



BALAXI
BALAXI PHARMACEUTICALS LIMITED



Medicines for Frontier Markets

ANNUAL REPORT **FY2021**



Medicines for Frontier Markets

The power of Frontier Markets

Frontier markets are the less advanced yet fast emerging economies of the developing world. While they are less accessible than emerging markets, they are a haven for value creation for the undeterred. Today, the population of frontier markets account for approximately one-third of the world's population and includes several fast-growing economies. While they are small slice of the global economy, they have considerable headroom for growth going forward. Many economists believe that companies that are part of the frontier market story this decade, will experience the next major world economic expansion.

The mastery of Balaxi

The fundamental USP of Balaxi Pharmaceuticals Limited is its unique methodology for overcoming the challenges in anchoring itself and flourishing within frontier markets. It has an ingrained ability to de-risk its forays through its deep understanding of the demand dynamics and nuances of the local population; a strong appreciation and compliance of local regulatory frameworks; a persistent approach to building brand recall; a vast portfolio of branded and generic drugs, through its capital efficient IP-centric business model. With a granular approach to serving the day-to-day requirements of pharmacies, hospitals, clinics, and modern retail from a well-inventoried stock-and-sell model, Balaxi understands the value of service appreciation and brand affinity.

As the population of frontier countries become more prosperous and aspirational, their spend on healthcare, nutrition and everyday medicines are increasingly becoming a higher priority within their mindset. Today, with an established presence within multiple countries of Africa, the Caribbean Islands and Latin America, and a growing portfolio of medicines across multiple therapeutic segments and delivery systems, Balaxi is in a sweet spot to be a highly successful proxy within the pharmaceuticals sector of frontier markets.



Our Vision:

To become a fully integrated pharmaceutical major with dominant branded position in leading frontier markets across all continents.



Our Mission:

To establish strong portfolios of pharmaceuticals formulations registrations and strong channel networks in each market we target. To build a branded consumer products business which complements our pharmaceuticals business and provides us operating leverage on the back of our well-established on-ground infrastructure and commercial relationships.



To view Annual Report 2020-21 online, visit: <https://www.balaxipharma.in/>

or scan QR Code below:



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The Power of Frontier Markets



Growing Portfolio of Branded & Generics Medicines



Consumer Products: our next pillar of growth

Corporate Information

CIN:

L25191TG1942PLC121598

Board of Directors

Ashish Maheshwari
Managing Director

Minoshi Maheshwari
Non Executive Director

Kunal M Bhakta
Independent Director

Gandhi Gamji
Independent Director

M. Srinivas Rao
Additional Director (Independent)

Purnima Singh Kamble
Additional Director (Independent)

Board Committees

Audit Committee

Kunal M Bhakta: Chairman
Gandhi Gamji
Ashish Maheshwari

Nomination and Remuneration Committee

Kunal M Bhakta: Chairman
Gandhi Gamji
Minoshi Maheshwari

Stakeholder's Relationship Committee

Kunal M Bhakta: Chairman
Gandhi Gamji
Minoshi Maheshwari

CSR Committee

Minoshi Maheshwari: Chairman
Ashish Maheshwari
Gandhi Gamji

Risk Management Committee:

Ashish Maheshwari: Chairman
Gandhi Gamji
Amol Mantri

Key Managerial Personnel

Ashish Maheshwari
Managing Director

Amol Mantri
Chief Financial Officer

Shalini Chinta
Company Secretary

Statutory Auditor

P. Murali & Co, Chartered Accountants
6-3-655/2/3, Somajiguda,
Hyderabad 500 082

Internal Auditors

PCN & Associates, Chartered Accountants
Plot No. 12, 'N' Heights,
Ground Floor, Software Units Lay Out,
Hyderabad 500081

Secretarial Auditors

BVR & Associates Company Secretaries LLP
Swastika, 53/3933, Lal Salam Road,
Ponnuruni road, Vytilla, Kochi- 682019

Bankers

Yes Bank Ltd
HDFC Bank Ltd
State Bank of India

Registered Office

Plot No. 409, H.No. 8-2-293,
2nd Floor Maps Towers, Jubilee Hills, Road No:81,
Hyderabad, Telangana-500096
Website : www.balaxipharma.in

Subsidiaries:

Balaxi Global DMCC, Dubai

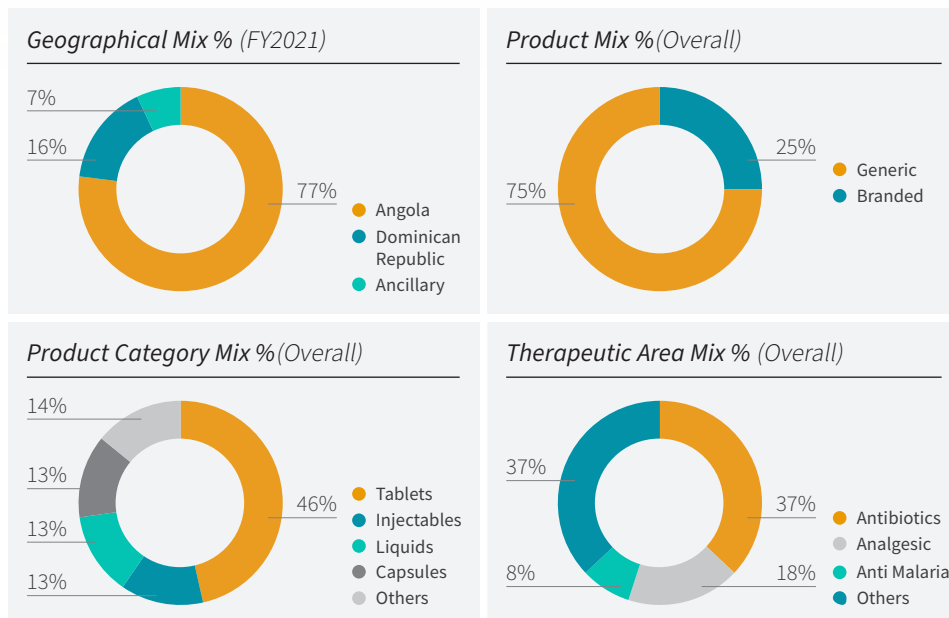
Registrar & Share Transfer Agent

Aarthi Consultants Private Limited
1-2-285, Domalguda
Hyderabad – 500029
Ph : 040 2763811

About Us



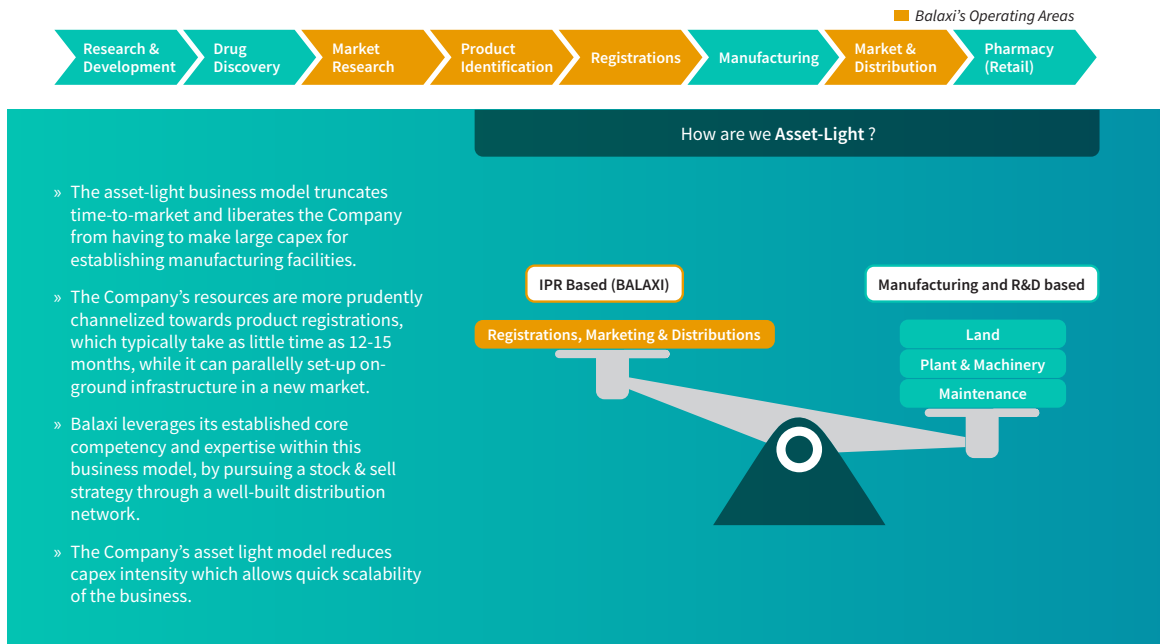
Headquartered in **Hyderabad, India**, we are an IPR-driven asset-light pharma company with a distinct produce, stock & sell model, supplying branded and generic medicines. We focus on **frontier markets**, with a vast and growing portfolio of drugs across multiple therapeutic segments. Our **value system** is the foundation for transparency and strong corporate governance. While we create **value for shareowners**, we work ethically and honestly to positively impact all our stakeholders sustainably.



An IPR driven Company:

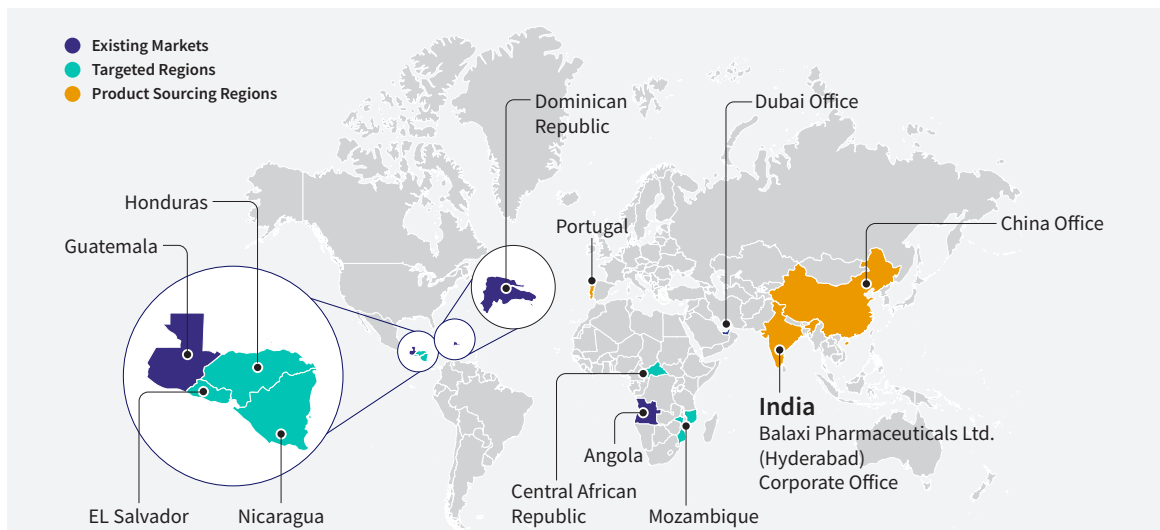
We are an Asset-Light Business Model Focussed on IPR's:

