not use any hazardous or toxic chemicals.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable	Not Applicable	Not Applicable

11. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

During the reporting period, Company has not conducted any environment impact assessment. Company ensures compliance to local and national applicable laws wherever required.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
Not Applicable					

12. Compliance with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes, Company ensures compliance to applicable laws.

If not, details of all such non-compliances, in the following format

SL No	Law / regulation / guidelines which was not complied with	Details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

**Principle 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

#### Essential Indicators

- 1 a. Number of affiliations with trade and industry chambers/associations: 5
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of /affiliated to

SL No	Name of the trade industry chambers/associations	The reach of trade and industry chambers/associations (State/National)
1	Two Star Export House Certificate by Directorate General of Foreign trade	National
2	Pharmexil Registration from Pharmaceuticals Export Promotion Council of India	National
3	FSSAI Certification from Food Safety and Standards Authority of India (FSSAI)	National
4	Certification from Agricultural and Processed Food Products Export Development Authority (APEDA)	National
5	Member of Federation of Indian Export Organisation (FIEO)	National

- Details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regular authorities.

Name of authority	Brief of the case	Corrective actions taken
Nil		

## Principle 8. Businesses should promote inclusive growth and equitable development

### Essential Indicators

- Details of social impact assessments ( SIA ) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of the project	SIA notification No.	Date of notification	Whether conducted by an Independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant weblink
Not Applicable					

- Information on project (s) for which ongoing rehabilitation and resettlement ( R&R) is being undertaken by the entity

SL No	Name of project for which R&R is ongoing	State	District	No. of project-affected families	% of PAFs covered by R&R	Amount paid to PAFs in FY23
Not Applicable						

- Mechanisms to receive and redress grievances of the community:

We have a grievance redressal mechanism which covers all our stakeholders. Active engagement with the community and stakeholders requires an effective grievance redressal system that includes feedback loops and conflict resolution mechanisms. Stakeholders can share their feedback/ concern on [info@balaxipharma.in](mailto:info@balaxipharma.in)

- Percentage of input material (inputs to total inputs by value) sourced from suppliers

Particulars	FY23	FY22
Directly sourced from MSMEs/small producers	80.28%	72.20%
Sourced directly from within the district and neighbouring districts	-	-

## Principle 9. Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

- Describe the mechanism in place to receive and respond to consumer complaints and feedback:  
Consumers can directly contact the Company through email or phone and further our representative visits all the clients regularly for their feedback and issues, if any.
- Turnover of products and /services as a percentage of turnover from all products/service that carry information about

Particulars	As a % of total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

## 3. Number of consumer complaints in respect of the following

Particulars	FY2023		Remarks	FY2022		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	0	0		0	0	

## 4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	0	N.A
Forced recalls	0	N.A

5. Framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, web-link of the policy.:

Yes, the policy is available at <https://balaxipharma.in/corporate-policies>.

## 6. Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.:

None



# Independent Auditor's Report

To the members of

**M/s. Balaxi Pharmaceuticals Limited**

## Report on the Audit of the Standalone IND AS Financial Statements

### Opinion

We have audited the accompanying Ind AS Standalone financial statements of Balaxi Pharmaceuticals Limited, which comprise the balance sheet as at 31<sup>st</sup> March 2023, 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, 2023, and Profit 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 standalone 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 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Depending on the facts and circumstances of the entity and the Audit, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
The Company has obtained leasehold land by entering into lease agreement with Telangana State Industrial Infrastructure Corporation Limited attracting the adoption of Ind AS 116 "Leases".	Our audit procedures included the following: <ul style="list-style-type: none"><li>• Obtained an understanding of the Company's adoption of Ind AS 116 and identified the internal controls including entity level control adopted by the Company for accounting, processes and systems under the accounting standard;</li><li>• Assessed the discount rates applied in determining lease liabilities;</li><li>• We assessed and evaluated the reasonableness of lease terms used for computation lease liabilities and right-of-use assets;</li><li>• We obtained the company's quantification of ROU assets and lease liabilities. We agreed the inputs used in the quantification to the lease agreements and performed re-computation of lease liabilities and ROU asset in accordance with the lease registration documents;</li><li>• We assessed whether the related presentations and disclosures within the financial statements are appropriate in compliance with the requirements of Ind AS 116 "Leases".</li></ul>
Significant judgement is required in the assumptions and estimates used in order to apply the definition of lease, application of discount rate, and lease term for computation of ROU asset and lease liability.	
We considered this a key audit matter due to the inherently judgmental nature to determine the lease liabilities.	

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS standalone financial statements that give a true and fair view of the financial position, financial performance (including the other comprehensive income), cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Relevant Rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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, management 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.

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

## Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the standalone financial 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 financial controls relevant to the audit in order to design audit procedures that is appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 Standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- 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 auditor's 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

1. 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 Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, Statement of Profit and Loss(including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity 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 specified under Section 133 of the Act, read with Relevant Rules issued there under.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of Act.

- (h) 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - 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 which were required to be transferred to the Investor Education and Protection Fund by the company during the year.
  - iv. 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - v. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

- vii. The final dividend paid by the company during the year in respect of the same declared for the previous year is in accordance with the section 123 of the Act to the extent it applies to the payment of dividend.

**For P Murali & Co.,**

Chartered Accountants  
Firm Regn No. 007257S

**A Krishna Rao**

Partner  
Membership No. 020085  
UDIN: 23020085BGQXIO8903

Place: Hyderabad  
Date: 29-05-2023

# Annexure A

## to the Auditor's Report

**Annexure referred to in paragraph 1 of Our Report of even date to the members of M/s. Balaxi Pharmaceuticals Limited on the accounts of the company for the year ended 31st March, 2023 Under "Report on other Legal & Regulatory Requirements"**

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment.
- (B) The company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, PPE have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the company doesn't possess any immovable property. In respect of immovable properties taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are duly executed in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of records, the company has not revalued the Property Plant and Equipment or intangible assets during the period under review.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.
- ii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company inventories have been physically verified at reasonable intervals of time and no material discrepancies have been found.
- (b) During the year, the company was sanctioned funded working capital limits to the extent of ₹ 30 crores in the nature of cash credit on the basis of entire current assets. The quarterly statement filed by the Company with the bank is in agreement with the books of account of the Company.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees and securities as referred to in section 185 and 186 of the Act. The investments made are in compliance with section 186 of the Act
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty and other material statutory dues, as applicable.
- (b) There are no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance and Income-tax and other material statutory dues in arrears as at 31<sup>st</sup> March 2023 for a period of more than 6 months from the date they became payable.
- (c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company does not have any transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act.

- |   |  |
|---|--|
| <p>ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year . The company has not issued any debentures.</p> <p>x. According to the information and explanations given to us,</p> <p>(A) The Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans.</p> <p>(B) The Company has made preferential allotment of shares and share warrants during the year under review.</p> <p>In respect of the above issue, we further report that:</p> <p>a. the requirement of Section 42 of the Companies Act, 2013 as applicable, have been complied with; and</p> <p>b. the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.</p> <p>xi. During the course of examination of books of account and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have been informed of such cases by the management.</p> <p>xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it.</p> <p>xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting standard (Ind AS) 24, related party disclosures specified under section 133 of the Act, read with relevant rules issued there under.</p> <p>xiv.(a) In our opinion the company has an adequate internal audit system which commensurate with the size and nature of its business.</p> <p>(b) The reports of the Internal Auditors for the period under audit were duly considered by us in determining the nature, timing and extent of our audit procedures.</p> | <p>xv. The Company has not entered into non-cash transactions with its directors or persons connected with him.</p> <p>xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934.</p> <p>xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.</p> <p>xviii. There has been no resignation of the statutory auditors during the year.</p> <p>xix. 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, based on 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 and company is capable of meeting its liabilities existing at the date of balance sheet.</p> <p>xx. a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. The same has been disclosed in Note 33 to the Standalone Financial Statements.</p> <p>b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to an ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. The same has been disclosed in Note 33 to the Standalone Financial Statements.</p> |
|---|--|

**For P Murali & Co.,**

Chartered Accountants

Firm Regn No. 007257S

**A Krishna Rao**

Partner

Membership No. 020085

UDIN: 23020085BGQXIO8903

Place: Hyderabad

Date: 29-05-2023



# Annexure B

## to the Auditor's Report

**"Annexure B" referred to in paragraph 2(e) under "Report on other legal and Regulatory Requirements" section of report on Standalone Ind AS financial statements of even date to the members of M/s. Balaxi Pharmaceuticals Limited on the Standalone Ind AS financial statement for the year ended 31st march 2023.**

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Balaxi Pharmaceuticals Limited ('the Company') as of 31<sup>st</sup> March 2023 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles including Indian Accounting Standards. 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 the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### For P Murali& Co.,

Chartered Accountants  
Firm Regn No. 007257S

### A Krishna Rao

Partner  
Membership No. 020085  
UDIN: 23020085BGQXIO8903

Place: Hyderabad  
Date: 29-05-2023

# Standalone Balance Sheet

as at 31<sup>st</sup> March 2023

Amount In ₹ Lakhs (except for number of shares and EPS)

Particulars	Note No	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
<b>ASSETS:</b>			
<b>1 Non-Current Assets:</b>			
(a) Property, Plant and Equipment	3	789.44	220.18
(b) Capital Work-in-progress		283.16	57.20
(c) Goodwill		-	-
<b>(d) Financial Assets:</b>			
(i) Investments	4	1,953.50	1,960.91
(ii) Other Financial Assets			446.99
(e) Other Non Current Assets	5	44.33	98.88
<b>2 Current Assets:</b>			
<b>(a) Inventories</b>	6	149.49	-
<b>(b) Financial Assets:</b>			
(i) Trade Receivables	7	7,828.69	5,211.35
(ii) Cash and Cash Equivalents	8	1,787.69	84.43
(iii) Loans and Advances	9	21.80	5.19
(c) Other Current Assets	10	114.34	106.56
<b>Total Assets</b>		<b>12,972.44</b>	<b>8,191.69</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>1 Shareholder Funds</b>			
(a) Equity Share Capital	11	1,018.13	1,000.00
(b) Other Equity	12	7,162.83	4,791.31
(c) Money received against Share Warrants	13	1,029.69	-
<b>2 Share application money pending allotment</b>		-	-
<b>LIABILITIES</b>			
<b>1 Non-Current Liabilities</b>			
<b>(a) Financial Liabilities:</b>			
(i) Borrowings		-	-
(ia) Lease Liabilities		168.57	-
(ii) Trade Payables			
(A) Dues to MSME			
(B) Dues to Other than MSME			
(b) Provisions		-	-
(c) Deferred Tax Liabilities (Net)	14	110.05	3.88
<b>2 Current Liabilities</b>			
<b>(a) Financial Liabilities:</b>			
(i) Trade Payables	15		
(A) Dues to MSME		1,225.93	
(B) Dues to Other than MSME		500.14	1,574.58
(ii) Borrowings	16	1,075.10	193.00
(b) Other Current Liabilities	17	231.27	153.99
(c) Provisions		-	-
(d) Current tax Liabilities (Net)	18	450.73	474.93
<b>Total Equity and liabilities</b>		<b>12,972.44</b>	<b>8,191.69</b>
<b>Summary of Significant Accounting Policies</b>	<b>2</b>		

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

**For P Murali & Co.,**  
Chartered Accountants  
Firm Registration No. 007257S

**For and on behalf of the Board**  
**Balaxi Pharmaceuticals Limited**

**A Krishna rao**  
Partner  
Membership No. 020085  
UDIN: 23020085BGQXIO8903

**Ashish Maheshwari**  
Managing Director  
DIN: 01575984

**Minoshi Maheshwari**  
Director  
DIN: 01575975

Place : Hyderabad  
Date : 29-05-2023

**Amol Mantri**  
Chief Financial Officer

**Udayan Shukla**  
Company Secretary

# Statement of Profit and Loss

## for the Year ended 31<sup>st</sup> March 2023

Amount In ₹ Lakhs (except for number of shares and EPS)

Particulars	Note No	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
I. Revenue from Operations	19	10,813.76	10,129.19
II. Other Income	20	660.41	274.80
<b>III. Total Income (I +II)</b>		<b>11,474.17</b>	<b>10,403.99</b>
IV. Expenses:			
Cost of material consumed	21	8,209.51	7,691.91
Employee Benefits expense	22	404.13	289.88
Finance costs	23	45.90	6.12
Depreciation and Amortization Expense	3	51.54	25.03
Administrative Expenses	24	518.04	421.18
<b>IV. Total Expenses</b>		<b>9,229.12</b>	<b>8,434.12</b>
V. Profit/(Loss) before exceptional items and tax (III - IV)		2,245.05	1,969.87
VI. Exceptional Items		-	-
VII. Profit/(Loss) before tax (V-VI)		2,245.05	1,969.87
VIII. Tax expense:			
(1) Current tax	25	516.67	499.94
(2) Deferred tax		106.17	3.17
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)		<b>1,622.21</b>	<b>1,466.75</b>
X. Profit/(Loss) for the period from dis-continuing operations		-	-
XI. Other Comprehensive Income.			
A. Items that will not be reclassified to Profit or Loss			
(i) Exchange (gain)/Loss on foreign currency transactions		-	-
(ii) Actuarial loss on defined benefit plans recognised in accordance with Ind AS 19.		-	-
B. Items that will be reclassified to Profit or Loss		-	-
<b>Total Comprehensive Income for the period</b>		<b>1,622.21</b>	<b>1,466.75</b>
XII. Earnings per equity share (for continuing operation):	26		
(1) Basic		16.17	14.67
(2) Diluted		16.02	14.67
Summary of Significant Accounting Policies	2		