Pharmaceutical Industry Value Chain



Our Market Presence:

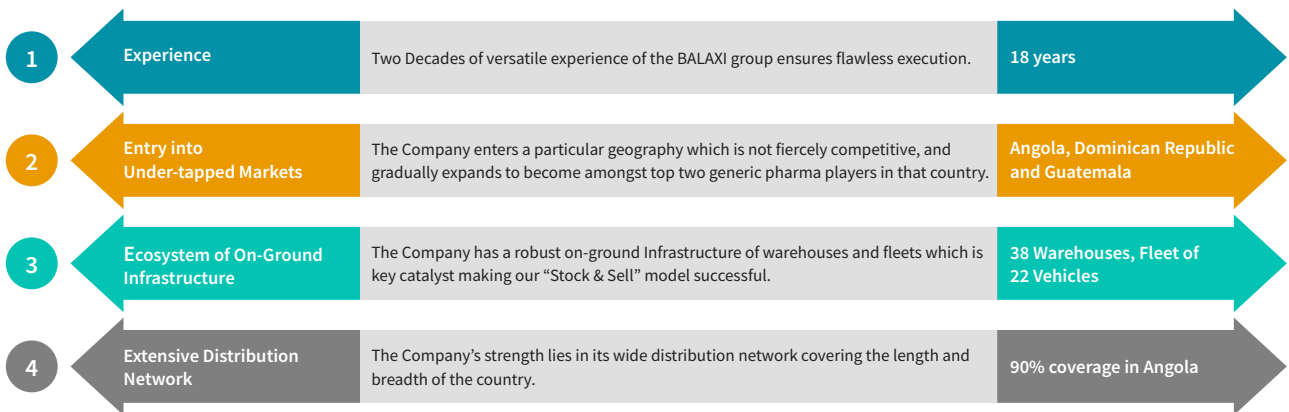
A growing pharmaceuticals company with on-ground presence in markets within Africa, Caribbean Islands & Latin America. Our current established markets are Angola, Guatemala and Dominican Republic, where we have a strong presence in terms of competitive positioning, product registrations, on-ground stock-and-sell infrastructure and brand recognition. We are in the midst of entering newer geographies in Africa and Latin America, specifically Honduras, EL Salvador, Nicaragua, Central African Republic and Mozambique. Beyond this, for the next orbit of growth, the Company has plans to expand in additional Latin American countries. We aim to establish our presence and expand into 20 frontier markets over the next 5 years.



Our Pillars for Success



Leveraging our differentiating strengths:



Our "Enter, Expand and Excel" strategy:

The Company aims to establish its presence and expand in **20 frontier markets** over the next **5 years**.

Balaxi in 2020: Business Consolidation under Balaxi Pharmaceuticals.

- » 548 product registrations.
- » Presence across Angola, Guatemala and Dominican Republic.
- » Effective and efficient supply chain model consisting of 38 warehouses and a fleet of owned vehicles.

Balaxi in 2021-22: Expansion into New Geographies.

- » We aim to capture incremental market share in our existing geographies and expand our presence in Honduras, EL Salvador, Nicaragua and the Central African Republic.
- » We will also continue to pursue various opportunities in our existing regions by leveraging our physical presence.
- » Additionally, we aim to focus on offering a comprehensive product portfolio to fulfill consumer demand.

Balaxi in 2023 & Beyond.

- » The management aims to foray into other Latin American countries & the Commonwealth of Independent States (CIS) markets, and successfully replicate our differentiated business model.
- » We also aim to focus on having an ideal mix of Branded and Generic medicines that maximises our returns.

Straddling The Value Chain:

Market & Product Selection

We focus on bringing essential medicines within the reach of populations within frontier markets, which are challenging to penetrate. In particular, we concentrate on non-English-speaking countries which are emerging and hold the promise of improving GDP per capita.

Asset-Light Production

Once identified, we develop our products by working with reliable outsourcing partners for high quality and reliability and registering these products within our respective multiple target markets. We thus refrain from creating our own manufacturing activities to maintain an asset-light production model, wherein we own the brand and the respective country registrations of each for each of our products.

Distribution Logistics

Our Fleet on-the-ground gives us the advantage of supporting the market demand with just-in-time-delivery and helps us maintain strong margins driven by our high service-levels.

Reach to End Consumers that have growing brand affinity to Balaxi.



Market Research

We rigorously study each market and establish the best portfolio to seek registrations in that market. This is an evolving cycle, where our on-ground customer feedback mechanisms continuously sharpen our ability to expand “What’s in-demand” and gives us the direction to pursue the correct product development that can allow us to gain better market share at a portfolio level.

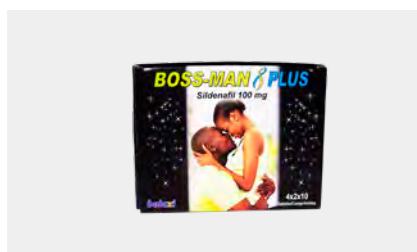
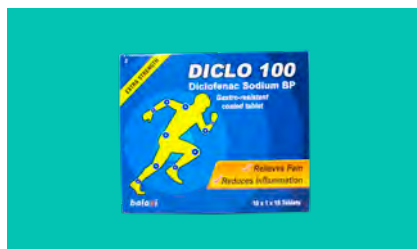
Warehouse Management

We maintain a rigorous supply chain flow to build our stocks in our own warehouses within our respective markets and cater to the marketplace strictly on an inventory-based (stock and sell) model.

Prolific Footprint

Wide Company-owned distribution network across all regions of our operations is a key strength of Balaxi.

A deep portfolio of more than 300 branded and generic drugs:



Managing Director's Message



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Ashish Maheshwari
Managing Director



We want to be a top tier generic pharma player in our chosen frontier markets. We also plan to leverage our infrastructure and relationships to exploit opportunities in the branded consumer products.



Dear Shareholders,

Last year was like no other in recent history. It was firmly in the grip of the Corona virus pandemic, which placed great demands on everyone. People across the world suffered unprecedented miseries, and many lives were lost. The economy and stock markets slumped, and many livelihoods were destroyed. For Balaxi, this backdrop posed serious challenges. We took all necessary measures to ensure safety for all our employees globally, and ensured that our medicines and pandemic related protective products were always available to our consumers through our logistics, distribution, and prudent stocking levels. The management and employees worked hard to handle the adverse conditions, while at the same time ensured our steady expansion in our pharmaceutical and product portfolio and new frontier markets. As a result, we have come through the pandemic in good shape, while laying a strong foundation for future growth.

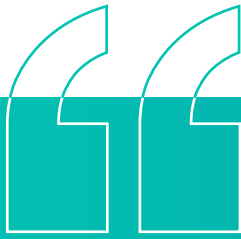
Today, we stand as a fast growing branded and generics pharmaceutical player with strong capabilities focusing on frontier markets, with a vast and growing portfolio of branded drugs across multiple therapeutic segments. We are now aggressively moving forward on our journey in bringing essential medicines and consumer products into new frontier markets and are committed to take the company to the next level.

Our financial performance – proving our resilience

We delivered strong performance in fiscal FY2021, reflecting continued growth ahead of the market, strong profitability and record free cash flow, driving superior shareholder value.

During the fiscal year of FY2021, our revenues grew by 407% YoY, from ₹ 45.63 crores in FY2020 to ₹ 231.33 crores in FY2021. Regionally speaking, we saw solid performance from Africa which grew by 448%, from the Central Americas region which grew by 301%, and from the Caribbean region which grew by 320%.





Balaxi has well-honed skill sets for the stock and sell model, focusing on establishing a comprehensive omni channel distribution network in multiple frontier markets.

In terms of our mix, our pharmaceuticals contributed 59%; branded consumer products 13%; and ancillary 29%. Since the latter is only sold in Angola, we expect our pharmaceuticals and branded consumer products will dominate in time. In terms of contributions, our EBITDA grew by 407% YoY from ₹ 8.8 crores in FY2020 to ₹ 44.64 crores in FY2021. The EBITDA margin expanded by 2 bps to 19.3% in FY2021 predominantly led by favourable product mix and various cost efficiencies. In terms of our net contribution, our Profit after Tax grew by 525% YoY from ₹ 6.1 crores in FY2020 to ₹ 38.14 crores in FY2021. I am pleased to inform you that our PAT margin expanded by 311bps YoY to 16.49% in FY2021.

Strategic business model

In this competitive world, there are many routes you can take to attain market leadership. As a young company with great aspirations to be a major global pharmaceuticals player, we aim to ultimately be a fully integrated player, participating across all stages of the value chain – making us a fully integrated player for the long term. However, in the near-term horizon, we are more focused on being an IP based, branded player with a prolific product portfolio enjoying strong brand affinity in key frontier markets. This necessitates us to pick our battles carefully – and quite naturally, we are more a registrations, logistics and sales orientated company, depending on trusted global high-quality CRAM partners and OEM manufacturers for supplying our formulations and consumer products. Given this model in which we prioritise front-end market access strength over back-end manufacturing, we are well placed to succeed by establishing Balaxi's brand recall and market share. For now, Balaxi has well-honed skill sets for the stock and sell model, focusing on establishing a comprehensive omni channel distribution network in multiple frontier markets.

Managing Director's Message *(contd.)*



With this strength established across multiple geographies over time, Balaxi will develop the muscle strength and scale to backward integrate into manufacturing judiciously. Furthermore, the focus on the Company's 'cash & carry' model ensures regular free cash flows in the company with minimal receivables collection risk. This also serves Balaxi's philosophy well for staying a debt-free company.

Establishing new beachheads – growing our frontier markets base

We know what our sweet spot is when it comes to choosing frontier markets to enter and flourish in. The demographic dynamics, economic energy, the prevailing regulatory framework, and market culture all play a role in selecting our target markets. Based on these factors, we dig into our research and crunch some numbers, and come up with good candidates for our growth. And prolific we have been – there's no doubt about that. In FY2019, we setup our central distribution warehouse in Guatemala, marking the entry of Balaxi into its third geography. During the same period, we further unlocked the potential of our vast infrastructure in Angola by entering branded consumer goods products business – about which I touch upon in the next segment of this message.

During FY2021, the year under review, we crossed major milestones by submitting several technical dossiers of pharmaceuticals products in EL Salvador, Honduras, Guatemala and the Dominican Republic for product registrations. We also started selling branded consumer products in Mozambique. Now, we are completing the setup of our pharma warehouse in Mozambique, CAR & Nicaragua. With this infrastructure in place, we are now well set to scale our sales into these new markets, making CAR and Mozambique in Africa - and El Salvador and Honduras in Latin America, key growth drivers in the current and coming period. The excitement we harbor on each of these markets is truly palpable. Our established beachheads into these new markets will be defining our growth for the next 2-3 years.

Building our IP portfolio – expanding our product base

At Balaxi, we are taking a portfolio approach to support a margin-rich blended product mix to sell. This means that we carefully select and add desirable products through a portfolio approach to building a healthy mix of premium-priced branded and budget priced generic medicines. Since the branded generics enjoy a typical premium of 10-25 percent premium over generics, our product mix is carefully built to ensure that not only we, but also our wholesalers and retailers are able to make healthy overall margins at a portfolio level.

19.3%

*EBIDTA margin expanded by 2 bps
to 19.3% in FY2021*

Managing Director's Message *(contd.)*



Currently we have 556 Registrations as on date, serving 30+ therapeutic segments and with 25% of the portfolio composed of branded generics. Additionally, as of 31st March 2021, we have 119 Registrations submitted to the Ministries of Health (MOH) of various countries - and have another 619 Registrations in our pipeline for further filings in both existing and new markets. With a bulk of the new Registrations being made for Guatemala and Honduras and El Salvador, these two new markets will lead our Latin America region in sales. I expect these countries to contribute significant thrust to our growth for FY2022 and FY2023.

Branded Consumer Products – our new growth pillar

For Balaxi, our Branded Consumer Products division has the promise of becoming a highly complementary business to our mainstay pharmaceuticals business, with a great overlap on our existing logistics infrastructure and global selling channel network. This division is also opening access to new distributors, supermarkets, and general shops as additional channels – widening our retail touch points for our various brands in each country. Our initial pilots in FY2021 proved successful for our biscuits and toothpaste lines, with product taste and acceptability ringing high with consumers. Well into the first quarter of FY2022, we are already witnessing month on month improving sales growth and momentum. I expect the Branded Consumer Products division to deliver steady and growing volumes and contribute meaningfully to our overall company as a stable topline enhancer. Currently with items such as biscuits, wafers, and toothpaste, this portfolio will continuously evolve. Recently, we launched a new line of ketchup, mayonnaise and confectionery products under the existing YAP brand, which is positioned to appeal as an affordably priced product to low to medium income groups.

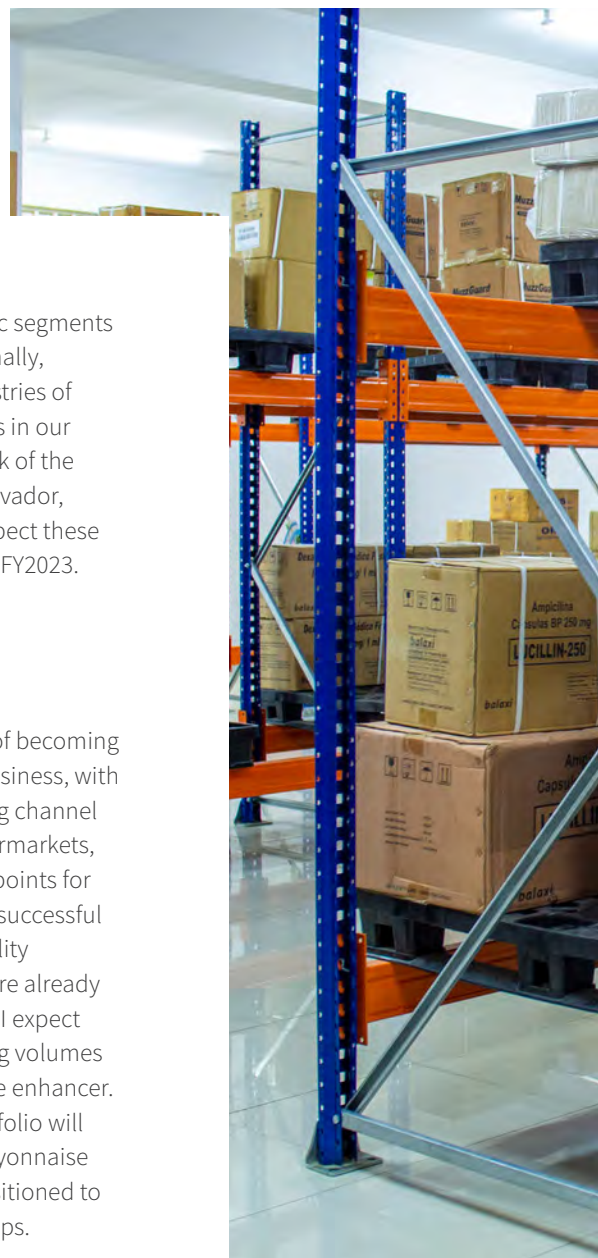
Positioning ourselves for the long term

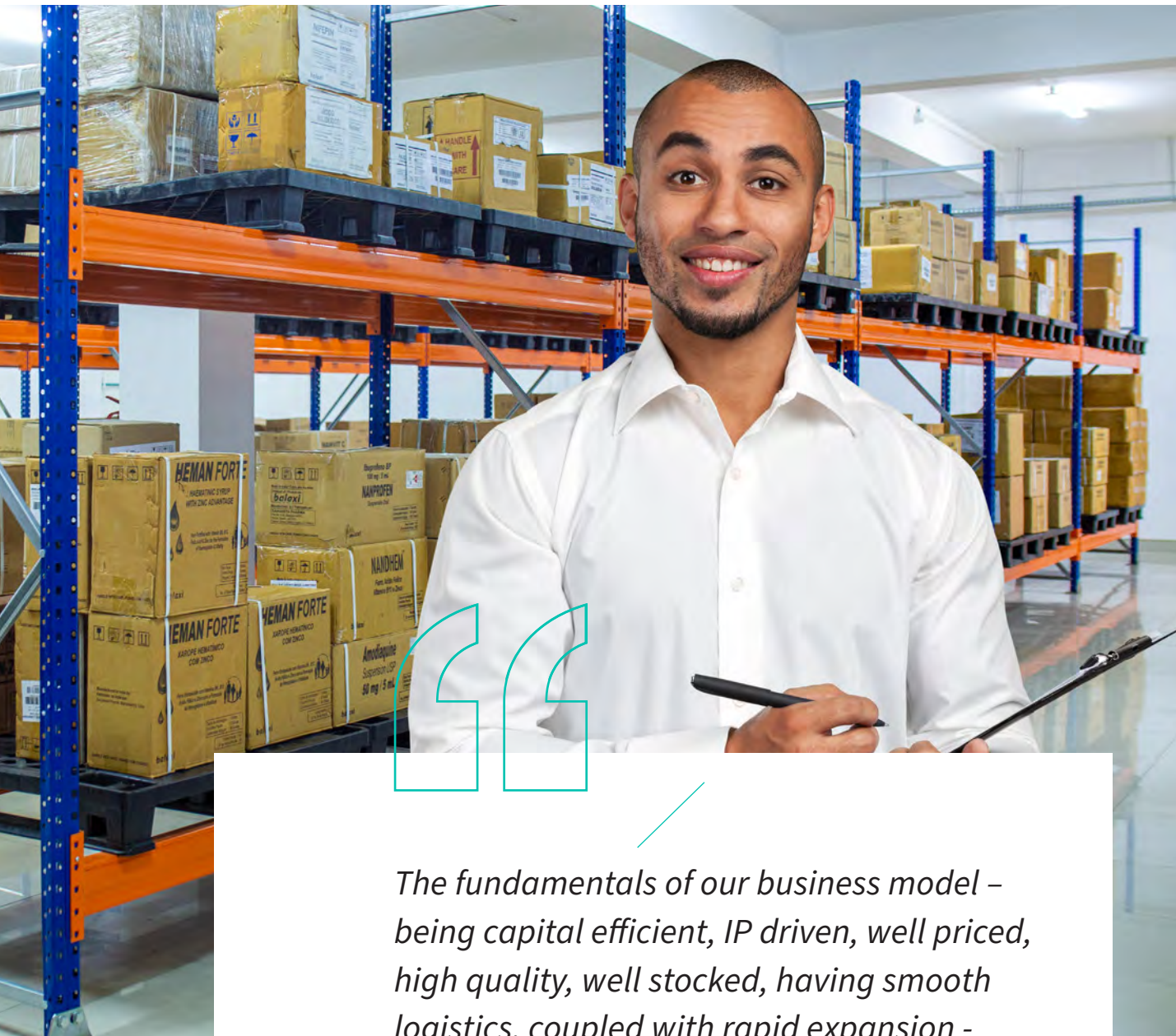
Though the past year has been difficult for most, our commendable performance made us somewhat of an outlier. It is to the credit of the management that, through this crisis, we kept all of our operations running. Indeed against the backdrop of overall decline, our business grew by 407% in revenue terms.

Our vision is firmly rooted on the long term, and we are not willing to be distracted by the trials and the vicissitudes caused by the pandemic. The fundamentals of our business model – being capital efficient, IP driven, well priced, high quality, well stocked, efficient logistics, offering hassle free courteous service to our retailers, coupled with rapid expansion - remain intact for an exciting journey ahead. We are blessed with the prospect of increasing our organic revenues from growing frontier markets and a growing global footprint, continuously expanding our customer base.

Rising stronger from the crisis

Our culture is differentiated by shared success, based on our commitment to make a positive difference together with our channel partners, our people, our shareholders, our partners, and our communities. Our formula for market





The fundamentals of our business model – being capital efficient, IP driven, well priced, high quality, well stocked, having smooth logistics, coupled with rapid expansion - remain intact for an exciting journey ahead.

influence is enduring, as we continually improve our business and embrace change to offer superior medicines and consumer products for our customers. We view fiscal FY2022 as turning a page. We believe that the worst of this crisis is over, and we need to operate with the acceptance of a 'new normal' as a reality that is here to stay.

I can truly say that the people of Balaxi are highly agile and adaptive to change. I am sure that we will only come out stronger as a Company from this global crisis. I want to thank all our people for their dedication, perseverance, and commitment. I also want to thank all our channel partners and our shareholders for their continued support and confidence in us as we journey towards becoming a leading global pharmaceuticals player.

Regards,

Ashish Maheshwari
Managing Director



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Medicines for Frontier Markets
FERTILE GLOBAL MARKETPLACES TO
FUEL GROWTH FROM

The Power of Cracking Frontier Markets



20 Countries

Balaxi aims to establish its presence and expand into at least 20 additional frontier markets over the next 5 years.



Frontier markets potentially offer **audacious companies potential rewards**, much like emerging markets did for previous pioneers. Participating on the edge of today’s global markets is **rarely a trouble-free experience**, but a better understanding of the characteristics of these markets can provide a **powerful opportunity** for confident companies such as Balaxi with the fortitude to bet on their **long-term prospects**.

Frontier markets are often characterized by a growing middle class — a population that is coming out of poverty and acquiring more buying power. This has the potential to create an economic tailwind for consumer companies such as us. While the actual number of middle-class consumers in emerging markets is far greater, especially in countries like China and India, the rate of growth of the middle-class consumers in frontier markets is more dramatic. With a growing consumer base in frontier markets, companies that serve those customers are likely to demonstrate outlier growth and value creation.

At Balaxi, we look at two primary components to determine which frontier market to enter. The first is GDP (gross domestic product) per capita, which is a way to measure a country’s wealth and

the affluence of its citizens. The second is how accessible is the market in terms of regulatory frameworks, social culture, and language – the greater the barriers, the more interested we become. We focus on bringing essential medicines and consumer products to frontier markets which are challenging to penetrate. One key advantage of focusing on such frontier markets is that there isn’t a hyper competitive environment that normally exist in emerging or developed markets. These markets are also at the early stages of becoming future emerging economies, offering us substantial upside from market development.