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

**For P Murali & Co.,**  
Chartered Accountants  
Firm Registration No. 0072575

**A Krishna rao**  
Partner  
Membership No. 020085  
UDIN: 23020085BGQXIO8903

Place : Hyderabad  
Date : 29-05-2023

**For and on behalf of the Board**  
**Balaxi Pharmaceuticals Limited**

**Ashish Maheshwari**  
Managing Director  
DIN: 01575984

**Amol Mantri**  
Chief Financial Officer

**Minoshi Maheshwari**  
Director  
DIN: 01575975

**Udayan Shukla**  
Company Secretary

# Cash Flow Statement

## for The Year Ended 31<sup>st</sup> March, 2023

Amount In ₹ Lakhs (except for number of shares and EPS)

	Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net profit before taxation, and extraordinary items	2,245.05	1,969.87
	Adjustments for:		
	Interest	45.90	6.12
	Depreciation	51.54	25.03
	Comprehensive income for the year	-	-
	Operating Profit before working capital changes	2,342.49	2,001.01
	Adjustments for:		
	Increase/ (decrease) in trade payables	151.49	55.11
	Increase/ (decrease) in other financial liabilities	77.11	1.12
	Decrease / (increase) in other bank balance	(0.16)	0.82
	Decrease / (increase) in advance	(16.61)	(0.41)
	Decrease / (increase) in other receivables	54.54	(96.54)
	Decrease / (increase) in trade receivables	(2,617.35)	(505.34)
	Decrease / (increase) in Inventory	(149.49)	1.50
	Decrease/ (increase) in Other Current Assets	(7.77)	-
	Cash generated from operations	(165.75)	1,457.27
	Direct taxes paid (net of refunds)	(540.87)	(568.61)
	Cash flow before extraordinary items	(706.62)	888.66
	Extraordinary items	-	-
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(706.62)</b>	<b>888.66</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Purchase of Fixed Assets	(10.93)	(175.81)
	Capital work in progress	(225.96)	(57.20)
	Proceeds from other financial assets	-	-
	Proceeds from Loan	-	-
	Proceeds to Advances	-	(446.99)
	Investment in Non-Current Investments	7.41	(7.41)
	<b>Net Cash Used In Investing Activities</b>	<b>(229.48)</b>	<b>(687.41)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Interest paid	(31.27)	(6.12)
	Long Term Liabilities	-	-
	Loans taken	882.10	(157.60)
	Lease Payments	(8.93)	-
	Long Term Provisions	-	-
	Long Term Loans and Other Financial Assets	-	-
	Dividend paid	(49.84)	-
	Further Issue of Equity Share Capital incl. Premium	1,847.13	-
	<b>Net Cash Flow From Financing Activities</b>	<b>2,639.19</b>	<b>(163.72)</b>
	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,703.09</b>	<b>37.53</b>
	Cash and Cash equivalents (Opening Balance)	84.13	46.59
	<b>Cash and Cash equivalents (Closing Balance)</b>	<b>1,787.22</b>	<b>84.13</b>
	Unencashed Dividends in bank accounts	0.47	0.31
	<b>Total Cash and Bank Balances</b>	<b>1,787.69</b>	<b>84.44</b>

AS PER OUR REPORT OF EVEN DATE

**For P Murali & Co.,**  
Chartered Accountants  
Firm Registration No. 007257S

**A Krishna rao**  
Partner  
Membership No. 020085  
UDIN: 23020085BGQXIO8903

Place : Hyderabad  
Date : 29-05-2023

**For and on behalf of the Board**  
**Balaxi Pharmaceuticals Limited**

**Ashish Maheshwari**  
Managing Director  
DIN: 01575984

**Amol Mantri**  
Chief Financial Officer

**Minoshi Maheshwari**  
Director  
DIN: 01575975

**Udayan Shukla**  
Company Secretary

# Statement of changes in equity

## for the year ended 31<sup>st</sup> March 2023

Amount In ₹ Lakhs (except for number of shares and EPS)

### A) Equity share capital

Equity shares of ₹ 10/- each issued, subscribed and fully paid

	Number of shares	Amount (₹)
As at 31 <sup>st</sup> March 2022	10,000,000	1,000
Changes in share capital	181,250	18.13
As at 31 <sup>st</sup> March 2023	10,181,250	1,018.13

#### 1) Current Reporting Period

Amount (₹)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,000.00	-	-	18.13	1,018.13

#### 2) Previous Reporting Period

Amount (₹)

Balance at the beginning of the Previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the Previous reporting period	Changes in equity share capital during the Previous year	Balance at the end of the Previous reporting period
1,000.00	-	-	-	1,000.00



## B) Other equity

### 1) Current Reporting Period

Amount in ₹ Lakhs (except for number of shares and EPS)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through other comprehensive income	Equity instrument through other comprehensive income	Effective portion of cash flow hedges	Revaluation of surplus	Exchange difference on translating the financial statements of a foreign operation	Other items of other comprehensive income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium	Other Reserves -General Reserve	Retained Earnings								
Balance at the beginning of reporting period	-	-	-	1,125.30	4.61	3,661.40	-	-	-	-	-	-	-	4,791.31
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year						1,622.21								1,622.21
Dividends	-	-	-	-	-	(50.00)	-	-	-	-	-	-	-	(50.00)
Transfer to retained earnings						1,572.21								1,572.21
Any other change (to be specified)	-	-	-	799.31	-	-	-	-	-	-	-	-	-	799.31
Balance at the end of the year	-	-	-	1,924.61	4.61	5,233.61	-	-	-	-	-	-	-	7,162.83

## 2) Previous Reporting Period

Amount In ₹ Lakhs (except for number of shares and EPS)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Debt instruments through other comprehensive income	Equity instrument through other comprehensive income	Effective portion of cash flow hedges	Revaluation of surplus	Exchange difference on translating the financial statements of a foreign operation	Other items of other comprehensive income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium	Other Reserves -General Reserve	Retained Earnings							
Balance at the beginning of Previous reporting period	-	-	-	1,125.30	4.61	2,194.65	-	-	-	-	-	-	3,324.56
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the Previous reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the Previous year						1,466.75							1,466.75
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings						1,466.75							1,466.75
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the Previous year	-	-	-	1,125.30	4.61	3,661.40	-	-	-	-	-	-	4,791.31

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements.

AS PER OUR REPORT OF EVEN DATE

**For P Murali & Co.,**  
Chartered Accountants  
Firm Registration No. 0072575

**A Krishna rao**  
Partner  
Membership No. 020085  
UDIN: 23020085BGQXIO8903

Place : Hyderabad  
Date : 29-05-2023

**For and on behalf of the Board**  
**Balaxi Pharmaceuticals Limited**

**Ashish Maheshwari**  
Managing Director  
DIN: 01575984

**Amol Mantri**  
Chief Financial Officer

**Minoshi Maheshwari**  
Director  
DIN: 01575975

**Udayan Shukla**  
Company Secretary

# Notes to Standalone financial statements

## for the year ended 31<sup>st</sup> March, 2023

### 1) Company Overview

Balaxi Pharmaceuticals Limited ('the Company') is a public limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at Plot no.409, H.No. 82-293, Maps Towers, 3rd Floor, Phase III, Road No: 81, Jubilee Hills, Hyderabad, Telangana, India. The Company was incorporated in September 1942. The Company Commenced the business of International Wholesale Trading of Pharmaceuticals, Builders Hardware and FMCG products from the Financial Year 2018-19.

### 2) Significant Accounting Policies and Key Accounting Estimates and Judgements

#### a) Basis of accounting and preparation of Financial Statements:

##### i) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act and accounting principles generally accepted in India.

##### ii) Basis of Preparation

These financial statements have been prepared on accrual and going concern basis of relevant Indian Accounting Standards (Ind AS) that are effective at the Company's annual reporting date, 31 March 2023. Accounting Policies have been applied consistently throughout the preparation of Financial Statements.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle as per paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

##### Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;

- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

##### Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

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, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Cash and cash equivalents for the purpose of the statement of cash flows comprise cash and cash on deposit with banks and financial institutions.

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

- certain financial assets and liabilities are measured at fair value;

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

- refer accounting policy regarding financial instruments

The Company has decided to round off the figures to the nearest Lakhs, except otherwise indicated.

The financial statements were authorised for issue by the Company's Board of Directors on May 29, 2023.

### iii) Functional and presentation currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All financial information presented in Indian Rupees (₹) has been rounded off to the nearest Lakhs, except otherwise stated.

### iv) Use of Estimates and Judgements

In the application of the Company's accounting policies, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

#### Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote

are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

#### Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

### b) Property Plant and Equipment

#### i) Recognition and measurement

Freehold land and buildings (property) held for use in the production or supply of goods or services, or administrative purposes are stated at cost less accumulated depreciation and accumulated impairment. Freehold land is not depreciated.

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

An item of property, plant and equipment and any significant part thereof is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in "other income / (expenses)" when the asset is derecognized.

#### ii) Expenditure during construction period

Expenditure during construction period (including

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

### iii) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has componentised its PPE and has separately assessed the life of major components. The Company depreciates its fixed assets over the useful lives as prescribed in Schedule II to the Act.

Estimated useful lives of the assets, are as follows:

Asset Category	Estimated useful life (years)
Furniture & Fixtures	10
Computers	3
Office Equipment	5
Vehicles	8

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed during each financial year and adjusted prospectively, if appropriate.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

### c) Intangible Assets

#### i) Recognition and Measurement

Intangible assets acquired are measured on cost basis on initial recognition. Subsequently, intangible assets are stated at cost less accumulated amortization and impairment.

Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

### ii) Amortization

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

### d) Leases

#### i) Company as a Lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. The Company has elected to use the incremental borrowing rate as the discount, the future lease payments. The details of ROU assets held by the company along with depreciation are given in schedule 3.

### ii) Company as Lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever 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.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

### e) Impairment of Assets

The carrying amounts of the Company's non-financial assets, 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.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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 asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications 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. An impairment loss is reversed 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 amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

### f) Inventories

Inventories are valued at lower of cost, determined on "Weighted average" basis and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials, fuel, stores & spare parts and packing materials:**

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on FIFO basis.

- **Work-in- progress (WIP), finished goods and stock-in-trade:**

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

### g) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

### h) Government Grants and Assistance

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

### i) Borrowing Costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying

asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

### j) Fair value Measurement

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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).

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.

### k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at transaction values and where such values are different from the fair value, at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognized immediately in the statement of profit and loss.

### I) Financial Assets

The Company's Financial Assets mainly comprise of;

- Current financial assets mainly consist of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions, incentive receivable from Government and other current receivables.
- Non-current financial assets mainly consist of financial investments in equity, fixed deposits and non-current deposits.

#### i) Initial Recognition and Measurement

The Company recognizes a financial asset when it becomes party to the contractual provisions of the instrument. All financial assets other than trade receivables are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables are initially recognised at transaction price. All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis, i.e., the date that the Company commits to purchase or sell the asset.

#### ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

##### ➤ Financial Assets at Amortized Cost;

A Financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortized cost category is the most relevant to the Company. It comprises of current financial assets such as

trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other current receivables and non-current financial assets such as non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment, if any are recognized in the statement of profit and loss.

##### ➤ Financial Assets at Fair Value through Profit and loss;

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognized in the statement of profit and loss. The Company has designated its investments in equity instruments as FVTPL category.

##### ➤ Financial Assets at Fair Value through Other Comprehensive income

The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has not designated investments in any equity instruments as FVTOCI.

#### iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - the Company has transferred substantially all the risks and rewards of the asset, or
  - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

### iv) Impairment

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Trade Receivables
- Other financial assets that are measured at amortized cost.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

## II) Financial Liabilities and Equity Instruments

### a) Financial Liabilities

The Company's Financial Liabilities mainly comprise of;

- Current financial liabilities mainly consist of trade payables and liability for capital expenditure.
- Non-current financial liabilities mainly consist of Borrowings.

### i) Initial Recognition and measurement of Financial Liabilities

The Company recognizes a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Financial liabilities are initially recognized and measured at amortized cost

### ii) Subsequent Measurement of Financial Liabilities at Amortized Cost

The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method. Interest expense that is not capitalized as part of cost of an asset is included in the 'Finance costs' line item. The effective interest rate method is a method of calculating the amortized cost

of a financial liability and of allocating interest expense over the relevant period.

### iii) Derecognition of Financial Liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

### b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs. Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## III) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## I) Foreign Currency Transactions

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

## m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

### n) Revenue Recognition

Revenue from contracts with customers is recognized 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. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

#### i) Sale of Goods

Revenue from the sale of goods is recognized when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations. The customer obtains control of the goods when the significant risks and reward of products sold are transferred according to the specific delivery term that have been agreed with the customer. Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. 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 recognized

will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

#### ii) Service Income

Revenue from services rendered is recognized in the profit or loss as the underlying services are performed. Upfront nonrefundable payments received under these arrangements are recognized as revenue upon satisfaction of performance obligations.

#### iii) Interest and Dividend 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 principal 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 is recognized when right to receive is established (provided that it is probable that the economic benefits will flow to the Parent company and the amount of income can be measured reliably).