Having proven our model for market selection, Balaxi is already a well-established brand in Angola, Guatemala, and Dominican Republic. We are now poised to capture incremental market share in our existing geographies and expand into target markets of Honduras, EL Salvador, Nicaragua, Central African Republic, and Mozambique. In each of these markets, we are building our registration base and on-ground infrastructure to replicate our stock and sell model that has already proved to be so successful in Angola, Guatemala, and Dominican Republic.

Our established beachheads into these new markets will be defining our growth for the next 2-3 years. Looking further into the future, Balaxi aims to establish its presence and expand into at least 20 additional frontier markets over the next 5 years. Our priority will be to first foray into other Latin American countries and successfully replicate our differentiated business model.



Medicines for Frontier Markets

A BALANCED PORTFOLIO TO FUEL GROWTH FROM

Growing our Branded & Generics Portfolio

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At Balaxi, we have a portfolio approach to building a healthy mix of premium-priced branded and budget priced generic medicines. Our offerings includes more than **300+ products** across multiple Therapeutic Areas, with **556 valid pharmaceuticals product registrations**. The Company aims to double its portfolio of product registrations over the next two years.

Our well-established expert regulatory team, which carefully monitors the registration process at every stage, forms the backbone of our IP management and planning function. At Balaxi, we undertake proprietary market research and assesses the demand for various products in each of our chosen frontier market. We rigorously study each market and establish the best portfolio to seek registrations in that market. This is an evolving cycle, where our on-ground customer feedback mechanisms continuously sharpen our ability to expand “What’s in-demand” and gives us the direction to pursue the correct product development that can allow us to gain better market share at a portfolio level.

The Company has a healthy ratio of branded and generic medicines in its portfolio of 25:75 (Branded: Generics). The Company is in the business of supplying everyday medicines addressing multiple therapeutic areas, with Antibiotics being the leading category at 36%. Injectables at 13% form a significant portion of the various finished dosage forms under Balaxi’s portfolio. The share of Branded Generics is at 33% in Angola; whereas it is at 19% in Guatemala and 14% in Dominican Republic.

25:75

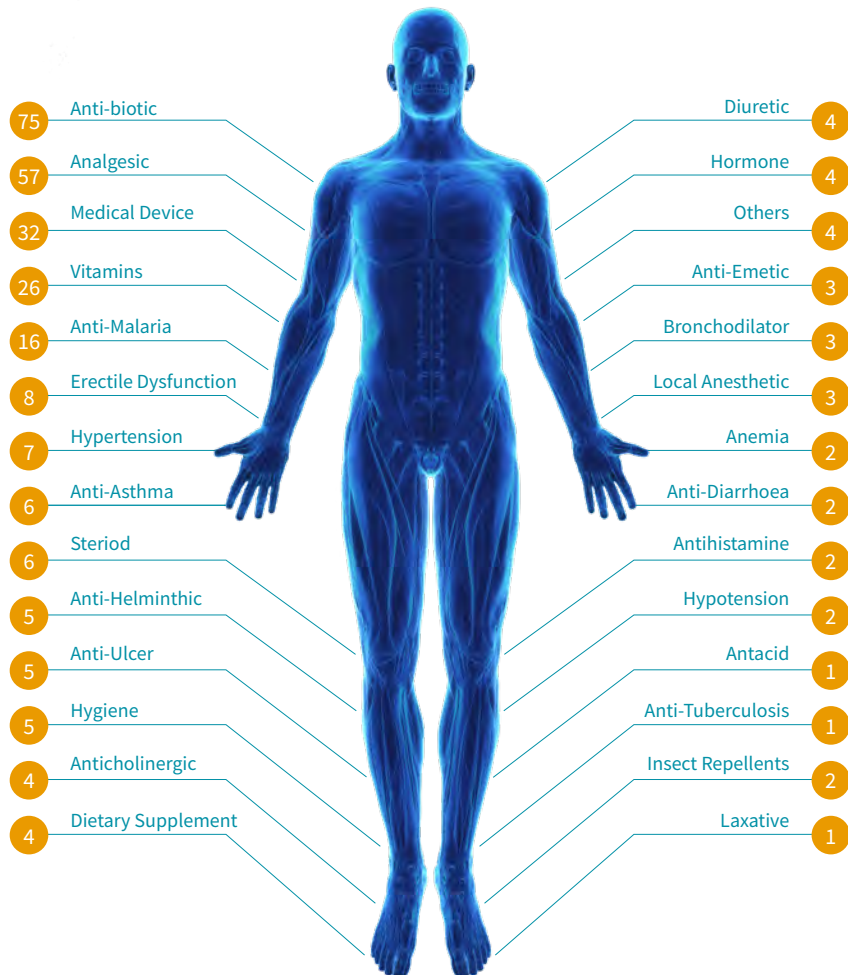
Our Branded:Generics sales mix in FY2021

Growing our Branded & Generics Portfolio *(contd.)*

Branded medicines are priced at premium relative to Generics. Since the branded generics enjoy a typical premium of 10-25 percent premium over generics, the Company's product mix is carefully blended to ensure that, not just BALAXI, but also its channel partners are able to make healthy overall margins at a portfolio level. Furthermore, consumers in Guatemala and Dominican Republic are brand conscious and hence, there is a significant headroom for growth of branded pharmaceuticals within the Americas.

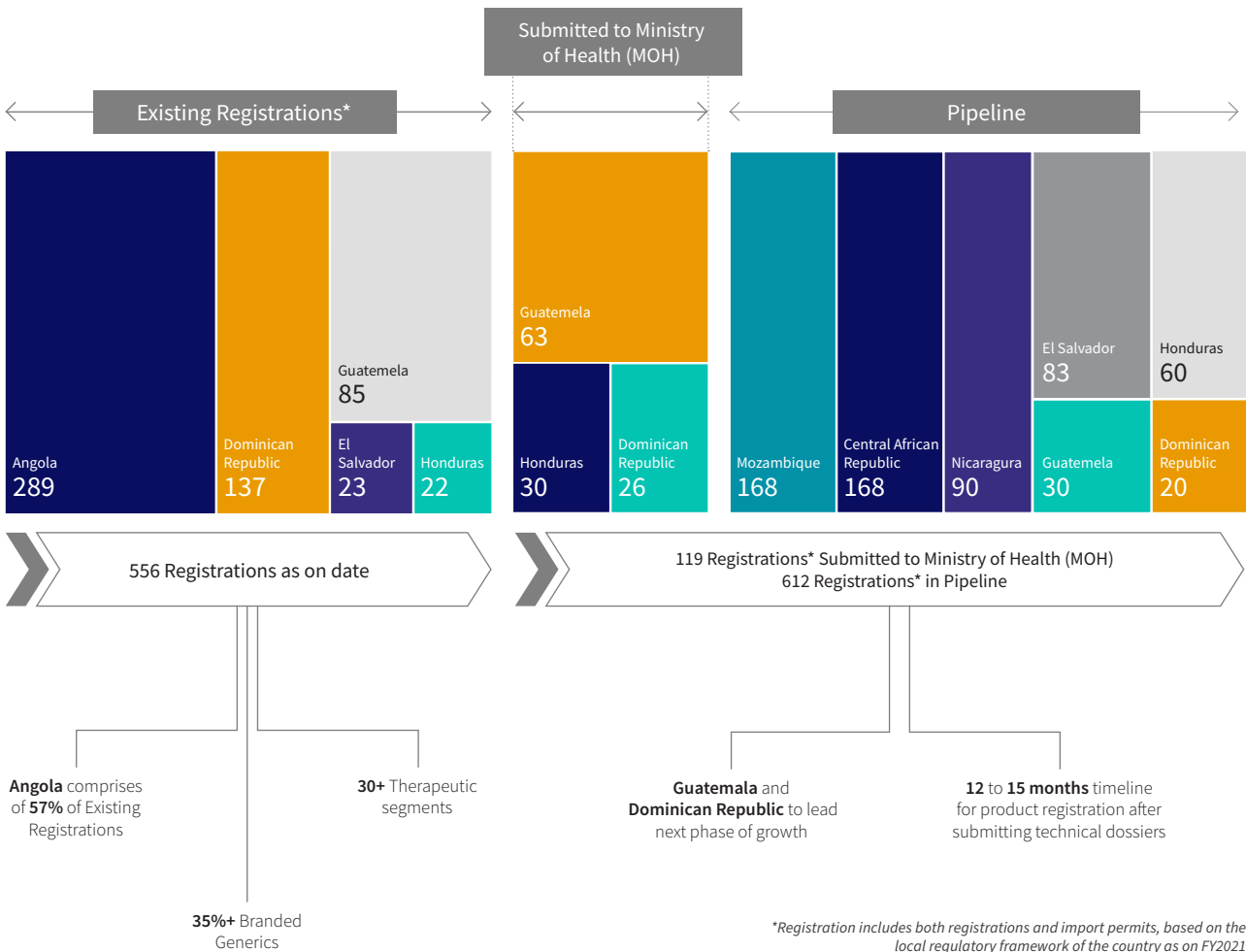
Balaxi's business is a sustainable growth story. We continue to work on business imperatives and key drivers while engaging with our key stakeholders, including pharmacies, hospitals, doctors, patients, and consumers. Our expertise in brand building, product registration prowess, focus on gaining market position in key therapies, and agility to keep enhancing our portfolio of medicines will continue to propel our global business towards newer milestones and a promising future.

Our growing offerings of more than 300 products across multiple therapeutic areas





Our robust pipeline for Pharma Products Registrations*:



Consumer Products: our next pillar of growth

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In early 2019, Balaxi took the leap and made a small beginning into the branded consumer products business segment. Focusing on its established presence in 16 districts across Angola, it launched a wide range of biscuits. Deploying its existing warehouses, and its fleet of delivery vehicles to augment last mile delivery, the Company launched its biscuit line through its existing channels and added modern trade outlets. Soon, the business evolved a strategy of supplying these products to its distributors, and several supermarkets and general shops – well beyond the pharmacy network.



We're on a **mission to build** a solid foundation in consumer products, especially in foods and health related products. Our ambition is to give consumers access to **nutritious and quality snacks**. Improving the health of people took on new meaning this year, with the pandemic spotlighting the need for new food and safety solutions.

With strong month-on-month CAGR of over 6.34% of this new and powerful branded category, we wish to make an indelible mark in the growth markets of the future. With dedicated focus behind building our consumer products business, Balaxi has some enduring and sustainable strengths. Combined with its strong leadership team and outstanding workforce, the Company is well-placed to deliver meaningful returns from this division.

Adding this category is a perfect case study in proving the advantages of having a complimentary category that leverages existing infrastructure and goodwill in the marketplace. By creating additional brands that target the same consumer segments, Balaxi can enable all its product categories to improve brand affinity, extend their reach, and produce better consumer choices. Through having shared resources with the pharmaceuticals business, we are able to leverage reduced costs and hence higher margins for the consumer products division. This strategy also yields better sales, new customer reach and better customer relations.

Since our first pilots in Angola with biscuits, there has been no looking back. The marketplace has shown ready acceptance of this new category of products from Balaxi's stable of brands. The Company has since scaled up its branded consumer products business by also introducing additional products, including wafers, toothpaste, ketchup, hand sanitizer, and disinfectants amongst other products. Going beyond Angola, the Company is now set to launch its branded consumer products in Mozambique, with revenue expected from Q2FY22 onwards.