#### iv) Export Incentive

Export incentives comprise of Duty draw back and MEIS (Merchandise Exports from India scheme) scrips. Duty drawback is recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports entitled for this benefit made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. MEIS scrips are freely transferable and can be utilised for the payment of customs duty. MEIS scrips are recognised either on transfer/sale of such scrips or when it is reasonably certain that such scrips can be utilised against import duties

#### o) Employee Benefits

##### Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

##### Defined contribution plans

The Company's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss. The Company's

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

### Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

### Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## p) Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

### i) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

### ii) Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary

## q) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### 3 Property, plant and Equipment

Particulars	Furniture & Fixtures	Computer and Printer	Office Equipments	Vehicles	Intangible Assets	ROU Asset	Total
<b>At 1 April 2022</b>	10.79	3.76	4.60	201.03	-	-	220.18
Additions		5.43	1.92	-	3.58	609.87	620.80
Disposals	-	-	-				-
Acquisitions through Business Combinations							
Revaluations							
Exchange differences if any	-	-	-				-
<b>At 31 March 2023</b>	<b>10.79</b>	<b>9.19</b>	<b>6.52</b>	<b>201.03</b>	<b>3.58</b>	<b>609.87</b>	<b>840.98</b>
Depreciation charge for the year	1.25	2.52	2.21	26.92	0.16	18.48	51.54
Disposals	-	-	-				-
Exchange differences	-	-	-				-
<b>At 31 March 2023</b>	<b>9.54</b>	<b>6.67</b>	<b>4.31</b>	<b>174.11</b>	<b>3.42</b>	<b>591.39</b>	<b>789.44</b>

### Note No. 4 : Investments

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
I	Investments in Equity Instruments:		
1)	Investment in Subsidiaries		
a)	Equity Shares		
1)	Balaxi Global DMCC-100% Holding Wholly owned subsidiary of the company.	1,953.50	1,960.91
	<b>Total Investments</b>	<b>1,953.50</b>	<b>1,960.91</b>

### Note No. 5 : Other Non Current Assets

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
a	TDS / TCS	4.32	8.88
b	Advance Tax FY 2021-22	-	50.00
c	Advance Tax FY 2022-23	0.01	-
d	Prepaid expenditure	40.00	40.00
	<b>Total Other Non Current Assets</b>	<b>44.33</b>	<b>98.88</b>

### Note No. 6 : Inventory

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
a	Stock of Finished Goods	149.49	-
	<b>Total Inventories</b>	<b>149.49</b>	<b>-</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### Note No. 7 : Trade Receivables

S. No.	Particulars	As on 31-03-2023	As on 31-03-2022
		Amount (₹)	Amount (₹)
	Unsecured, Considered Good		
a	Trade Receivable	7,828.69	5,211.35
		<b>7,828.69</b>	<b>5,211.35</b>
	Less: Allowance for Doubtful Debts	-	-
	(Refer 7(a) for ageing )		
	<b>Total Trade Receivables</b>	<b>7,828.69</b>	<b>5,211.35</b>

### Note No. 8 : Cash And Cash Equivalents

S. No.	Particulars	As on 31-03-2023	As on 31-03-2022
		Amount (₹)	Amount (₹)
	<b>Cash and cash equivalents :</b>		
a	Balances with banks :		
	On Current Accounts	1,787.21	83.88
b	Cash on hand	0.01	0.24
	d) Others		
	<b>Sub Total</b>	<b>1,787.22</b>	<b>84.12</b>
c	Other bank balances	0.47	0.31
	<b>Total Cash and Cash Equivalents</b>	<b>1,787.69</b>	<b>84.43</b>

### Note No. 9 : Advances

		As on 31-03-2023	As on 31-03-2022
		Amount (₹)	Amount (₹)
	<b>Unsecured, Considered Good</b>		
a	Advances to Employees	10.40	5.19
b	Other Advances	11.40	
	<b>Total Advances</b>	<b>21.80</b>	<b>5.19</b>

### Note No. 10 : Other Current Assets

S. No.	Particulars	As on 31-03-2023	As on 31-03-2022
		Amount (₹)	Amount (₹)
f	Other Receivable	74.23	74.75
g	GST Refund	40.11	31.81
	<b>Total Other Current Assets</b>	<b>114.34</b>	<b>106.56</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### Note No. 11 : Equity Share Capital

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
I	Equity Share Capital		
	(a) Authorised		
	(4,00,00,000 Shares of 10/- each)	-	-
		4,000.00	4,000.00
		<b>4,000.00</b>	<b>4,000.00</b>
	(b) Issued		
	[1,00,00,000 Shares of 10/- each]	-	1,000.00
	[1,01,81,250 Shares of 10/- each]		
		1,018.13	
	(c) Subscribed & Fully Paid Up		
	[1,00,00,000 Shares of 10/- each]	-	1,000.00
	[1,01,81,250 Shares of 10/- each]	1,018.13	
	<b>Total Equity Share capital</b>	<b>1,018.13</b>	<b>1,000.00</b>
II	<b>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</b>		
	<b>Equity Shares of ₹ 10 Each, Fully paid up</b>		
	At the Beginning	10,000,000	10,000,000
	Issued during the year	181,250	-
	At the end	<b>10,181,250</b>	<b>10,000,000</b>
III	<b>Details of Shareholder holding more than 5% shares of the company:</b>	<b>% of Share Holding</b>	
	<b>Equity Shares of ₹ 10 each Held By</b>		
	Balaxi Overseas Private Limited (holding company) - 7000000 shares	68.75%	70%
	Elara India Opportunities Limited - 950000 shares	9.33%	9.5%
	Marshal Global Capital Fund Ltd - 950000 shares	9.33%	9.5%

### Note No. 12 : Other Equity

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
I	<b>RESERVES AND SURPLUS</b>		
	a) Capital reserve		
	As at the commencement of the year		
	Add: Additions during the year		
	Less: Utilised for during the year		
		-	-
	b) Capital Redemption reserve		
	As at the commencement of the year	-	-
	Add: Additions during the year		
	Less: Utilised for during the year	-	-
		-	-

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
c)	Securities Premium		
	As at the commencement of the year	1,125.30	1,125.30
	Add: Additions during the year	799.31	-
	Less: Utilised for during the year	-	-
		<b>1,924.61</b>	<b>1,125.30</b>
d)	General reserve		
	As at the commencement of the year	4.61	4.61
	Add: Additions during the year	-	-
	Less: Utilised for during the year	-	-
		<b>4.61</b>	<b>4.61</b>
e)	Revaluation reserve	-	-
f)	Share options outstanding account	-	-
c)	Retained Earnings :		
	i) Opening Balance - Statement of Profit and Loss	3,661.40	2,194.65
	Add: Transfer from Statement of Profit & Loss	1,622.21	1,466.75
	Less: Dividend	50.00	-
		<b>5,233.61</b>	<b>3,661.40</b>
		<b>5,233.61</b>	<b>3,661.40</b>
	<b>Total Other Equity</b>	<b>7,162.83</b>	<b>4,791.31</b>

### Note No. 13: Money received against Share Warrants

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
a	Money received against Share Warrants (25% amount received towards subscription of convertible warrants)	1,029.69	-
	<b>Total Money received against Share Warrants</b>	<b>1,029.69</b>	<b>-</b>

### Note No. 14: Deferred Tax Liability (Net)

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
I	Opening Deferred tax Liability	3.88	0.71
	Add:		
	Deferred Tax Liability for the year	106.17	3.17
	<b>Gross Deferred tax Liability</b>	<b>110.05</b>	<b>3.88</b>
	Opening Deferred tax Asset	-	-
	Deferred Tax Asset for the year	-	-
	<b>Gross Deferred tax Asset</b>	<b>-</b>	<b>-</b>
	<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>110.05</b>	<b>3.88</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### Note No. 15 : Trade Payables

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
a	Trade Payables		
	To MSMEs	1,225.93	-
	Others	500.14	1,574.58
	(Refer 15(a) for ageing)		
	<b>Total Trade Payables</b>	<b>1,726.07</b>	<b>1,574.58</b>

### Note No. 16 : Borrowings

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
a	Unsecured Loans from Directors	-	100.00
b	Term Loans from Banks :		
	- Vehicle Loan from HDFC Bank	7.36	12.70
	(Secured Against Hypothecation of Car with the Bank)		
	- Vehicle Loan from Yes Bank	49.07	80.30
	(Secured Against Hypothecation of Car with the Bank)		
c	CC/OD's from Banks		
	- OD from Kotak Mahindra Bank	442.40	
d	Loan against Trade receivables (Kotak Mahindra Bank)	576.27	
	<b>Total Borrowings</b>	<b>1,075.10</b>	<b>193.00</b>

### Note No. 17 : Other Current Liabilities

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
a	Unpaid dividend	0.47	0.31
b	Statutory Liabilities	34.69	8.65
c	Salaries Payable	32.45	20.70
d	Transport Payable	27.25	-
e	Audit Fee Payable	5.40	5.40
f	Remuneration/Expenses payable to directors	131.01	118.93
	<b>Total Other Current Liabilities</b>	<b>231.27</b>	<b>153.99</b>

### Note No. 18 : Current Tax Liabilities (Net)

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
a	Provision for Income Tax	450.73	474.93
	<b>Total Current Tax Liabilities (Net)</b>	<b>450.73</b>	<b>474.93</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### Note No. 19 : Revenue From Operations

S. No.	Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
	<b>Revenue from operations</b>		
	(i) Sale of Services		
a	Domestic Sales	-	-
b	Export Sales	10,813.76	10,129.19
	<b>Total Revenue from Operations</b>	<b>10,813.76</b>	<b>10,129.19</b>

### Note No. 20 : Other Income

S. No.	Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
a	Foreign Exchange gain	583.20	271.85
b	Discount Received	2.64	2.95
c	Damage Goods	74.57	
	<b>Total Other Income</b>	<b>660.41</b>	<b>274.80</b>

### Note No. 21 : Cost of material consumed

S. No.	Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
a	Cost of material consumed	8,209.51	7,691.91
	<b>Total Cost of material consumed</b>	<b>8,209.51</b>	<b>7,691.91</b>

### Note No. 22: Employee Benefits Expense

S. No.	Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
a	Salaries, wages and bonus	375.55	268.36
b	Other employee benefit expenses	28.58	21.52
	<b>Total Employee Benefit Expenses</b>	<b>404.13</b>	<b>289.88</b>

### Note No. 23 : Finance Costs

S. No.	Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
a	i) Interest Expenses		
	Interest on Vehicle Loan	30.83	6.12
	Interest on Term Loan	0.44	-
b	Interest on Lease	14.63	-
	<b>Total Finance Cost</b>	<b>45.90</b>	<b>6.12</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### Note No. 24 : Administrative Expenses

S. No.	Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
a	Bank charges	4.79	3.61
b	Repairs & maintenance	25.21	13.48
c	Advertising and business promotion expenses	20.94	39.82
d	Travelling expenses	67.32	56.48
e	Communication costs	4.36	3.84
f	Printing and stationery	27.96	29.61
g	Legal and professional fees	22.78	7.85
h	Payment to auditor	5.00	6.00
i	Listing Fees	7.62	12.35
j	Miscellaneous expenses	1.49	1.65
k	Registration Charges	84.94	85.47
l	Conveyance	0.93	0.67
m	Other Expenses	17.18	32.87
n	Fees & Subscription	63.90	22.28
o	Remuneration-Directors	89.00	48.00
p	CSR Expenses	33.04	22.53
q	Website development and Investor relations	32.75	26.91
r	Power and Fuel	4.28	2.36
s	Insurance	4.55	5.40
<b>Total Administrative Expenses</b>		<b>518.04</b>	<b>421.18</b>

### Annexure to Note: 7a

#### Ageing analysis for the FY 2022-23

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	7,164.78	663.91	-	-	-	7,828.69
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	<b>7,164.78</b>	<b>663.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,828.69</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### Ageing analysis for the FY 2021-22

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3,935.75	1,275.60	-	-	-	5,211.35
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	<b>3,935.75</b>	<b>1,275.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,211.35</b>

### Annexure to Note: 10

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of Shares	% of total shares	
Ashish Maheshwari	180,774.00	1.78%	-
Minoshi Maheshwari	105,580.00	1.04%	-
Balaxi Overseas Private Limited	7,000,000.00	68.75%	-

### Annexure to Note: 15a

### Ageing analysis for the FY 2022-23

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,225.93	-	-	-	1,225.93
(ii) Others	500.14	-	-	-	500.14
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>1,726.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,726.07</b>

### Ageing analysis for the FY 2021-22

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1,570.41	4.17	-	-	1,574.58
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>1,570.41</b>	<b>4.17</b>	<b>-</b>	<b>-</b>	<b>1,574.58</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### Note No. 25: Current Tax

S. No.	Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
a	Current tax expense for current year	450.73	499.94
b	Tax expense pertaining to prior years	65.94	-
	<b>Total Current Tax</b>	<b>516.67</b>	<b>499.94</b>

### 26) Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-23	31-Mar-22
Profit after tax	1,622.21	1,466.75
Weighted average number of equity shares (for Basic EPS)	1,00,33,400	1,00,00,000
Weighted average number of equity shares (for Diluted EPS)	1,01,23,100	1,00,00,000
Basic earnings per share for continued operations (in rupees)	16.17	14.67
Diluted earnings per share for continued operations (in rupees)	16.02	14.67

### 27) Segment information

The operating segment of the Group is identified as "Specialized Wholesale" as the Chief Operating Decision Maker reviews business performance at an overall level as one segment. Therefore, the entire operation fall within only one single reportable segment.

Minoshi Maheshwari

Gandhi Gamji

Kunal M Bhakta

M. Srinivas Rao

Purnima Kamble

### 28) Related party transactions

#### A. Name of the related parties and related party relationship

##### a) Holding company

Balaxi Overseas Private Limited

##### b) Directors

Ashish Maheshwari

#### c) Key managerial personnel

Ashish Maheshwari Managing Director

Amol Mantri CFO

Udayan Shukla Company Secretary

Pranav Maheshwari Senior Vice President

#### d) Wholly Owned Subsidiary company

Balaxi Global DMCC, Dubai

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### B. Transactions with related parties

Particulars	31-Mar-2023	31-Mar-2022
<b>Operating and administrative costs</b>		
<b>Balaxi Overseas Pvt Ltd</b>		
Rent	-	-
Reimbursement of expenses to directors	40.56	20.05
<b>Directors Remuneration</b>	-	-
Ashish Maheshwari	80.00	30.00
Minoshi Maheshwari	9.00	18.00
Sitting Fee	17.00	15.00
KMP Salary	55.10	24.00
CSR	25.50	22.53
Capital contribution to Balaxi Global DMCC	(7.41)	7.41
Loan from Directors	-	-
Loan repaid to Directors	100.00	233.00

### 29) Capital Management

For the purpose of Company's capital management, Capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	31-Mar-23	31-Mar-22
Borrowings	1,075.10	193.00
Trade and other payables	1,957.34	1,728.57
Less: Cash and cash equivalents	(1,787.69)	(84.43)
Net Debt	1,244.75	1,837.14
Equity	8,180.96	5,791.30
Capital and Net Debt	9,425.71	7,628.44
Gearing Ratio	13.21%	24.08%

### 30) Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations and FVTPL investments.

The Company is exposed to market risk and liquidity risk. The Company's senior management oversees management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures so that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency rate risk, interest rate risk and other price risk. Financial instruments affected by market risk include FVTPL financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2023 and 31 March 2022.