Board of Directors :::::



Ashish Maheshwari
Managing Director



Minoshi Maheshwari
Non-Executive Director



Kunal M Bhakta
Independent Director



Gandhi Gamji
Independent Director



M. Srinivas Rao
Independent Director



Purnima Singh Kamble
Independent Director

LEGEND

- C Chairman
- M Member
- Audit Committee
- Stakeholder's Relationship Committee
- CSR Committee
- Risk Management Committee:
- Nomination and Remuneration Committee

Management Committee



Ashish Maheshwari
Chairman & Managing Director



Pranav Maheshwari
Head – Latin America



Paridhi Maheshwari
Head – Branded Consumer Products



Amol Mantri
Chief Financial Officer



Ram Chawla
Country Head – Angola

ANGOLA

GUATEMALA

DOMINICIAN REPUBLIC



Jignesh Dinesh Kumar Shah
Finance Controller



Pankaj Singh
Head of Operations



Karan Kapoor
Head of Operations



Laksh Shewakramani
Compliance Head

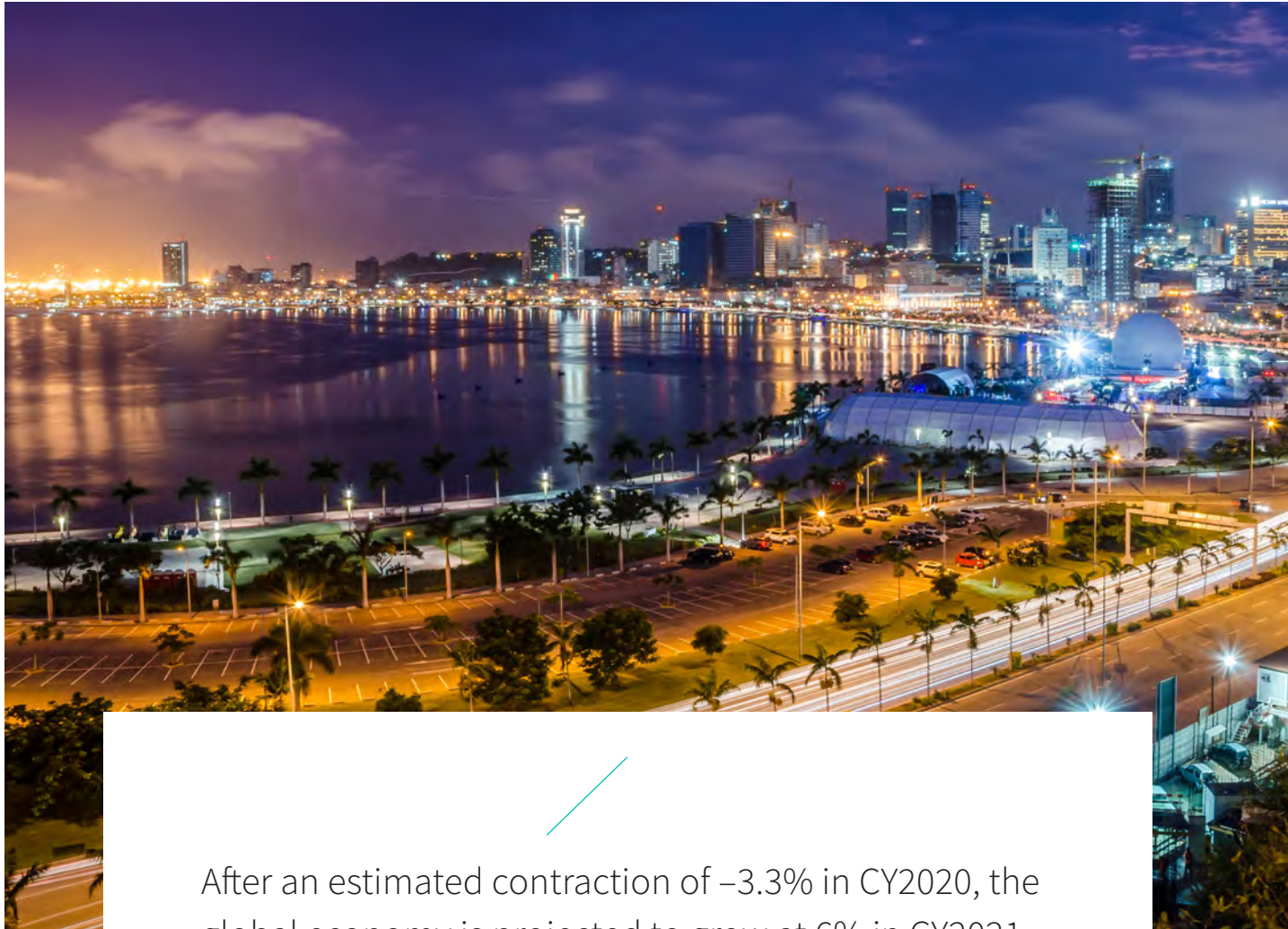


Manish Jumnani
Sales Head



Bharat Jawarani
Sales Head

Management Discussion & Analysis



After an estimated contraction of –3.3% in CY2020, the global economy is projected to grow at 6% in CY2021, moderating to 4.4% in CY2022.

12.5%

Among the major economies India is projected to grow at the fastest pace of 12.5% in FY2022.

Economic Overview and Outlook

Global Economic Overview

According to the International Monetary Fund (IMF), the mounting human toll one year after the COVID-19 pandemic continues to raise concerns, even as increasing vaccine coverage improves sentiment. The global economic outlook is clouded by high uncertainty, owing primarily to the pandemic's course. Much work needs to be done to beat back the pandemic and avoid divergence in income per capita across economies and continued rises in inequality



within countries. After an estimated contraction of –3.3% in CY2020, the global economy is projected to grow at 6% in CY2021, moderating to 4.4% in CY2022.

More than a year into the arrival of the COVID-19 pandemic, the world's population is gradually being vaccinated, thanks to the discovery and production ingenuity of the global scientific community. Notwithstanding the resurgence of second and third waves, coupled with more infectious variants of the COVID-19 virus, the steady progress in gradual immunisation is expected to lessen the need for social restrictions and power recoveries in many countries during the latter half of CY2021. Despite reduced mobility, economies continue to adapt to new ways of working, leading to a stronger-than-anticipated rebound across regions.

Even while growing vaccine coverage lifts sentiment, the global economic outlook is still regionally unequal and overall uncertain. According to the International Monetary Fund, differential recovery speeds across countries may give rise to divergent policy stances, particularly if advanced economies benefit sooner than others from wide vaccine coverage. Moreover, strong cooperation is needed to resolve economic issues underlying trade and technology tensions, as well as gaps in the rules-based multilateral trading system. Future developments is expected to depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines, or they prolong the pandemic; the effectiveness of policy actions to limit persistent economic scarring; the evolution of financial conditions and commodity prices; and the adjustment capacity of the economy. Once vaccination becomes widespread and spare capacity in healthcare systems is generally restored to pre-COVID-19 levels, restrictions can begin to be lifted.

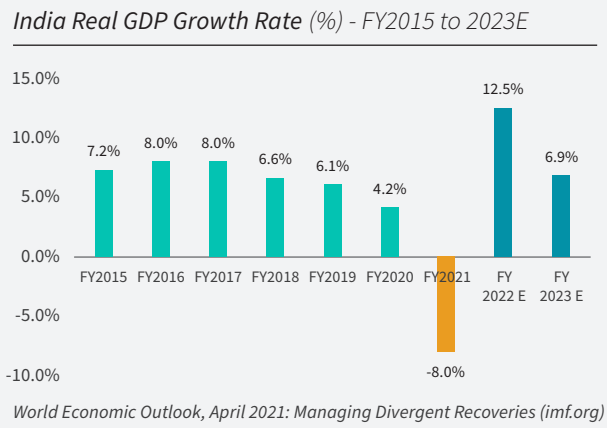
The global growth forecast is still uncertain due to factors that are difficult to predict, including the pathway of the pandemic, the intensity and efficacy of containment efforts, supply disruptions, the repercussions of the dramatic tightening in global financial market conditions and shift in spending patterns. Moreover, although recent vaccination drives have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus could cause a reassessment of this outlook. The IMF also highlights that the strength of the recovery projected may vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spill overs, and structural characteristics entering the crisis.

Indian Economic Overview

Prior to the pandemic of 2020, India had become the world's fifth largest economy as per the IMF. When ranked by nominal GDP, the country had leapfrogged both France and the UK. However, CY2020 saw unprecedented disruptions to lives and livelihood across the country due to the pandemic and caused a detrimental impact on the economy as well. The pandemic induced challenges into industries and businesses and the country had to shift into low gear, if not standstill. IMF's World Economic Outlook report published in April 2021 has projected sharp rebound in growth for India. Indian economy which has been estimated to have



degrown by 8% in FY2021 is expected to rebound sharply in FY2022. Among the major economies India is projected to grow at the fastest pace of 12.5% in FY2022. However, India has been witnessing an eruption of a second wave of infections due to which most states have imposed restrictions and micro-lockdowns which is disrupting demand and supply and if prolonged, it could derail the economic recovery expected in the financial year 2021-22. According to S&P Rating report published on May 2021 India's second COVID wave could knock off as much as 2.8 percentage points from GDP growth in fiscal 2022. The Government is responding to the latest outbreak with a series of localized lockdowns, while avoiding a nationwide lockdown, which would have more adverse economic implications. At this juncture, there continues to be a great deal of uncertainty on the duration and intensity of the second wave and the resultant impact it may on the economy and various sectors.



The upsurge in new infections, as seen starting mid of February 2021, is bending up the pandemic curve, inducing further restrictions on mobility and a greater sense of urgency in expanding vaccine availability and faster immunisation rollout. While the availability of vaccines, gradually reducing infections, and increased mobility is expected to be key to economic and industrial revival, different industries is expected to likely see different rebound paths until the pandemic is truly over.

In the meantime, the impact of the pandemic may lower potential growth in the short term, due to eroded human capital and investment growth. To fight Covid-19 pandemic in India, the Government introduced an aggressive calling for kick-starting its Atmanirbhar Bharat Abhiyaan (Self-reliant India campaign). The government is also planning to take several bold makeovers through measures such as supply chain reforms for agriculture, rational tax systems, simpler & clearer Laws, capable Human Resource and a Stronger Financial System. The Union Budget FY2022 was also designed to focus on being socially inclusive and growth-augmenting. Higher Government spending and supportive policies announced in this budget are expected to help sustain corporate recovery and improve longer-term prospects.

Response to the Pandemic in India

Over one year into the COVID-19 pandemic, the accumulating human toll continues to raise concerns, even as growing vaccine coverage lifts sentiments. India began administration of COVID-19 vaccines on 16 January 2021. The first phase rollout involved health and frontline workers followed by residents over 60 years of age and further followed by age category of above 45 years. As of 30 April 2021, India has administered 15.5 crore doses overall, including first and second dose of the currently-approved vaccines. Beginning May 1, 2021, the vaccine drive for those aged between 18 and 44 is set to begin.