#### Equity price risk

The Company's listed equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification. The Company's Board of Directors reviews and approves all equity investment decisions.

#### Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company has sufficient working capital funds available to honour the debt maturing within 12 months.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### 31) MSME

The Company has entered into business transactions with suppliers registered under the Micro, Small and Medium Enterprises Development act,2006 the payment for which have been made within the stipulated or agreed time.

### 32) Subsequent Events

There are no significant events that occurred after the balance sheet date.

### 33) Prior year comparatives

The figures of the previous year have been regrouped/ reclassified, where necessary, to conform with the

current year's classification.

### 34) Additional Regulatory Information

- i) The company doesn't possess any immovable property. In respect of immovable properties taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are duly executed in the name of the Company.
- ii) The Company has not revalued any of its Property, Plant and Equipment during the year.
- iii) No loans and advances were granted to promoters, directors, KMPs and the related parties.

#### iv) Capital work in Progress aging schedule

CWIP	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	225.96	57.20			283.16

- v) The company did not hold any Benami Property and hence no proceedings were initiated or pending against the company.
- vi) There are borrowings from banks on the basis of current assets given as security. Returns and statements submitted by the company are in agreement with the Books of Account.
- vii) The company was not declared as a wilful defaulter by any bank or financial institution.
- viii) The company did not enter into any transactions with struck off companies.

#### ix) Ratios

Particulars	31-Mar-23	31-Mar-22
(a) Current Ratio	2.84	2.26
(b) Debt-Equity Ratio	0.12	0.03
(c) Debt Service Coverage Ratio	39.91	48.62
(d) Return on Equity Ratio	20%	25%
(e) Inventory turnover ratio	109.83	10255.89
(f) Trade Receivables turnover ratio	1.66	2.09
(g) Trade payables turnover ratio	1.24	1.11
(h) Net capital turnover ratio	1.32	1.75
(i) Net profit ratio	15%	14%
(j) Return on Capital Employed	24%	34%
(k) Return on investment	-	-

### 35) Undisclosed Income

All transactions were recorded in the books of account and there was no undisclosed income that has been surrendered or disclosed as income during the year.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### 36) Corporate Social Responsibility

	Amount
(i) Amount required to be spent by the company during the year,	33.04
(ii) Amount of expenditure incurred,	9.54
(iii) Shortfall at the end of the year*,	23.50
(iv) Total of previous years shortfall,	0
(v) Reason for shortfall,	Pertains to an Ongoing Project
(vi) Nature of CSR activities,	Promotion of education, Healthcare and women empowerment
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Balaxi Foundation
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA

\*Total amount unspent has been transferred to Unspent CSR Account on 24th April 2023.

### 37) Details of Crypto Currency or Virtual Currency

The Company has not traded nor has invested in Crypto Currency or Virtual Currency during the financial year.

**For P Murali & Co.,**  
Chartered Accountants  
Firm Registration No. 007257S

**A Krishna rao**  
Partner  
Membership No. 020085  
UDIN: 23020085BGQXIO8903

Place : Hyderabad  
Date : 29-05-2023

**For and on behalf of the Board**  
**Balaxi Pharmaceuticals Limited**

**Ashish Maheshwari**  
Managing Director  
DIN: 01575984

**Amol Mantri**  
Chief Financial Officer

**Minoshi Maheshwari**  
Director  
DIN: 01575975

**Udayan Shukla**  
Company Secretary

# Independent Auditor's Report

## on Consolidated Financial Statements

To the members of

**M/s. Balaxi Pharmaceuticals Limited**

### Report on the Audit of the Consolidated IND AS Financial Statements

#### Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **M/s. Balaxi Pharmaceuticals Limited** (hereinafter referred to as the 'Holding Company') and its subsidiary i.e., M/s. Balaxi Global DMCC, Dubai (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive income), the Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year then ended and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated IND AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated IND AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles Generally Accepted in India, of their consolidated state of affairs of the Company as at March 31, 2023, of consolidated profit, and its consolidated cash flows for the year then ended.

#### 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 IND AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated IND AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated IND AS 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

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 IND AS Financial Statements by the Directors of the Holding Company, as aforesaid.

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

The Board of Directors of the holding company are responsible for overseeing the financial reporting process of the Group.

#### Auditor's Responsibilities for the Audit of the Consolidated IND AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated IND AS 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 Consolidated IND AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial 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) (i) 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 ability of the Group 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 Consolidated IND AS 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 Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated IND AS Financial Statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated IND AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated IND AS Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated IND AS Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit

findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated IND AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 Matter Paragraph

The consolidated Financial Results include the audited Financial Results of Balaxi Global DMCC, Dubai, an Wholly owned foreign subsidiary, whose Financial Statements reflect Group's share of total assets of ₹ 22,076.99 Lakhs as at 31<sup>st</sup> March 2023, Group's share of total revenue of ₹ 8,028 Lakhs and ₹ 33,247 Lakhs and Group's share of total net profit after tax of ₹ 375 Lakhs and ₹ 3,482 Lakhs for the quarter ended 31<sup>st</sup> March 2023 and for the period from 01-04-2022 to 31-03-2023 respectively, as considered in the consolidated Financial Results, which have been audited by their respective independent auditor. The independent auditors' reports on financial statements of this entity 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 this entity, is based solely on the report of such auditor.

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 report of the other Auditor.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- 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 of the aforesaid Consolidated IND AS Financial Statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated IND AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated

Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated IND AS Financial Statements.

- (d) In our opinion, the aforesaid Consolidated IND AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2023 none of the directors of the Group companies, are disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of Internal Financial Controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding company to its directors during the year is in accordance with the provisions of section 197 of Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group does not have any pending litigations as at March 31<sup>st</sup>, 2023 which would impact on consolidated financial position of the group.
  - ii. The group does not have any long term contracts, including derivate contracts and did not have any material foreseeable losses.
  - iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the company during the year.
  - iv. 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 or group companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- v. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company or group companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or group companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- vii. The final dividend paid by the company during the year in respect of the same declared for the previous year is in accordance with the section 123 of the Act to the extent it applies to the payment of dividend.

**For P Murali & Co.,**

Chartered Accountants  
Firm Regn No. 007257S

**A Krishna Rao**

Partner  
Membership No. 020085  
UDIN: 23020085BGQXIP9491

Place: Hyderabad  
Date: 29-05-2023

# Annexure A

## to the Independent Auditor's Report

### Report on the Internal Financial Controls over Financial Reporting under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

In conjunction with our audit of the Consolidated IND AS Financial Statements of the company as of and for the year ended 31<sup>st</sup> March 2023, we have audited the internal financial controls over financial reporting of M/s. Balaxi Pharmaceuticals Limited as at 31<sup>st</sup> March 2023. We have not audited the internal financial controls of the foreign subsidiary.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control 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 these 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 authorization 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 Limitation of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Holding Company, has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For P Murali & Co.,**

Chartered Accountants  
Firm Regn No. 007257S

**A Krishna Rao**

Partner  
Membership No. 020085  
UDIN: 23020085BGQXIP9491

Place: Hyderabad  
Date: 29-05-2023

# Consolidated Balance Sheet

as at 31<sup>st</sup> March 2023

Amount In ₹ Lakhs (except for number of shares and EPS)

Particulars	Note No	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
<b>ASSETS:</b>			
<b>1 Non-Current Assets:</b>			
(a) Property, Plant and Equipment	3	1,618.39	545.51
(b) Capital Work-in-progress		283.16	57.20
(c) Goodwill		2,522.35	2,330.20
<b>(d) Financial Assets:</b>			
(i) Investments	4	-	-
(ii) Other Financial Assets		-	446.99
(e) Other Non Current Assets	5	191.91	166.85
<b>2 Current Assets:</b>			
<b>(a) Inventories</b>	6	10,502.33	9,870.36
<b>(b) Financial Assets:</b>			
(i) Trade Receivables	7	5,228.20	2,755.90
(ii) Cash and Cash Equivalents	8	2,821.68	719.29
(iii) Loans and Advances	9	164.76	177.72
(c) Other Current Assets	10	634.12	577.04
<b>Total Assets</b>		<b>23,966.90</b>	<b>17,647.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>1 Shareholder Funds</b>			
(a) Equity Share Capital	11	1,018.13	1,000.00
(b) Other Equity	12	16,240.16	10,316.42
(c) Money received against Share Warrants	13	1,029.69	-
<b>2 Share application money pending allotment</b>		-	-
<b>LIABILITIES</b>			
<b>1 Non-Current Liabilities</b>			
<b>(a) Financial Liabilities:</b>			
(i) Borrowings		86.97	-
(ia) Lease Liabilities		168.58	-
(ii) Trade Payables		-	-
(A) Dues to MSME		-	-
(A) Dues to Other than MSME		-	-
(b) Provisions		-	-
(c) Deferred Tax Liabilities (Net)	14	110.05	3.88
<b>2 Current Liabilities</b>			
<b>(a) Financial Liabilities:</b>			
(i) Trade Payables	15	-	-
(A) Dues to MSME		1,225.93	-
(B) Dues to Other than MSME		2,225.99	4,911.45
(ii) Borrowings	16	1,075.10	363.81
(b) Other Current Liabilities	17	280.64	326.28
(c) Provisions		-	-
(d) Current tax Liabilities (Net)	18	505.66	725.22
<b>Total Equity and Liabilities</b>		<b>23,966.90</b>	<b>17,647.06</b>
Summary of Significant Accounting Policies	2		

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

**For P Murali & Co.,**  
Chartered Accountants  
Firm Registration No. 0072575

**For and on behalf of the Board**  
**Balaxi Pharmaceuticals Limited**

**A Krishna rao**  
Partner  
Membership No. 020085  
UDIN: 23020085BGQXIP9491

**Ashish Maheshwari**  
Managing Director  
DIN: 01575984

**Minoshi Maheshwari**  
Director  
DIN: 01575975

Place : Hyderabad  
Date : 29-05-2023

**Amol Mantri**  
Chief Financial Officer

**Udayan Shukla**  
Company Secretary

# Consolidated Statement of Profit and Loss

## for the Year ended 31<sup>st</sup> March 2023

Amount In ₹ Lakhs (except for number of shares and EPS)

Particulars	Note No	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
I. Revenue from Operations	19	33,643.27	27,938.78
II. Other Income	20	263.69	497.17
<b>III. Total Income (I +II)</b>		<b>33,906.96</b>	<b>28,435.95</b>
IV. Expenses:			
Cost of material consumed	21	20,241.56	19,559.63
Employee Benefits expense	22	2,895.41	1,246.60
Finance costs	23	50.00	14.16
Depreciation and Amortization Expense	3	175.25	51.22
Administrative Expenses	24	4,852.51	2,112.11
<b>IV. Total Expenses</b>		<b>28,214.73</b>	<b>22,983.72</b>
V. Profit/(Loss) before exceptional items and tax (III - IV)		<b>5,692.23</b>	<b>5,452.23</b>
VI. Exceptional Items		-	-
VII. Profit/(Loss) before tax (V-VI)		<b>5,692.23</b>	<b>5,452.23</b>
VIII. Tax expense:			
(1) Current tax	25	989.81	683.28
(2) Deferred tax		106.17	3.17
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)		<b>4,596.25</b>	<b>4,765.78</b>
X. Profit/(Loss) for the period from dis-continuing operations		-	-
XI. Other Comprehensive Income.			
A. Items that will not be reclassified to Profit or Loss			
(i) Exchange (gain)/Loss on foreign currency transactions		(578.19)	(52.66)
(ii) Actuarial loss on defined benefit plans recognised in accordance with Ind AS 19.		-	-
B. Items that will be reclassified to Profit or Loss		-	-
C. Extraordinary Item		-	-
<b>Total Comprehensive Income for the period</b>		<b>5,174.44</b>	<b>4,818.44</b>
XII. Earnings per equity share (for continuing operation):	26		
(1) Basic		45.81	47.66
(2) Diluted		45.40	47.66
Summary of Significant Accounting Policies	2		

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

**For P Murali & Co.,**  
Chartered Accountants  
Firm Registration No. 0072575

**A Krishna rao**  
Partner  
Membership No. 020085  
UDIN: 23020085BGQXIP9491

Place : Hyderabad  
Date : 29-05-2023

**For and on behalf of the Board**  
**Balaxi Pharmaceuticals Limited**

**Ashish Maheshwari**  
Managing Director  
DIN: 01575984

**Amol Mantri**  
Chief Financial Officer

**Minoshi Maheshwari**  
Director  
DIN: 01575975

**Udayan Shukla**  
Company Secretary

# Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2023

Amount In ₹ Lakhs (except for number of shares and EPS)

Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before taxation, and extraordinary items	5,692.23	5,452.23
Adjustments for:		
Interest	50.00	14.16
Depreciation	175.25	51.22
Extraordinary Item		
Comprehensive income for the year	578.19	52.66
Operating Profit before working capital changes	6,495.67	5,570.27
Adjustments for:		
Increase/ (decrease) in trade payables	(1,459.53)	2,740.68
Increase/ (decrease) in other financial liabilities	(45.65)	(5.12)
Decrease / (increase) in other bank balance	(0.16)	0.94
Decrease / (increase) in advance	12.96	(172.94)
Decrease / (increase) in other receivables	(25.06)	(162.24)
Decrease / (increase) in trade receivables	(2,472.30)	4,813.44
Decrease / (increase) in Inventory	(631.97)	(8,508.57)
Decrease / (increase) in Other current asset	(57.08)	(302.78)
Cash generated from operations	1,816.87	3,973.69
Direct taxes paid (net of refunds)	(1,209.37)	(559.24)
Cash flow before extraordinary items	607.50	3,414.45
Extraordinary items	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>607.50</b>	<b>3,414.45</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(1,079.87)	(474.94)
Capital work in progress	(225.96)	(57.20)
Proceeds from Goodwill	(192.15)	(2,202.29)
Preliminary Expenses	(5.54)	(5.05)
Proceeds from other financial assets	-	-
Proceeds to Advances	446.99	(446.99)
Investment in Non-Current Investments	-	341.64
<b>Net Cash Used In Investing Activities</b>	<b>(1,056.53)</b>	<b>(2,844.83)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Interest paid	(35.37)	(14.16)
Long Term Liabilities		
Loans taken	798.27	(2.11)
Lease Payments	(8.93)	-
Further Issue of Equity Share Capital incl. Premium	1,847.13	-
Dividend paid	(49.84)	-
Net Cash Flow From Financing Activities	2,551.24	(16.28)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,102.21</b>	<b>553.34</b>
Cash and Cash equivalents ( Opening Balance)	718.98	165.64
Cash and Cash equivalents ( Closing Balance)	2,821.20	718.98
Unencashed Dividends in bank accounts	0.47	0.31
<b>Total Cash and Bank Balances</b>	<b>2,821.67</b>	<b>719.29</b>

AS PER OUR REPORT OF EVEN DATE

For P Murali & Co.,  
Chartered Accountants  
Firm Registration No. 0072575

A Krishna rao  
Partner  
Membership No. 020085  
UDIN: 23020085BGQXIP9491

Place : Hyderabad  
Date : 29-05-2023

For and on behalf of the Board  
Balaxi Pharmaceuticals Limited

Ashish Maheshwari  
Managing Director  
DIN: 01575984

Amol Mantri  
Chief Financial Officer

Minoshi Maheshwari  
Director  
DIN: 01575975

Udayan Shukla  
Company Secretary



# Statement of changes in equity

## for the year ended 31<sup>st</sup> March 2023

Amount In ₹ Lakhs (except for number of shares and EPS)

### A) Equity share capital

Equity shares of ₹ 10/- each issued, subscribed and fully paid

	Number of shares	Amount (₹)
As at 31 <sup>st</sup> March 2022	10,000,000	1,000
Changes in share capital	181,250	18.13
As at 31 <sup>st</sup> March 2023	10,181,250	1,018.13

#### 1) Current Reporting Period

Amount (₹)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,000.00	-	-	18.13	1,018.13

#### 2) Previous Reporting Period

Amount (₹)

Balance at the beginning of the Previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the Previous reporting period	Changes in equity share capital during the Previous year	Balance at the end of the Previous reporting period
1,000.00	-	-	-	1,000.00

B) Other equity

1) Current Reporting Period

Amount In ₹ Lakhs (except for number of shares and EPS)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Debt instruments through other comprehensive income	Equity instrument through other comprehensive instrument	Effective portion of cash flow hedges	Revaluation of surplus	Exchange difference on translating the financial statements of a foreign operation	Other items of other comprehensive income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium	Other Reserves -General Reserve	Retained Earnings							
Balance at the beginning of reporting period	-	-	-	1,125.30	4.61	9,186.50	-	-	-	-	-	-	10,316.41
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year						5,174.44							5,174.44
Dividends	-	-	-	-	-	(50.00)	-	-	-	-	-	-	(50.00)
Transfer to retained earnings						5,124.44							5,124.44
Any other change (to be specified)	-	-	-	799.31	-	-	-	-	-	-	-	-	799.31
Balance at the end of the year	-	-	-	1,924.61	4.61	14,310.94	-	-	-	-	-	-	16,240.16

## 2) Previous Reporting Period

Amount In ₹ Lakhs (except for number of shares and EPS)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through other comprehensive income	Equity instrument through other comprehensive income	Effective portion of cash flow hedges	Revaluation of surplus	Exchange difference on translating the financial statements of a foreign operation	Other items of other comprehensive income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium	Other Reserves -General Reserve	Retained Earnings								
Balance at the beginning of Previous reporting period	-	-	-	1,125.30	4.61	4,368.06	-	-	-	-	-	-	-	5,497.97
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the Previous reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the Previous year						4,818.44								4,818.44
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings						4,818.44								4,818.44
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the Previous year	-	-	-	1,125.30	4.61	9,186.50	-	-	-	-	-	-	-	10,316.41

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements.

AS PER OUR REPORT OF EVEN DATE

**For P Murali & Co.,**  
Chartered Accountants  
Firm Registration No. 0072575

**A Krishna rao**  
Partner  
Membership No. 020085  
UDIN: 23020085BGQXIP9491

Place : Hyderabad  
Date : 29-05-2023

**For and on behalf of the Board**  
**Balaxi Pharmaceuticals Limited**

**Ashish Maheshwari**  
Managing Director  
DIN: 01575984

**Amol Mantri**  
Chief Financial Officer

**Minoshi Maheshwari**  
Director  
DIN: 01575975

**Udayan Shukla**  
Company Secretary

# Notes to Consolidated financial statements

## for the year ended 31 March 2023

### 1. General Information

Balaxi Pharmaceuticals Limited ('the Company') is a public limited company incorporated and domiciled in India whose shares are publicly traded. The Parent Company and subsidiary are referred to as "Company" for the purpose of this Consolidated Financial Statements. The Parent Company has a wholly owned foreign subsidiary Balaxi Global DMCC, Dubai. The registered office is located at Plot No. 409, H.No. 82-293, Maps Towers, 3rd Floor, Phase III, Road No: 81, Jubilee Hills, Hyderabad, Telangana, India. The Company was incorporated in September 1942.

### 2. Significant Accounting Policies and Key Accounting Estimates and Judgements

#### a) Basis of accounting and preparation of Consolidated Financial Statements

##### i) Statement of Compliance

The 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.

##### ii) Basis of preparation

These financial statements have been prepared on accrual and going concern basis. Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

##### Assets:

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within twelve months after the reporting date; or

- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

##### Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

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. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

These financial statements have been prepared on the historical cost convention except for the following material items in the statement of financial position:

- certain financial assets and liabilities are measured at fair value;
- refer accounting policy regarding financial instruments

The financial statements were authorised for issue by the Company's Board of Directors on May 29, 2023.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

### iii) Functional and presentation currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts are in Indian Rupees (₹) rounded off to lakhs unless otherwise stated, except share data.

### iv) Use of Estimates and Judgements

In the application of the Company's accounting policies, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

#### Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

#### Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

### b) Group information

The consolidated financial statements of the Group includes subsidiaries and step down subsidiaries listed in the table below:

Name of investee	Relationship	Country of incorporation	Percentage of ownership 31-03-2023
Balaxi Global DMCC, Dubai	Subsidiary	Dubai	100
Balaxi Healthcare Dominica SRL, Dominican Republic	Step down Subsidiary	Dominican Republic	100
Balaxi Healthcare Guatemala S.A., Guatemala	Step down Subsidiary	Guatemala	100
Balaxi Healthcare Honduras S. DE R.L	Step down Subsidiary	Honduras	100
Balaxi Healthcare El Salvador SA DE	Step down Subsidiary	El Salvador	100
Balaxi Healthcare Angola LDA	Step down Subsidiary	Angola	100
Balaxi Healthcare Centrafrique SARL	Step down Subsidiary	Centrafrique	100

### c) Basis of Consolidation

- The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

- ii. Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.
- iii. The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiary line-by line by adding together the like items of assets, liabilities, income and expenses. All intra Group assets, liabilities, income, expenses and unrealised profits/losses on intra-Group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements. "

### d) Property, plant and equipment

#### i) Recognition and Measurement

Freehold land and buildings (property) held for use in the production or supply of goods or services, or administrative purposes are stated at cost less accumulated depreciation and accumulated impairment. Freehold land is not depreciated.

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

An item of property, plant and equipment and any significant part thereof is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in "other income / (expenses)" when the asset is derecognized.

#### ii) Expenditure during construction period

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

#### iii) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has componentised its PPE and has separately assessed the life of major components. The Company depreciates its fixed assets over the useful lives as prescribed in Schedule II to the Act.

Estimated useful lives of the assets, are as follows:

Asset Category	Estimated useful life (years)
Furniture & Fixtures	10
Computers	3
Office Equipment	5
Vehicles	8

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed during each financial year and adjusted prospectively, if appropriate.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

### e) Intangible assets

#### i) Recognition and Measurement

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

#### iv) Amortization

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

### f) Leases

#### i) Group as a Lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components. The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at

or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.



The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. The Group has elected to use the incremental borrowing rate as the discount, the future lease payments. The details of ROU assets held by the Group along with depreciation are given in schedule 3.

**ii) Group as Lessor**

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever 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. In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

**g) Impairment of assets**

The carrying amounts of the Group's non-financial assets, 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.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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 asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its

carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications 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. An impairment loss is reversed 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 amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

**h) Inventories**

Inventories are valued at lower of cost, determined on "Weighted average" basis and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- i) Raw materials, fuel, stores & spare parts and packing materials:

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on FIFO basis.

- ii) Work-in- progress (WIP), finished goods and stock-in-trade:

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

**i) Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

### j) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the Group receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

### k) Borrowing costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

### l) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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).

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.

### m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at transaction values and where such values are different from the fair value, at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognized immediately in the statement of profit and loss.

### I. Financial Assets

The Group's Financial Assets mainly comprise of;

- Current financial assets- mainly consisting of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions, incentive receivable from Government and other current receivables.
- Non-current financial assets mainly consist of financial investments in equity, fixed deposits and non-current deposits.

#### i) Initial Recognition and measurement of Financial Assets

The Group recognizes a financial asset when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis, i.e. the date that the Group commits to purchase or sell the asset.

#### ii) Subsequent Measurement of Financial Assets

For purposes of subsequent measurement, financial assets are classified in the following categories:

##### ➤ Financial Assets at Amortized Cost;

A Financial asset is measured at the

amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortized cost category is the most relevant to the Group. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other current receivables and non-current financial assets such as noncurrent receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment, if any are recognized in the statement of profit and loss.

➤ **Financial Assets at Fair Value through Profit and Loss**

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognized in the statement of profit and loss. The Group has designated its investments in equity instruments as FVTPL category.

➤ **Financial Assets at Fair Value through Other Comprehensive Income**

The Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group has not designated investments in any equity instruments as FVTOCI.

**iii) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized (i.e. removed from the Group's balance sheet) when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - the Group has transferred substantially all the risks and rewards of the asset, or
  - the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**iv) Impairment of financial assets**

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- i) Trade Receivables
- ii) Other financial assets that are measured at amortized cost.

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition.

If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance

**II. Financial Liabilities and Equity Instruments**

**a) Financial Liabilities**

The Group's Financial Liabilities mainly comprise of;

- Current financial liabilities- mainly consisting of trade payables and liability for capital expenditure.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

- Non-current financial liabilities mainly consist of Borrowings.

### i) **Initial Recognition and measurement of Financial Liabilities**

The Group recognizes a financial asset when it becomes party to the contractual provisions of the instrument. All financial assets other than trade receivables are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables are initially recognised at transaction price. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis, i.e. the date that the Group commits to purchase or sell the asset.

### ii) **Subsequent Measurement of Financial Liabilities at Amortized Cost**

The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method. Interest expense that is not capitalized as part of cost of an asset is included in the 'Finance costs' line item. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period

### iii) **Derecognition of Financial Liability**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

### b) **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### III. **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### n) **Foreign Currency Transactions**

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

### o) **Provisions, Contingent liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

### p) Revenue recognition

Revenue from contracts with customers is recognized 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. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

#### i) Sale of Goods

Revenue from the sale of goods is recognized when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations. The customer obtains control of the goods when the significant risks and reward of products sold are transferred according to the specific delivery term that have been agreed with the customer. Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. 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 recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

#### ii) Service Income

Revenue from services rendered is recognized in the profit or loss as the underlying services are performed. Upfront nonrefundable payments received under these arrangements are recognized as revenue upon satisfaction of performance obligations.

#### iii) Interest and Dividend 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 principal 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 is recognized when right to receive is established (provided that it is probable that the economic benefits will flow to the Parent company and the amount of income can be measured reliably).

### iv) Export Incentive

Export incentives comprise of Duty draw back and MEIS (Merchandise Exports from India scheme) scrips. Duty drawback is recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports entitled for this benefit made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. MEIS scrips are freely transferable and can be utilised for the payment of customs duty. MEIS scrips are recognised either on transfer/sale of such scrips or when it is reasonably certain that such scrips can be utilised against import duties

### q) Employee benefits

#### Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

#### Defined contribution plans

The Group's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss. The Group's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

#### Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

#### Other long-term employee benefits

The Group's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

**r) Taxation**

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

**Current tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

**Deferred tax**

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the

temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**s) Earnings per share**

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### 3 Property, plant and Equipment

Particulars	Furniture & Fixtures	Computer and Printer	Office Equipments	Improvements To Leased Properties	Brands & Patents	Vehicles	Intangible Assets	ROU Asset	Total
<b>At 1 April 2022</b>	37.35	10.47	4.60	5.66	82.47	404.96	-	-	545.51
Additions	9.22	15.33	1.92	-	5.06	587.58	3.58	609.87	1,232.56
Disposals	-	-	-	-	-	-	-	-	-
Acquisitions through Business Combinations	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-
Exchange differences if any	-	-	-	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>46.57</b>	<b>25.80</b>	<b>6.52</b>	<b>5.66</b>	<b>87.53</b>	<b>992.54</b>	<b>3.58</b>	<b>609.87</b>	<b>1,778.07</b>
Depreciation charge for the year	9.09	8.45	2.21	2.92	-	128.40	0.16	18.48	169.71
Disposals	-	-	-	-	-	-	-	-	-
Exchange differences	0.67	0.50	-	0.25	-	8.61	-	-	10.03
<b>At 31 March 2023</b>	<b>38.15</b>	<b>17.85</b>	<b>4.31</b>	<b>2.99</b>	<b>87.53</b>	<b>872.75</b>	<b>3.42</b>	<b>591.39</b>	<b>1,618.39</b>

Particulars	Preliminary Expenses								Total
<b>At 1 April 2022</b>	-								-
Additions	-								-
Disposals	-								-
Acquisitions through Business Combinations	-								-
Revaluations	-								-
Exchange differences if any	-	-	-	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation charge for the year	5.54	-	-	-	-	-	-	-	5.54
Disposals	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>(5.54)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5.54)</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### Note No. 4 : Investments

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
I	Investments in Equity Instruments:		
1)	Investment in Subsidiaries		
a)	Equity Shares		
1)	Balaxi Healthcare Angola LDA-49% Holding	(0.00)	-
	<b>Total Investments</b>	<b>(0.00)</b>	<b>-</b>

### Note No. 5 : Other Non Current Assets

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
a	TDS / TCS	4.32	8.87
b	Advance Tax FY 2021-22		50.00
c	Advance Tax FY 2022-23	147.59	67.98
d	Prepaid expenditure	40.00	40.00
	<b>Total Other Non Current Assets</b>	<b>191.91</b>	<b>166.85</b>

### Note No. 6 : Inventory

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
a	Stock of Finished Goods	10,502.33	9,870.36
	<b>Total Inventories</b>	<b>10,502.33</b>	<b>9,870.36</b>

### Note No. 7 : Trade Receivables

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
	Unsecured, Considered Good		
a	Trade Receivable	5,228.20	2,755.90
		<b>5,228.20</b>	<b>2,755.90</b>
	Less: Allowance for Doubtful Debts (refer 7(a) for ageing)	-	-
	<b>Total Trade Receivables</b>	<b>5,228.20</b>	<b>2,755.90</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### Note No. 8 : Cash And Cash Equivalents

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
	<b>Cash and cash equivalents :</b>		
a	Balances with banks :		
	On Current Accounts	2,821.20	656.75
b	Cash on hand	0.01	62.23
	d) Others		
	<b>Sub Total</b>	<b>2,821.21</b>	<b>718.98</b>
c	Other bank balances	0.47	0.31
	<b>Total Cash and Cash Equivalents</b>	<b>2,821.68</b>	<b>719.29</b>

### Note No. 9 : Advances

		As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
	<b>Unsecured, Considered Good</b>		
a	Advances to Employees	10.40	5.19
b	Other Advances	154.36	172.53
	<b>Total Advances</b>	<b>164.76</b>	<b>177.72</b>

### Note No. 10 : Other Current Assets

		As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
a	Prepayments	377.68	312.16
b	Deposits	24.80	18.43
c	Staff advance	4.03	1.60
d	Tax refund receivables	67.15	78.25
e	Other advances	46.12	57.27
f	Preliminary expenses	-	2.77
g	Other Receivable	74.23	74.75
h	GST Refund	40.11	31.81
	<b>Total Other Current Assets</b>	<b>634.12</b>	<b>577.04</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

Amount In ₹ Lakhs(except for number of shares and EPS)

**Note No. 11 : Equity Share Capital**

S. No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
<b>I</b>	<b>Equity Share Capital</b>		
(a)	Authorised (4,00,00,000 Shares of 10/- each)	-	-
		4,000.00	4,000.00
		<b>4,000.00</b>	<b>4,000.00</b>
(b)	Issued [1,00,00,000 Shares of 10/- each]	-	-
		1,018.13	1,000.00
(c)	Subscribed & Fully Paid Up [1,00,00,000 Shares of 10/- each]	-	-
		1,018.13	1,000.00
	<b>Total Equity Share capital</b>	<b>1,018.13</b>	<b>1,000.00</b>
<b>II</b>	<b>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</b>		
	<b>Equity Shares of ₹ 10Each, Fully paid up</b>		
	At the Beginning	10,000,000	10,000,000
	Issued during the year	181,250	-
	At the end	<b>10,181,250</b>	<b>10,000,000</b>
<b>III</b>	<b>Details of Shareholder holding more than 5% shares of the company:</b>	<b>% of Share Holding</b>	
	<b>Equity Shares of ₹ 10 each Held By</b>		
	Balaxi Overseas Private Limited (holding company) - 7000000 shares	69%	70%
	Elara India Opportunities Limited - 950000 shares	9.3%	9.5%
	Marshal Global Capital Fund Ltd - 950000 shares	9.3%	9.5%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### Note No. 12 : Other Equity

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
<b>I</b>	<b>RESERVES AND SURPLUS</b>		
a)	Capital reserve		
	As at the commencement of the year		
	Add: Additions during the year		
	Less: Utilised for during the year		
		-	-
b)	Capital Redemption reserve		
	As at the commencement of the year	-	-
	Add: Additions during the year		
	Less: Utilised for during the year	-	-
		-	-
c)	Securities Premium		
	As at the commencement of the year	1,125.30	1,125.30
	Add: Additions during the year	799.31	-
	Less: Utilised for during the year	-	-
		<b>1,924.61</b>	<b>1,125.30</b>
d)	General reserve		
	As at the commencement of the year	4.61	4.61
	Add: Additions during the year	-	-
	Less: Utilised for during the year		
		<b>4.61</b>	<b>4.61</b>
e)	Revaluation reserve	-	-
f)	Share options outstanding account	-	-
c)	Retained Earnings :		
i)	Opening Balance - Statement of Profit and Loss	9,186.50	4,368.06
	Add: Transfer from Statement of Profit & Loss	5,174.44	4,818.44
	Less: Dividend	50.00	-
		<b>14,310.94</b>	<b>9,186.50</b>
		<b>14,310.94</b>	<b>9,186.50</b>
	<b>Total Other Equity</b>	<b>16,240.16</b>	<b>10,316.41</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

## Note No. 13 : Money received against share warrants

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
a	Money received against share warrants (25% amount received towards subscription of convertible warrants)	1,029.69	
	<b>Total Money received against share warrants</b>	<b>1,029.69</b>	<b>-</b>

## Note No. 14 : Deferred Tax Liability ( Net )

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
I	Opening Deferred tax Liability	3.88	0.71
	Add:		
	Deferred Tax Liability for the year	106.17	3.17
	<b>Gross Deferred tax Liability</b>	<b>110.05</b>	<b>3.88</b>
	Opening Deferred tax Asset	-	-
	Deferred Tax Asset for the year	-	-
	<b>Gross Deferred tax Asset</b>	<b>-</b>	<b>-</b>
	<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>110.05</b>	<b>3.88</b>

## Note No. 15 : Trade Payables

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
a	Trade Payables		
	To MSMEs	1,225.93	-
	Others	2,225.99	4,911.45
	(Refer 15(a) for ageing)		
	<b>Total Trade Payables</b>	<b>3,451.92</b>	<b>4,911.45</b>

## Note No. 16 : Borrowings

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
a	Unsecured Loans from Directors	-	100.00
b	Term Loans from Banks :		
	- Vehicle Loan from HDFC Bank	7.36	12.70
	(Secured Against Hypothecation of Car with the Bank)		
	- Vehicle Loan from Yes Bank	49.07	251.11
c	CC/OD's from Banks		
	- OD from Kotak Mahindra Bank	442.40	-
d	Loan against Trade receivables (Kotak Mahindra Bank)	576.27	-
	<b>Total Borrowings</b>	<b>1,075.10</b>	<b>363.81</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### Note No. 17 : Other Current Liabilities

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
		Amount (Rs.)	Amount (Rs.)
a	Unpaid dividend	0.47	0.31
b	Statutory Liabilities	84.06	8.65
c	Salaries Payable	32.45	192.99
d	Freight Payable	27.25	-
e	Audit Fee Payable	5.40	5.40
f	Remuneration/Expenses payable to directors	131.01	118.93
	<b>Total Other Current Liabilities</b>	<b>280.64</b>	<b>326.28</b>

### Note No. 18 : Current Tax Liabilities(Net)

S. No.	Particulars	As on 31-03-2023 Amount (₹)	As on 31-03-2022 Amount (₹)
a	Provision for Income Tax	505.66	725.22
	<b>Total Current Tax Liabilities (Net)</b>	<b>505.66</b>	<b>725.22</b>

### Note No. 19 : Revenue From Operations

S. No.	Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
	<b>Revenue from operations</b>		
	(i) Sale of goods	33,643.27	27,938.78
a	(i) Sale of Services	-	-
	<b>Total Revenue from Operations</b>	<b>33,643.27</b>	<b>27,938.78</b>

### Note No. 20 : Other Income

S. No.	Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
a	Foreign Exchange gain	186.48	494.22
b	Discount Received	2.64	2.95
c	Damage Goods	74.57	-
	<b>Total Other Income</b>	<b>263.69</b>	<b>497.17</b>

### Note No. 21 : Cost of material consumed

S. No.	Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
a	Cost of material consumed	20,241.56	19,559.63
	<b>Total Cost of material consumed</b>	<b>20,241.56</b>	<b>19,559.63</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

## Note No. 22 : Employee Benefits Expense

S. No.	Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
a	Salaries, wages and bonus	2,866.83	1,225.08
b	Other employee benefit expenses	28.58	21.52
	<b>Total Employee Benefit Expenses</b>	<b>2,895.41</b>	<b>1,246.60</b>

## Note No. 23 : Finance Costs

S. No.	Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
a	i) Interest Expenses		
	Interest on Vehicle Loan	34.93	14.16
	Interest on Term Loan	0.44	-
b	Interest on Lease	14.63	
	<b>Total Finance Cost</b>	<b>50.00</b>	<b>14.16</b>

## Note No. 24 : Administrative Expenses

S. No.	Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
a	Bank charges	87.71	61.89
b	Rent	990.88	349.19
c	Repairs & maintenance	474.77	236.79
d	Advertising and business promotion expenses	84.07	102.14
e	Travelling expenses	291.23	137.64
f	Communication costs	39.53	34.49
g	Printing and stationery	93.51	52.05
h	Legal and professional fees	313.56	146.77
i	Payment to auditor	5.00	6.00
j	Listing Fees	7.62	12.35
k	Miscellaneous expenses	1,119.40	392.99
l	Product Registration Charges	84.94	119.09
m	Conveyance	974.84	284.82
n	Other Expenses	17.18	-
o	Fees & Subscription	63.90	22.28
p	Remuneration-Directors	89.00	48.00
q	CSR Expenses	33.04	22.53
r	Investor relations Expenses	32.75	26.91
s	Power and Fuel	28.16	34.89
t	Insurance	21.42	21.28
	<b>Total Administrative Expenses</b>	<b>4,852.51</b>	<b>2,112.11</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### Annexure to Note: 7a

#### Ageing analysis for the FY 2022-23

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3,983.79	1,244.41	-	-	-	5,228.20
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	<b>3,983.79</b>	<b>1,244.41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,228.20</b>

#### Ageing analysis for the FY 2021-22

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,480.30	1,275.60	-	-	-	2,755.90
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	<b>1,480.30</b>	<b>1,275.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,755.90</b>

### Annexure to Note: 11

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of Shares	% of total shares	
Ashish Maheshwari	180,774.00	1.78%	-
Minoshi Maheshwari	105,580.00	1.04%	-
Balaxi Overseas Private Limited	7,000,000.00	68.75%	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### Annexure to Note: 15a

#### Ageing analysis for the FY 2022-23

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,225.93	-	-	-	1,225.93
(ii) Others	2,225.99	-	-	-	2,225.99
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>3,451.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,451.92</b>

#### Ageing analysis for the FY 2021-22

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	4,907.28	4.17	-	-	4,911.45
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>4,907.28</b>	<b>4.17</b>	<b>-</b>	<b>-</b>	<b>4,911.45</b>

### Note No. 25: Current Tax

S. No.	Particulars	Year Ended 31-03-2023 Amount (₹)	Year Ended 31-03-2022 Amount (₹)
a	Current tax expense for current year	923.87	683.28
b	Tax expense pertaining to prior years	65.94	-
	<b>Total Current Tax</b>	<b>989.81</b>	<b>683.28</b>

### 26 Earning Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31-Mar-23	31-Mar-22
Profit after tax	4,596.25	4,765.78
Weighted average number of equity shares (for Basic EPS)	10,033,400	10,000,000
Weighted average number of equity shares (for Diluted EPS)	10,123,100	10,000,000
Basic earnings per share for continued operations (in rupees)	45.81	47.66
Diluted earnings per share for continued operations (in rupees)	45.40	47.66

### 27 Segment information

The operating segment of the Group is identified as "Specialized Wholesale" as the Chief Operating Decision Maker reviews business performance at an overall level as one segment. Therefore the entire operation fall within only one single reportable segment

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

### 28 Related party transactions

#### A. Name of the related parties and related party relationship

##### a) Holding company

Balaxi Overseas Private Limited

##### b) Directors

Ashish Maheshwari  
Minoshi Maheshwari  
Gandhi Gamji  
Kunal M Bhakta  
M. Srinivas Rao

#### c) Key managerial personnel

Purnima Kamble

Ashish Maheshwari	Managing Director
Amol Mantri	CFO
Udayan Shukla	Company Secretary
Pranav Maheshwari	Senior Vice President

#### d) Wholly Owned Subsidiary company

Balaxi Global DMCC, Dubai

#### B. Transactions with related parties

Operating and administrative costs	31-Mar-23	31-Mar-22
<b>Balaxi Overseas Pvt Ltd</b>		
Rent	-	-
Reimbursement of Expenses to Directors	40.56	20.05
<b>Directors Remuneration</b>	-	-
Ashish Maheshwari	80.00	30.00
Minoshi Maheshwari	9.00	18.00
Sitting Fee	17.00	15.00
KMP Salary	55.10	24.00
CSR	25.50	22.53
Capital contribution to Balaxi Global DMCC	(0.00)	(0.00)
Loan from Directors	-	-
Loan repaid to Directors	100.00	100.00
<b>Subsidiaries</b>		
Sale with the subsidiary companies	10,813.78	5,184.50
Purchase with the subsidiary companies	10,813.78	5,184.50
KMP Salary with the subsidiary companies	233.69	215.83

### 29 Capital Management

For the purpose of Company's capital management, Capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

	31-Mar-23	31-Mar-22
Borrowings	1,075.10	363.81
Trade and other payables	3,732.56	5,237.73
Less: Cash and cash equivalents	(2,821.68)	(719.29)
<b>Net Debt</b>	<b>1,985.98</b>	<b>4,882.25</b>
Equity	17,258.29	11,316.42
<b>Capital and Net Debt</b>	<b>19,244.27</b>	<b>16,198.67</b>
<b>Gearing Ratio</b>	<b>10.32%</b>	<b>30.14%</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

### 30 Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations and FVTPL investments.

The Company is exposed to market risk and liquidity risk. The Company's senior management oversees management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures so that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency rate risk, interest rate risk and other price risk. Financial instruments affected by market risk include FVTPL financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2023 and 31 March 2022.