US\$
20.7_b

According to Pharmexcil data, Indian pharma exports reached US\$20.7b in FY2020 with year-on-year growth of 8.4%.



The Latin America Pharmaceutical Drug Delivery market was valued at US\$62.2 Billion in 2020, and is projected to reach US\$160.5 Billion by 2030.

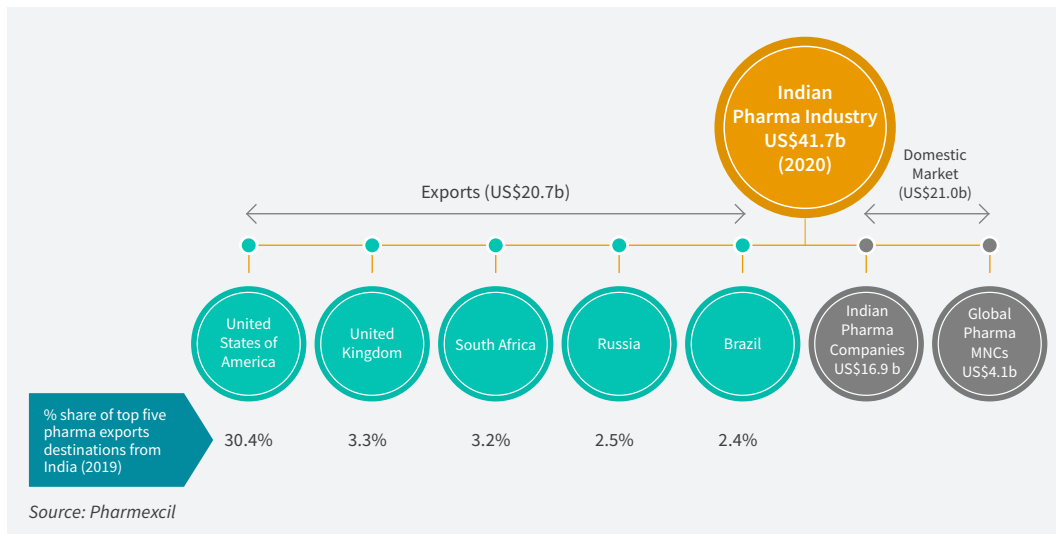
Industry Overview

Indian Pharmaceutical Industry

The Indian pharma industry has grown significantly both in domestic and global markets during the past five decades. Just from contributing 5% of the medicine consumption in 1969 and rest 95% share contributed by the global pharma, the share of “Made in India” medicines in Indian pharma market is now at 80% in 2020. More importantly, during the same period, the country has also established leading position in the global generic pharmaceuticals landscape and is now known as the “Pharmacy of the world”. The pharma industry in India contributes more than 20% by volume of the global generics market and 62% of the global demand for vaccines. Popularly called the “Archetype of Affordable Healthcare” the industry has significantly contributed towards improving public health outcome, both in India and across the globe.

According to Pharmexcil data, Indian pharma exports reached US\$20.7b in FY2020 with year-on-year growth of 8.4%. They witnessed a growth of 6.2% CAGR between 2015 and 2020. This was largely driven by exports of generics drugs to more than 200 countries (including both developed and developing markets). Nearly half of the pharma production is exported by Indian pharma manufacturers, both in terms of volume and value, to the US, UK, South Africa, Russia and other countries.

However there is a significant opportunity, largely untapped across Japan, China, Australia, ASEAN countries, Middle East region, Latin Americas and other African countries.



Middle East & Africa Pharmaceutical Market

As per the Magma Information Centre research report, the Middle East & Africa Pharmaceutical Drug Delivery market was valued at US\$48.9 Billion in 2020 and is projected to reach US\$122.7 Billion by 2030 growing at a CAGR of 9.67% from 2021 to 2030. Oral drug delivery segment is expected to be the highest contributor to this market, with US\$18.3 Billion in 2020, and is anticipated to reach US\$36.5 Billion by 2030, registering a CAGR of 7.16%. Oral drug delivery and Injectable drug delivery segments collectively expected to account for about 71.4% share of the Middle East & Africa Pharmaceutical Drug Delivery market in 2020, with the former constituting around 37.4% share. Implantable drug delivery and Topical drug delivery segments are expected to witness significant growth rates at a CAGR of 20.24% and 11.64% respectively, during the forecast period. Presently, share of these two segments is estimated to be around 13.4% in the overall Middle East & Africa Pharmaceutical Drug Delivery market in 2020, and is anticipated to reach 16.5% by 2030. *(Source: Primary Research, Secondary Research, Magna Information Centre - Page 365)*

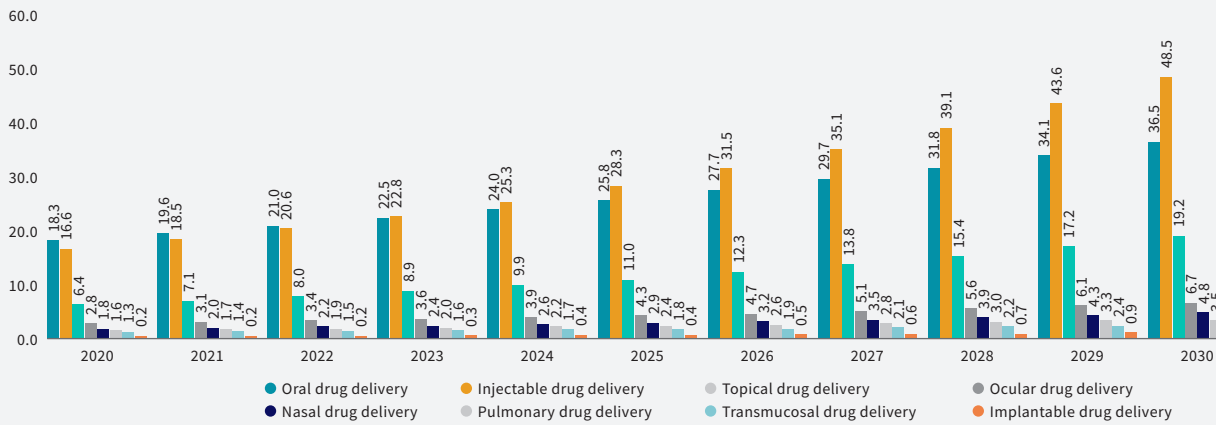
CAGR
9.97%

The Latin American
Pharmaceutical Drug Delivery
market is growing at a CAGR of
9.97% from 2021 to 2030.

The Middle East & Africa
Pharmaceutical Drug Delivery
market was valued at US\$48.9
Billion in 2020 and is projected to
reach US\$122.7 Billion.



Middle East & Africa Pharmaceutical Drug Delivery Market Value, by Type, 2020-2030, (Billion USD)

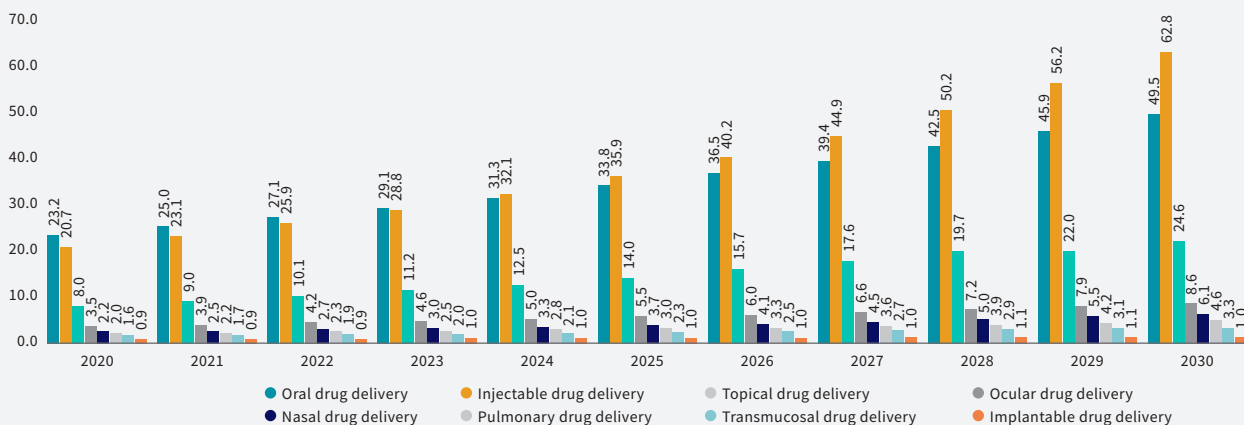


Source: Primary Research, Secondary Research, Magna Information Centre

Latin America Pharmaceutical Market

As per the Magna Information Centre research report, the Latin America Pharmaceutical Drug Delivery market was valued at US\$62.2 Billion in 2020, and is projected to reach US\$160.5 Billion by 2030 growing at a CAGR of 9.97% from 2021 to 2030. Oral drug delivery segment is expected to be the highest contributor to this market, with \$23.2 Billion in 2020, and is anticipated to reach US\$49.5 Billion by 2030, registering a CAGR of 7.86%. Oral drug delivery and Injectable drug delivery segments collectively expected to account for about 70.6% share of the Latin America Pharmaceutical Drug Delivery market in 2020, with the former constituting around 37.3% share. Topical drug delivery and Injectable drug delivery segments are expected to witness significant growth rates at a CAGR of 11.85% and 11.74% respectively, during the forecast period. Presently, share of these two segments is estimated to be around 46.2% in the overall Latin America Pharmaceutical Drug Delivery market in 2020, and is anticipated to reach 54.4% by 2030. (Source: Primary Research, Secondary Research, Magna Information Centre - Page 358)

Latin America Pharmaceutical Drug Delivery Market Value, by Type, 2020-2030, (Billion USD)



Source: Primary Research, Secondary Research, Magna Information Centre



Trends in Pharma Industry





The pharmaceutical industry is witnessing a massive revamp. Traditionally slow in the adoption of technology, is now undergoing rapid changes due to the development of several technologies. Apart from technology trends there are several other trends that influence the pharma companies. Success in the pharmaceutical marketplace has also moved beyond the basic driving forces of affordability and quality of the medicines/treatments. The prominent pharma industry trends include:

- Amalgamations Of Artificial Intelligence:** Artificial intelligence will help the pharmaceutical industry to design new and automated algorithms. It will help in achieving faster, precise, accurate, and repeatable results. Molecular analysis and drug discovery are other areas that would involve the use of artificial intelligence. Artificial intelligence will help to tackle difficult diseases, comprehend complex clinical data, monitor drug adherence, and improve inclusion and exclusion criteria in clinical trials. As per the reports published

by Next Move Strategy Consulting, the Global Healthcare Artificial Intelligence Software Market size is predicted to reach USD 354.47 billion by 2030 with a CAGR of 48.2% from 2020-2030.