#### Equity price risk

The Company's listed equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification. The Company's Board of Directors reviews and approves all equity investment decisions.

#### iv) Capital work in Progress aging schedule

CWIP	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	225.96	57.20			283.16

- v) The company did not hold any Benami Property and hence no proceedings were initiated or pending against the company
- vi) There are borrowings from banks on the basis of current assets given as security. Returns and statements submitted by the company are in agreement with the Books of Account.
- vii) The company was not declared as a wilful defaulter by any bank or financial institution.
- viii) The company did not enter into any transactions with struck off companies.

### Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company has sufficient working capital funds available to honour the debt maturing within 12 months.

### 31 MSME

The Company has entered into business transactions with suppliers registered under the Micro, Small and Medium Enterprises Development act, 2006, the payment for which have been made within the stipulated or agreed time.

### 32 Subsequent Events

There are no significant events that occurred after the balance sheet date.

### 33 Prior year comparatives

The figures of the previous year have been regrouped/ reclassified, where necessary, to conform with the current year's classification.

### 34 Additional Regulatory Information

- i) The company doesn't possess any immovable property. In respect of immovable properties taken on lease and disclosed as property, plant and equipment in the Consolidated financial statements, the lease agreements are duly executed in the name of the Company.
- ii) The Company has not revalued any of its Property, Plant and Equipment during the year.
- iii) No loans and advances were granted to promoters, directors, KMPs and the related parties

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Amount In ₹ Lakhs(except for number of shares and EPS)

### ix) Ratios

	31/03/2023	31/03/2022
a) Current Ratio	3.64	2.23
(b) Debt-Equity Ratio	0.07	0.04
(c) Debt Service Coverage Ratio	74.32	182.82
(d) Return on Equity Ratio	27%	42%
(e) Inventory turnover ratio	1.99	3.48
(f) Trade Receivables turnover ratio	8.43	5.36
(g) Trade payables turnover ratio	0.49	0.46
(h) Net capital turnover ratio	1.95	2.47
(i) Net profit ratio	14%	17%
(j) Return on Capital employed	31%	48%
(k) Return on investment.	-	-

### 35 Undisclosed Income

All transactions were recorded in the books of account and there was no undisclosed income that has been surrendered or disclosed as income during the year.

### 36 Corporate Social Responsibility

	Amount (₹)
(i) amount required to be spent by the company during the year,	33.04
(ii) amount of expenditure incurred,	9.54
(iii) shortfall at the end of the year,	23.50
(iv) total of previous years shortfall,	0
(v) reason for shortfall,	Pertains to an ongoing project
(vi) nature of CSR activities,	Promotion of education, Healthcare and women empowerment
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Balaxi Foundation
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA

\*Total amount unspent has been transferred to Unspent CSR Account on 24th April 2023.

### 37 Details of Crypto Currency or Virtual Currency

The Company has not traded nor has invested in Crypto Currency or Virtual Currency during the financial year.

**For P Murali & Co.,**  
Chartered Accountants  
Firm Registration No. 0072575

**A Krishna rao**  
Partner  
Membership No. 020085  
UDIN: 23020085BGQXIP9491

Place : Hyderabad  
Date : 29-05-2023

**For and on behalf of the Board**  
**Balaxi Pharmaceuticals Limited**

**Ashish Maheshwari**  
Managing Director  
DIN: 01575984

**Amol Mantri**  
Chief Financial Officer

**Minoshi Maheshwari**  
Director  
DIN: 01575975

**Udayan Shukla**  
Company Secretary

# Notice

## of the 80<sup>th</sup> Annual General Meeting

Notice is hereby given that the 80<sup>th</sup> Annual General Meeting ("AGM") of the members of **Balaxi Pharmaceuticals Limited** ("the Company") will be held on **Friday, August 25, 2023, at 11:30 a.m. (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

### Ordinary Business:

#### Item No. 1 – Adoption of Audited Standalone Financial Statements:

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and the Auditors thereon and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

#### Item No. 2 – Adoption of Audited Consolidated Financial Statements:

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 and the report of the Auditors thereon and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 and the report of the Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

#### Item No. 3 – Re-appointment of Mrs. Minoshi Maheshwari (DIN: 01575975) as a director, liable to retire by rotation:

To appoint a director in place of Mrs. Minoshi Maheshwari (DIN: 01575975), who retires by rotation and being eligible, seeks re-appointment, and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mrs. Minoshi Maheshwari (DIN: 01575975), who retires by rotation at this meeting and being eligible offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company."

#### Item No. 4 – Re-appointment of M/s P. Murali & Co., Chartered Accountants, as Statutory Auditors of the Company:

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

**"RESOLVED THAT** pursuant to Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s P. Murali & Co., Chartered Accountants (Firm registration number: 007257S), be and are hereby re-appointed as the Statutory Auditors of the Company for the second term of five consecutive years, who shall hold office from the conclusion of this 80<sup>th</sup> AGM till the conclusion of the 85<sup>th</sup> AGM to be held in the year 2028, at such remuneration as may be determined by the Board of Directors of the Company (including its committees thereof).

**RESOLVED FURTHER THAT** the Board of Directors of the Company, (including its committees thereof) and/or any person authorised by the Board, be and is hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

### Special Business:

#### Item No. 5 – Re-appointment of Mr. Mangina Srinivas Rao (DIN: 08095079) as an Independent Director of the Company:

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("Act") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Companies (Appointment and Qualification of Directors), Rules, 2014, and Regulations 17, 25 and any other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") as amended from time to time, and the Articles of Association of the Company, Mr. Mangina Srinivas Rao (DIN: 08095079), who was appointed as an Independent Director of the

Company at the 78<sup>th</sup> Annual General Meeting of the Company and who holds office up to September 14, 2023 and who is eligible for being re-appointed as an Independent Director of the Company and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (Five) consecutive years commencing from September 15, 2023 to September 14, 2028.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or any person authorised by the Board be and is hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this Resolution.”

By Order of the Board of Directors  
**For Balaxi Pharmaceuticals Limited**

**Udayan Shukla**

(Company Secretary and Compliance Officer)  
Membership No.: F11744

Date: May 29, 2023  
Place: Hyderabad

Registered Office: Plot No. 409,  
H. No. 8-2-293, Maps Towers,  
3<sup>rd</sup> Floor, Phase – III, Road No. 81,  
Jubilee Hills, Hyderabad (T.G.) – 500 096  
CIN: L25191TG1942PLC121598  
Website: [www.balaxipharma.in](http://www.balaxipharma.in)  
Email: [secretarial@balaxi.in](mailto:secretarial@balaxi.in)  
Telephone: +91 40 23555300

#### Notes:

- 1) The Ministry of Corporate Affairs (“MCA”) has, vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 5, 2022 and 10/2022 dated December 28, 2022 (collectively the ‘MCA Circulars’), permitted convening the Annual General Meeting (“AGM”/ “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act, 2013 (“the Act”) read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
- 2) A statement pursuant to the provisions of Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM, is annexed hereto. Further, additional information as required under Listing Regulations and Circulars issued thereunder is also annexed. The Board of Directors considered Item No. 5 as unavoidable and therefore included it as Special Business in this notice.
- 3) Company is providing VC/OAVM facility to its members to attend the 80<sup>th</sup> AGM through Central Depository Services (India) Limited (“CDSL”).
- 4) Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members 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 and Attendance Slip are not annexed hereto.
- 5) The Members can join the 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 AGM through VC/OAVM will be made available to at least 1000 members on first come first serve basis. This will not include large members (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 AGM without restriction on account of first come first served basis.
- 6) Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.
- 7) Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in **Annexure - I** to this Notice.
- 8) In compliance with the MCA Circulars and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Registrar and Transfer Agent / Depository Participants / Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company’s website <https://balaxipharma.in/>, website of the Stock Exchange, that is, National Stock Exchange of India Limited <https://www.nseindia.com/>, and on



the website of Central Depository Services (India) Limited <https://www.evotingindia.com/>. The Company shall send physical copy of the Annual Report 2022-23 to the members who specifically request for the same by sending an email at [secretarial@balaxi.in](mailto:secretarial@balaxi.in).

- 9) Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's RTA, Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 500 029, E-mail: [info@arthiconsultants.com](mailto:info@arthiconsultants.com).
- 10) The Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 11) The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., August 25, 2023. Members seeking to inspect such documents can send an email to [secretarial@balaxi.in](mailto:secretarial@balaxi.in).
- 12) In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company is providing remote e-voting facility to its members, to enable them to cast their votes electronically through the facility provided by Central Depository Services (India) Limited ("CDSL"). The instructions for remote e-voting are appended to this Notice. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again.
- 13) Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. Friday, August 18, 2023, may cast their votes electronically. The e-voting period commences on Monday, August 21, 2023 at 9:00 a.m. (IST) and ends on Thursday, August 24, 2023 at 5:00 p.m. (IST). The e-voting module will be disabled by CDSL thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. Friday, August 18, 2023. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
- 14) Any person, who become Member of the Company after dispatch of the Notice of AGM and hold shares as on Friday, August 18, 2023 ("cut-off date") may obtain the login ID and password by sending an email to the RTA at [info@arthiconsultants.com](mailto:info@arthiconsultants.com) by mentioning their Folio No. / DP ID and Client ID No. However, if you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on [www.evotingindia.com](https://www.evotingindia.com).
- 15) The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who 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 the e-voting system during the AGM.
- 16) The Board of Directors of the Company at their meeting held on Monday, May 29, 2023, have appointed Mr. Yogindunath S, Designated Partner of BVR & Associates Company Secretaries LLP as the Scrutinizer to scrutinize the remote e-voting and e-voting during the AGM in a fair and transparent manner.
- 17) After completion of the scrutiny of the electronic votes, the Scrutinizer will submit his report to the Chairman. The voting results along with Scrutinizer's Report will be announced within two working days of the conclusion of AGM. The said results would be displayed at the Registered Office of the Company and on its website at [www.balaxipharma.in](http://www.balaxipharma.in) and simultaneously intimated to the CDSL and National Stock Exchange of India Limited ("NSE"). The Scrutinizer's decision on the validity of votes cast will be final.
- 18) Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to [yogi@directus.co.in](mailto:yogi@directus.co.in) and to the Company by email to [secretarial@balaxi.in](mailto:secretarial@balaxi.in).

#### Unclaimed/Unpaid Dividend:

- 19) Pursuant to the provisions of Section 124 of the Act, the amounts of dividend declared and remaining unpaid/unclaimed pertaining to the financial year 2014-15, have been transferred to the Investor Education and Protection Fund (IEPF) established by Central Government. Details of unpaid/ unclaimed dividends lying with the Company as on March 31, 2023 are available on the website of the Company at <https://balaxipharma.in/investor-unclaimed-dividend>. Members are requested to contact the Company or the RTA of the Company, to claim the unclaimed /unpaid dividends.

20) As per Section 124(5) of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2017 ("IEPF Rules") and amendments made thereto, all shares in respect of which dividends remain unpaid or unclaimed for a consecutive period of seven years or more are required to be transferred to the demat account of IEPF Authority. Pursuant thereto, the Company has transferred the underlying shares in respect of which dividends remained unclaimed for a consecutive period of seven years. The Members / claimants whose shares, have been transferred to IEPF may claim the shares by making an application to IEPF Authority in webform IEPF 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)).

21) **General Information and instructions related to remote e-voting and joining the AGM through VC/OAVM are as under:**

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Monday, August 21, 2023 at 9.00 a.m. (IST) and ends on Thursday, August 24, 2023 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, August 18, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the AGM.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020**, under Regulation 44 of Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting **to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

Pursuant to abovesaid SEBI Circular, Login method **for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider website 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. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000.

**Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (v) Login method for Remote e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

- 6) If you are a first-time user follow the steps given below:

**For Physical shareholders and other than individual shareholders holding shares in Demat.**

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address viz: [yogi@directus.co.in](mailto:yogi@directus.co.in) and to the Company at the email address viz; [secretarial@balaxi.in](mailto:secretarial@balaxi.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- (i) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- (ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- (iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) 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.
- (vii) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at **least 7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@balaxi.in](mailto:secretarial@balaxi.in).

in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@balaxi.in](mailto:secretarial@balaxi.in). These queries will be replied to by the company suitably by email.

- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- (ix) Only those shareholders, who are present in the 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 available during the AGM.
- (x) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

- (i) For Physical shareholders- please provide necessary details like 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@balaxi.in](mailto:secretarial@balaxi.in) / [info@arthiconsultants.com](mailto:info@arthiconsultants.com).
- (ii) For Demat shareholders - Please update your email id & mobile no. with your respective **Depository Participant (DP)**
- (iii) For **Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33.

#### **Important instructions for Shareholders holding shares in physical form:**

- 22) Securities and Exchange Board of India, vide its circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has directed listed companies to issue securities for the following service requests viz. issue of duplicate securities certificate; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition in dematerialized form only. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
- 23) Members holding shares in physical mode are requested to note that SEBI vide its circulars SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021, SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, has simplified the process for investor service requests. SEBI has made it mandatory for holders of physical securities to furnish PAN, bank account details, contact details, specimen signature and nomination for their corresponding folio numbers. SEBI has notified forms for the purpose, as detailed below:

Forms	Description
Form ISR-1	Request for registering PAN, bank account details, signature, mobile, email-id, address or changes / updation thereof
Form ISR- 2	Confirmation of Signature of securities holder by the Banker
Form SH-13	Nomination form
Form ISR-3	Declaration for Nomination opt-out
Form SH- 14	Change in Nomination

The above forms can be downloaded from the Company's website at <https://balaxipharma.in/investor-contacts>. Accordingly, members are requested to make service requests / update their records by submitting a duly filled and signed forms, along with

the related proofs listed in the forms to Company's RTA, Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad – 500 029, E-mail: [info@arthiconsultants.com](mailto:info@arthiconsultants.com).

As per the aforementioned SEBI Circulars, the Company/ RTA will not be able to process any service requests or complaints received from the security holder(s) / claimant(s), till PAN, KYC and nomination documents/details as stated above are received. However, the Company/ RTA will furnish required information as sought by investors with respect to procedure related to investor service requests.

Folios wherein any one of the referred documents/ details mentioned above are not available on or after October 01, 2023, shall be frozen and shareholders shall be eligible for receipt of dividend through electronic mode with effect from April 01, 2024.

Folios which continue to remain frozen till December 31, 2025 shall be referred by RTA/ Company to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002.

The Central Board of Direct Taxes ("CBDT") mandated linking PAN with Aadhaar number on or before June

30, 2023. PAN linked with Aadhaar numbers shall only be considered as valid PAN. All shareholders holding shares in physical form are requested to submit valid PAN to RTA and RTA shall accept valid PAN only.

By Order of the Board of Directors  
**For Balaxi Pharmaceuticals Limited**

**Udayan Shukla**  
(Company Secretary and Compliance Officer)  
Membership No.: F11744

Date: May 29, 2023  
Place: Hyderabad

**Registered Office:** Plot No. 409,  
H. No. 8-2-293, Maps Towers,  
3rd Floor, Phase – III, Road No. 81,  
Jubilee Hills, Hyderabad (T.G.) – 500 096  
CIN: L25191TG1942PLC121598  
Website: [www.balaxipharma.in](http://www.balaxipharma.in)  
Email: [secretarial@balaxi.in](mailto:secretarial@balaxi.in)  
Telephone: +91 40 23555300



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

### Item No. 4 – Re-appointment of M/s P. Murali & Co., Chartered Accountants, as Statutory Auditors of the Company:

This explanatory statement is provided in terms of Regulation 36(5) of the Listing Regulations, however, the same is strictly not required as per Section 102 of the Companies Act, 2013.

The Members of the Company, at the 75<sup>th</sup> Annual General Meeting ("AGM") of the Company held on September 20, 2018, had approved the appointment of M/s P. Murali & Co., Chartered Accountants (Firm registration number: 007257S), as Statutory Auditors of the Company, to hold office from the conclusion of 75<sup>th</sup> AGM till the conclusion of this AGM. M/s P. Murali & Co., is a leading firm of audit services in Hyderabad.

In terms of the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as statutory auditors for not more than 2 (two) terms of 5 (five) consecutive years. M/s P. Murali & Co. is eligible for re-appointment for a further period of five years. After evaluating various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on May 29, 2023, proposed the re-appointment of M/s P. Murali & Co., as the Statutory Auditors of the Company, for a second term of five consecutive years from the conclusion of this AGM till the conclusion of the 85<sup>th</sup> AGM of the Company to be held in the year 2028. This re-appointment is subject to the approval of Members of the Company.

M/s P. Murali & Co. have consented to the aforesaid re-appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as statutory auditors as per the provisions of Section 139(1), Section 141(2) and Section 141(3) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as applicable.

As per Section 142 of the Companies Act, 2013 the proposed remuneration payable to M/s P. Murali & Co. for statutory audit services for the financial year ending March 31, 2024, will be in the range of ₹ 5,00,000/- (Rupees Five Lakhs only) to ₹ 8,00,000/- (Rupees Eight Lakhs only), plus applicable taxes and out of pocket expenses. Revision, if any, to the statutory audit fees for the remaining part of the tenure, shall be approved by the Audit Committee/ Board of Directors, as may be required.

Further, the Company may obtain certifications from M/s P. Murali & Co. under statutory regulations and avail other permissible non-audit services, as may be required from time to time. The remuneration/fee for certifications and non-audit services will be paid on mutually agreed terms.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board of Directors recommends the resolution as set out in Item No. 4, for approval of the Members of the Company by way of an Ordinary Resolution.

### Item No. 5 – Re-appointment of Mr. Mangina Srinivas Rao (DIN: 08095079) as an Independent Director of the Company:

The Members of the Company, at the 78<sup>th</sup> Annual General Meeting of the Company, held on August 25, 2021, approved the appointment of Mr. Mangina Srinivas Rao (DIN: 08095079) as an Independent Director, not liable to retire by rotation, for a period of 3 (Three) years commencing from September 15, 2020. The term of appointment of Mr. Mangina Srinivas Rao is up to September 14, 2023.

Pursuant to the provisions of Section 149, Schedule IV and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in Board's report. Further, pursuant to Regulation 25(2A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, appointment, reappointment or removal of an Independent Director of a Listed Entity, shall be subject to the approval of shareholders by way of a Special resolution.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on May 29, 2023 recommended the re-appointment of Mr. Mangina Srinivas Rao as an Independent Director, not liable to retire by rotation, for a second term of five years commencing from September 15, 2023 to September 14, 2028, based on his skills, experience, knowledge and positive outcome of performance evaluation.

Summary of the performance evaluation of Mr. Mangina Srinivas Rao is given below:

The Nomination and Remuneration Committee and the Board of Directors considered the following parameters in evaluating the performance of Mr. Mangina Srinivas Rao:

- Qualifications, Experience, Knowledge and Competency;
- Fulfilment of Functions and Ability to function as a team;
- Initiative, Availability and Attendance;
- Commitment, Contribution and Integrity;
- Independence of the Director; &
- Independent Views and Judgement.

Based on the role, rights and responsibilities of Mr. Mangina Srinivas Rao as an Independent Director of the Company, his performance was evaluated as excellent by the Board of Directors.

In line with the Company's remuneration policy, Mr. Mangina Srinivas Rao will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors and reimbursement of expenses for participation in the Board and committee meetings and commission, if any, as may be determined by the Board of Directors and shareholders on the recommendation of the Nomination and Remuneration Committee within the overall limits under Companies Act, 2013. Details of remuneration paid to Independent Directors shall be disclosed as part of the Annual Report.

The Company has received a declaration from Mr. Mangina Srinivas Rao confirming that he meets the criteria of independence under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received consent from Mr. Mangina Srinivas Rao to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. Mr. Mangina Srinivas Rao has also confirmed that he is not debarred from holding the office of Director pursuant to any order issued by the Securities and Exchange Board of India or any other authority. In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Member proposing the candidature of Mr. Mangina Srinivas Rao to be re-appointed as an Independent Director of the Company.

In the opinion of the Board of Directors, Mr. Mangina Srinivas Rao fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder, for his re-appointment as an Independent Director of the Company and is independent of the Management. His knowledge and experience will continue to be of immense benefit and value to the Company.

A copy of the draft letter of re-appointment of Mr. Mangina Srinivas Rao setting out the terms and conditions of re-appointment is available for inspection by the Members electronically. Members seeking to inspect the same can send an email to [secretarial@balaxi.in](mailto:secretarial@balaxi.in).

Except Mr. Mangina Srinivas Rao, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 5.

Brief profile of Mr. Mangina Srinivas Rao, Independent Director of the Company, is given below:

Mr. Mangina Srinivas Rao joined the Board of Directors of the Company on September 15, 2020. Mr. Rao has more than three decades of experience in the areas of global markets, strategy formulation, project leadership and fund raising. He holds a Master's in Business Management Degree from Asian Institute of Management, Philippines. He has also completed PG Diploma courses from IIM Ahmedabad, Cornell University and Kansas State University. Mr. Rao has previously worked with ITC Ltd - Agri Business Division, as Head New Initiatives, where he led the expansion into new and profitable verticals. He also worked as the CEO of the Cereal Systems Initiative for South Asia mandated by BMGF and USAID and implemented by CGIAR international institutions - IRRI, CIMMYT, IFPRI and ILRI. He is on the Board of multiple other companies and specializes in Business Strategy and Corporate Governance.

The Board of Directors recommends the resolution set forth in Item No. 5 for approval of the Members by way of a Special Resolution.

Additional information in respect of Mr. Mangina Srinivas Rao, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given as **Annexure – I** to this Notice.

By Order of the Board of Directors  
**For Balaxi Pharmaceuticals Limited**

**Udayan Shukla**  
(Company Secretary and Compliance Officer)  
Membership No.: F11744

Date: May 29, 2023  
Place: Hyderabad

**Registered Office:** Plot No. 409,  
H. No. 8-2-293, Maps Towers,  
3<sup>rd</sup> Floor, Phase – III, Road No. 81,  
Jubilee Hills, Hyderabad (T.G.) – 500 096  
CIN: L25191TG1942PLC121598  
Website: [www.balaxipharma.in](http://www.balaxipharma.in)  
Email: [secretarial@balaxi.in](mailto:secretarial@balaxi.in)  
Telephone: +91 40 23555300

## ANNEXURE - I

### Details of Directors seeking reappointment pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings

S No.	Particulars		
1.	Name of the Director	Mrs. Minoshi Maheshwari	Mr. Mangina Srinivas Rao
2.	DIN	01575975	08095079
3.	Date of Birth	July 08, 1972	August 09, 1960
4.	Age	50	62
5.	Date of first appointment on the Board	May 04, 2017	September 15, 2020
6.	Expertise in specific functional area	Business Administration, International Trade, Expertise in Pharma Sector	Strategy, Corporate Governance and Leadership.
7.	Qualifications	Bachelor of Commerce (Hons.) from Osmania University	Master's in business management from Asian Institute of Management
8.	Experience	Mrs. Minoshi Maheshwari has more than two decades of experience in International Trade, Administration and Business Management.	Mr. Rao has more than three decades of experience in the areas of global markets, strategy formulation and project leadership.
9.	Terms and Conditions of appointment/ reappointment	Re-appointment as a Director liable to retire by rotation	Re-appointment as an Independent Director for second term of five years from September 15, 2023 to September 14, 2028.
10.	Directorship/ Committee Chairpersonship/ Committee Membership held in other Listed Companies	Nil	Independent Directorship: 1) Total Transport Systems Limited 2) EFC (I) Limited 3) Droneacharya Aerial Innovations Limited Committee Membership: 1) Total Transport Systems Limited – Stakeholders Relationship Committee, Audit Committee and Nomination and Remuneration Committee 2) EFC (I) Limited – Nomination and Remuneration Committee 3) Droneacharya Aerial Innovations Limited: Audit Committee and Stakeholders Relationship Committee Committee Chairmanship: 1) Droneacharya Aerial Innovations Limited – Nomination and Remuneration Committee
11.	Directorship held in other Companies (excluding listed companies)	1) Balaxi Overseas Private Limited 2) Balaxi Capital Holdings Private Limited	Nil
12.	Chairpersonship/ Membership of the Committees of other Companies (excluding listed companies)	Nil	Nil
13.	Shareholding in the Company including Shareholding as a beneficial owner	1,05,580 Equity Shares aggregating to 1.03% of the total shareholding of the Company.	5,000 Equity Shares aggregating to 0.04% of the total shareholding of the Company.

S No.	Particulars		
14.	Relationships with other Directors/ KMPs	Spouse of Mr. Ashish Maheshwari, Managing Director and Mother of Mr. Pranav Maheshwari, Senior Vice President – Business Development (KMP).	Not related to any Director/ KMPs
15.	Resignation from the directorship of listed companies in the past three years	None	None
16.	Number of meetings of the Board attended during the year	During the Financial Year 2022-23, 6 meetings of the Board of Directors were held. Mrs. Minoshi attended all the meetings.	During the Financial Year 2022-23, 6 meetings of the Board of Directors were held. Mr. Rao attended all the meetings.
17.	Skills and Capabilities required for the role and the manner in which the Independent Director meets such requirements	Reappointment as a director liable to retire by rotation. She is a Non – Independent Director.	<p>The Nomination and Remuneration Committee ('NRC') had identified amongst others, leadership and deep expertise in the areas of Strategy and Corporate Governance as the skills and capabilities for the role.</p> <p>Mr. Rao has more than three decades of experience in the areas of global markets, strategy formulation and project leadership. Considering his rich experience of over three decades, Mr. Rao meets the requirements as laid down by the NRC.</p>
18.	Remuneration	Mrs. Minoshi Maheshwari is paid remuneration by way of sitting fees for attending the meetings of the Board, reimbursement of expenses for participating in the meetings. For the Financial Year 2022-23, Mrs. Minoshi Maheshwari has been paid a sitting fee of ₹ 2,50,000/- (Rupees Two Lakh Fifty Thousand only). Further, she was also paid a salary of ₹ 9,00,000/- (Rupees Nine Lakhs only).	Mr. Rao is paid remuneration by way of sitting fees for attending the meetings of the Board, reimbursement of expenses for participating in the meetings. For the Financial Year 2022-23, Mr. Rao has been paid a sitting fee of ₹ 3,00,000/- (Rupees Three Lakhs only).

By Order of the Board of Directors  
**For Balaxi Pharmaceuticals Limited**

**Udayan Shukla**  
 (Company Secretary and Compliance Officer)  
 Membership No.: F11744

Date: May 29, 2023  
 Place: Hyderabad

**Registered Office:** Plot No. 409, H. No. 8-2-293,  
 Maps Towers, 3rd Floor, Phase – III, Road No. 81,  
 Jubilee Hills, Hyderabad (T.G.) – 500 096  
 CIN: L25191TG1942PLC121598  
 Website: [www.balaxipharma.in](http://www.balaxipharma.in)  
 Email: [secretarial@balaxi.in](mailto:secretarial@balaxi.in)  
 Telephone: +91 40 23555300

## Notes

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