- New Use Of Marketed Products:** Technological advancement will allow consolidation and comprehension of data generated through real-life evidence. This will help in the identification of new therapeutic areas of treatment with already marketed drugs. The only requirement in such a scenario is to generate additional data through controlled clinical trials.
- Foreign Direct Investment:** To capture more market share and to improve economies of scale, many of the foreign pharmaceutical companies have established their manufacturing plants under India's foreign direct investment policy.
- Penetrating To Unpenetrated Market:** Apart from increasing the business in established countries, 2021 will witness the companies moving into largely unpenetrated economies. The preferred destination in this context would be China and Japan. Indian Drug companies have only one percent share in the Japanese Pharmaceutical Industry. Inter-governmental relations, trade policies, and novel business models will help in driving this penetration.
- Leveraging OTC Arena:** Over-the-counter drugs will see a boost in terms of volume, value and reach. With more penetration in the rural market, OTC consumerisation will help in easing the problems caused due to shortage of doctors. The chemists would be more empowered to provide OTC drugs for common ailments.

Impact analysis of COVID 19 on different sector of pharmaceuticals industries

| Positive Impacts | | Negative Impacts |
|--|--|--|
| <ul style="list-style-type: none"> Growing demand for drugs for Corona Virus prevention and treatment More attention for vaccine development |  Pharma Companies | <ul style="list-style-type: none"> Sales decrease for chronic disease drugs in hospitals Limitations on academic promotions for innovative drugs and those newly admitted to the NRDL Obstruction of recruitment for Clinical research might affect new drug launch |
| <ul style="list-style-type: none"> Fast development of Internet of Medical Things Acceleration of hierarchical medical systems leveraging community medical institutions Third-party Medical Image and Testing Centers to alleviate resource shortage in medical institutions |  Medical Institutions | <ul style="list-style-type: none"> Patients seeking non-emergency or elective treatments decrease due to the Corona Virus |
| <ul style="list-style-type: none"> Favorable for Online Pharmacies Convenient apps to search or deliver drugs with significantly increasing users |  Pharmaceutical Distribution and Retail | <ul style="list-style-type: none"> Traffic interruption affects daily operations for pharma distribution and retail companies Consumer in offline pharmacies decrease to avoid cross-infection |
| <ul style="list-style-type: none"> Public's growing demand for commercial health insurance |  Health Insurance | |



The Company caters to 300+ products across multiple therapeutic areas which mainly treats Antibiotics , Analgesic, Anti Malaria and many others.

Business Overview

Introduction

Balaxi Pharmaceuticals is a branded IPR-based pharmaceuticals Company focusing on frontier markets, with a vast and growing portfolio of drugs across multiple therapeutic segments. The Company has an on-ground presence in markets within Africa, Caribbean Islands & Latin America. It is an 'asset-light' IP based pharmaceutical company with a distinct portfolio across multiple therapeutic segments; stock & sell model; and supplying both branded and generic medicines.

Apart from pharmaceuticals, the Company also has two other business segment which includes its ancillary business and branded consumer products. Out of all these segments, the pharmaceuticals formulations business is the fundamental driver of revenue, earnings and growth. The Company's branded consumer products still in its nascent stages, holds great promise as a future growth driver.

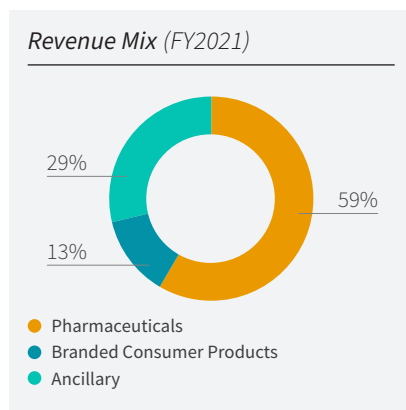


Pharmaceuticals Business

The Company commenced pharmaceuticals business in 2003 by supplying white labelled products to customers in Africa. The sourcing of these products was from WHO certified plants based in India.

Later in 2008, the company created front-end presence for its Pharmaceuticals Business in Angola by setting up first wholesale depot. Moreover, in order to ensure uninterrupted supply of products company started sourcing pharmaceuticals from WHO and GMP certified manufacturers in China by setting up an office in China in 2011.

Segmental Revenue breakup:



The Company participates in all stages of the pharma value chain, except in the R&D and manufacturing stages for now. Instead, it prefers to register proven and established generic drugs under its own brand, by more efficiently procuring its products from cost effective WHO GMP certified contract manufacturers in India, China and Portugal. This approach liberates the Company from having to make large manufacturing capex, while significantly enabling it to shrink the time it takes to introduce a product into specific markets. It also helps in reducing the payback period from its product development and registration processes significantly and allowing the company to generate strong returns on its investments.

The Company presently operates in three main regions of Angola, Dominican Republic and Guatemala. Currently it has a rich portfolio of 556 pharmaceuticals product registrations, strong distribution strength of 40 warehouses and a fleet of owned vehicles across these 3 countries.

The Company is also in the process of expanding its operations in Honduras, El Salvador, Nicaragua, Central African Republic and Mozambique.

25%

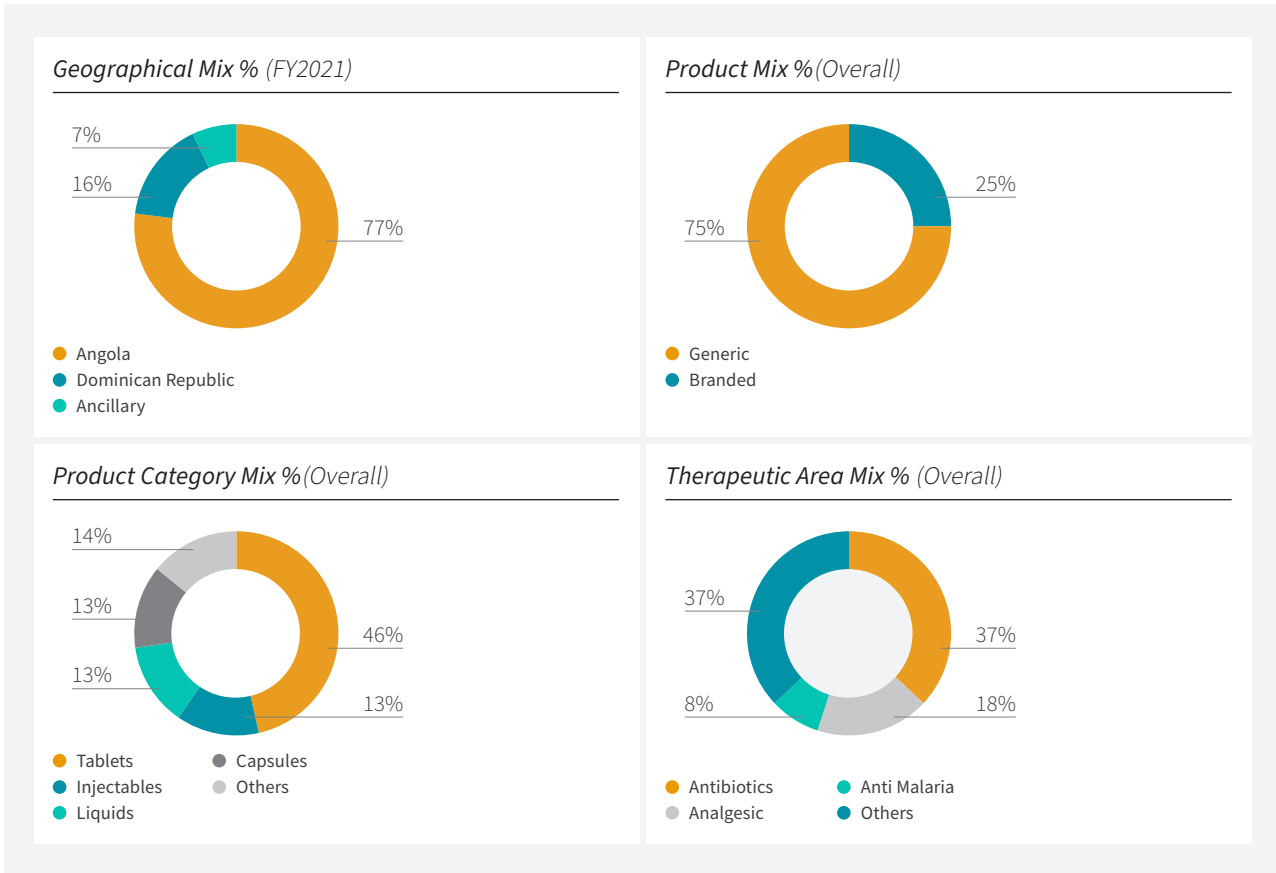
Product Mix that this Branded Pharmaceuticals in FY2021

It is also in the process of expanding its operations in Honduras, El Salvador, Nicaragua, Central African Republic and Mozambique. Going forward, the Company will look at adding new geographies with similar characteristics to the geographies they are present in, and at consistently expanding within its existing markets organically.

The Company caters to 300+ products across multiple therapeutic areas which mainly treats Antibiotics, Analgesic, Anti Malaria and many others. The products offered are in different forms such as tablets, injectables, liquids and capsules.



Pharma Product Portfolio as of FY2021

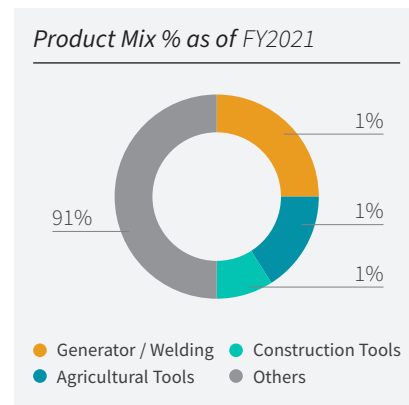


Ancillary Business

Balaxi commenced the operation of ancillary business in 2008. The Company offers a basket of products under its portfolio which comprises of over 300 SKUs. The product categories ranges from construction tools, electrical equipment, and agricultural tools among others. The Company operate this business across 16 district within Angola and has 1 warehouse aggregating to 1,00,000 sq.ft. To augment last mile delivery experience, its logistics is handled in-house through its owned fleet of vehicles.

13%

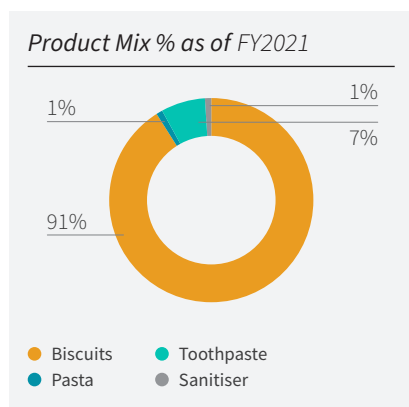
Percentage of product category that is Injectables in FY2021





Branded Consumer Products Business

Balaxi ventured into the branded consumer products business segment in 2019 and has established its presence by selling a wide range of biscuits, wafers, toothpaste, ketchup, hand sanitizer, and disinfectants among other products in 16 districts across Angola. These goods are sold to distributors, supermarkets and general shops. The Company is also in the process of launching its branded consumer products portfolio in Mozambique during FY2022.



Outlook

The Company's aim is to foray and establish its presence in >20 frontier markets over the current decade. The short term goal of the company is to capture incremental market share in the existing geographies and establish strong beach heads for sustained organics growth into Honduras, EL Salvador, Nicaragua, Central African Republic and Mozambique. It also aims to have an ideal blend of branded and generic medicine which will maximise returns. Given the growing importance being given to health and disease management by the world's population, the Company plans to leverage and grow in difficult to enter frontier markets where affordability and health consciousness within the population is growing steadily. Given the existing business model of the Company; solid management expertise and market knowledge; a proven IP based strategy to growth; a rapidly growing consumer goods business and the exciting pharmaceutical fundamentals of its chosen markets it is steadily entering and expanding into, Balaxi faces a bright and prosperous future.

Financial Overview

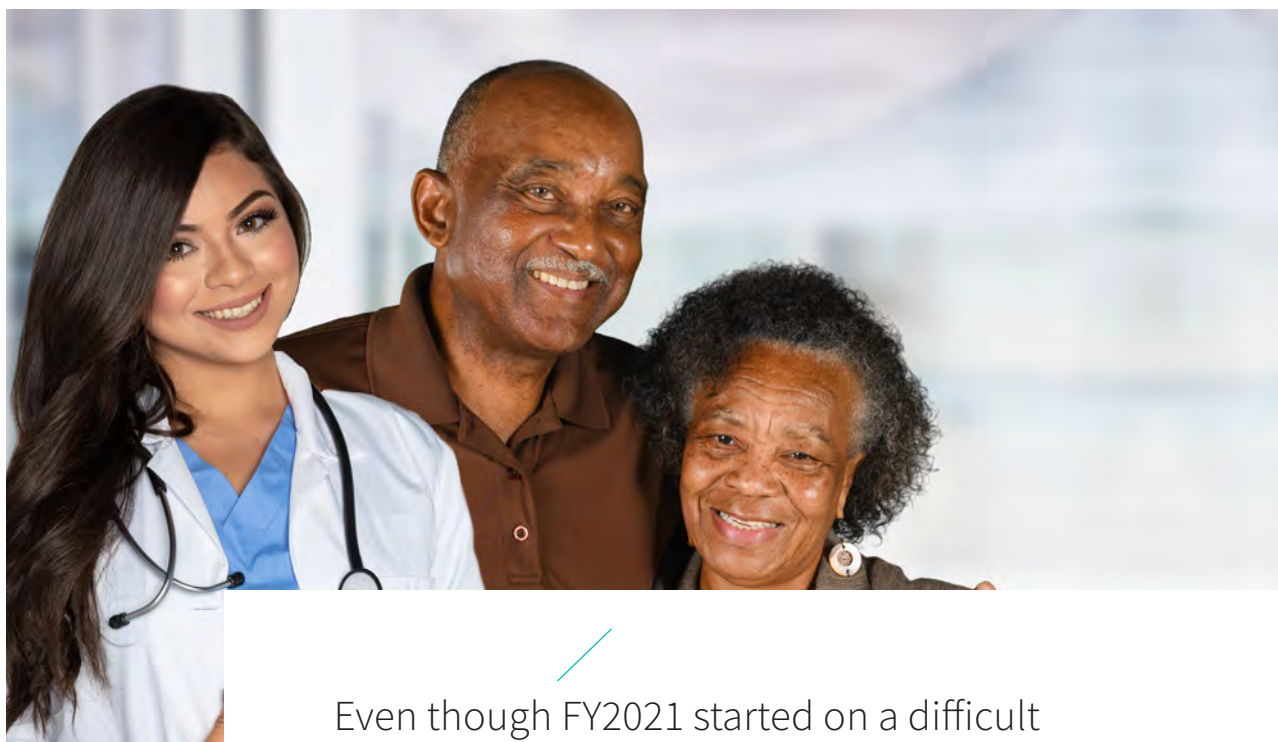
Business Highlights (Consolidated)

| Particulars | ₹ in crore) | | |
|----------------------------------|-------------|--------|------------|
| | FY2020 | FY2019 | Growth (%) |
| Net Sales & Operating Income | 231.33 | 45.63 | 407% |
| Other Income | 2.23 | 0.59 | |
| Total Income | 233.56 | 46.22 | 405% |
| EBITDA | 44.64 | 8.80 | 407% |
| Depreciation | 0.30 | 0.01 | |
| PBIT | 44.34 | 8.79 | 404% |
| Interest & other Finance charges | .01 | 0 | |
| Profit Before Tax | 44.33 | 8.79 | 404% |
| Tax Expense | 6.19 | 2.69 | |
| Profit after Tax | 38.14 | 6.1 | 525% |

407%

YOY EBITDA growth for FY2021

During the year, the turnover of the Company improved to ₹ 231.33 crore compared ₹ 45.63 crore, resulting a growth of 407%. The Pharmaceuticals segment registered a turnover of ₹ 136.14 crore compared to ₹ 28.93 crore during the previous year. Other segment which includes consumer goods and ancillary products registered a growth of ₹ 95.19 crore, against ₹ 16.69 crore in the previous year.



Even though FY2021 started on a difficult note, we ensured it ended on a high, having succeeded in turning around our overall business in our established markets.

| Ratio Analysis (Consolidated) | 2020-21 | 2019-20 |
|--|----------------|----------------|
| Debtors Turnover Ratio | 4.35 | 2.59 |
| Inventory Turnover | 23.82 | 40.35 |
| Interest Coverage Ratio | 4434 | N/A |
| Current Ratio | 2.7 | 4.24 |
| Debt Equity Ratio | 0.53 | 0.30 |
| Operating Profit Margin (%) | 19.17% | 19.26% |
| Net Profit Margin (%) | 16.33% | 13.20% |
| Return on Networth | 57% | 22% |

Our robust business model enables us to deliver effective products to our chosen marketplaces, generate attractive returns for our stakeholders and build a sustainable business. We have leveraged our prudent financial expertise to fast-track our growth. Even though FY2021 started on a difficult note, we ensured it ended on a high, having succeeded in turning around our overall business in our established markets. Over the years, we have made steady progress in building a robust pipeline, strengthening capabilities and consolidating processes for faster delivery.



Internal Controls

The internal controls of the Company are being reviewed by a reputed external agency. This results in an unbiased and independent examination of the adequacy and effectiveness of the internal control systems to achieve the objective of the optimal functioning of the Company. The scope of activities includes safeguarding and protecting the Company's assets against unauthorised use or disposition, maintenance of proper accounting records and verification of the authenticity of all transactions.

The Company has an effective compliance management system, which gives preventative warnings in case of any violations. To ensure that it is in conformance with the overall corporate policy and in line with predetermined objectives, the independent Audit Committee and/or the Board of Directors regularly review the performance of the Company. The Company's Internal auditors are PCN & Associates, to provide guidance in smooth functioning of risk management policies, building an organisation wide awareness of risks, across businesses and corporate functions; developing formal reporting and monitoring processes; building risk management maintenance plans that would keep the information updated and refreshed; deploying an ERM framework in key business areas and corporate functions; aligning risk management with the business planning exercise and aligning the role of assurance functions.

Risks and Concerns

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

Research and Development

Market research represents the critical catalyst of the business, as it enables Balaxi to develop and market differentiated generics and specialty products globally. The Company's R&D capabilities are supported by best-in-class technologies, helping it deliver affordable products globally. The Company is investing proactively to build a global pipeline for generics, OTC drugs and specialty products. It has intellectual property experts to support development of products across dosage forms like injectables, orals, liquids, ointments, gels and sprays. Considering the highly competitive nature of its chosen frontier markets, the Company continues to be pragmatic in identifying future R&D projects. Investments to develop the long-term pipeline are expected to continue and grow in scale and scope, in the long-term. The Company is also investing in developing specific products for emerging frontier markets it is foraying into.

People – the core of our strength

The Company strives to provide its employees a work environment that is congenial and encourages a balanced, healthy and safe life. It offers various growth opportunities to its people, rewarding and recognising merit. The Company runs multiple training programmes for skill development. It promotes inclusive growth and knowledge-sharing to make its people future-ready. The Company has continued with its drive to institutionalise and upgrade its HR processes. The diversified skill sets of our employees add significant worth to the Company. Every organisation which values and appreciates its Human



Resource succeeds in its goals and receives positive results. At Balaxi, we always believe in the concept of human empowerment. We passionately believe that human resource is the most important assets of the organisation, as it influences growth, progress, profits, and shareholders' values. During the year, we continued our efforts aimed at improving the HR policies and processes to enhance our performance. Our mission is to create a value system and behavioural skills to ensure achievement of our short and long-term aims. The Company, as on March 31, 2021, had 74 employees on its rolls, compared to 43 employees in the previous year. We continue to attract excellent talent both from within and outside India to further our business interests. Industrial Relations continue to be cordial.

Information Technology

Balaxi is making significant investments on the digital reinvention platform. The goal is to make all business processes as much automated as possible thus increasing the efficiency and accuracy of all processes. Your Company has developed a framework to harness the opportunities presented by prevalence of new-age digital technologies and transform to become a digitally savvy pharmaceutical company. Various technologies as well as platforms have been piloted to deploy the agenda so that a better and integrated experience can be delivered to our partners and clients. We focus on Data Analytics to drive agile business decisions, automation for business processes, innovation through digital business models, and Consumer Engagement to listen, reach out and engage with our customers. In analytics and automation, the Company's strategy has been to capitalise on the latest advancements in technology for improving the business performance. We are targeting at deepening the initiatives along the digital consumer engagement to enhance the Company's automation in its manufacturing plants and scaling it up year after year.

Cautionary Statement

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

Board's Report



To the Members,

The Board of Directors present the Annual Report of Balaxi Pharmaceuticals Limited (the Company) (BPL) along with the audited standalone and consolidated financial statements for the financial year ended 31st March, 2021. The consolidated performance of the Company and its subsidiary has been referred to wherever required.

1. Financial Performance:

The summarized results of the Company are given below:

| PARTICULARS | (₹ in Lakhs) | | | |
|---|-----------------|----------------|-----------------|----------------|
| | Standalone | | Consolidated | |
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Revenue | 8687.11 | 4563.25 | 23,133.31 | 4,563.25 |
| Other Income | 180.98 | 59.47 | 222.74 | 59.49 |
| Total Income | 8868.09 | 4622.72 | 23356.05 | 4622.74 |
| Operating expenditure | 6798.36 | 3703.37 | 18,892.03 | 3,742.59 |
| Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense (EBITDA) | 2069.73 | 919.35 | 4,464.02 | 880.15 |
| Less: Depreciation | 8.75 | 0.75 | 29.78 | 0.75 |
| Less: Finance Costs | 1.31 | 0.00 | 1.31 | - |
| Profit/loss before Tax Expense (PBT) | 2,059.67 | 918.60 | 4,432.93 | 879.40 |
| Less: Tax Expense (Current & Deferred) | 546.33 | 269.04 | 619.19 | 269.04 |
| Profit After Tax (PAT) | 1,513.34 | 649.56 | 3,813.74 | 610.36 |
| Basic EPS (₹) | 15.13 | 8.65 | 38.14 | 8.12 |
| Diluted EPS (₹) | 15.13 | 8.65 | 38.14 | 8.12 |

2. State of Company's Affairs

Consolidated:

During the period under review the Company recorded a Total revenue of ₹ 23,133.31 Lakhs in comparison to the last year revenue of ₹ 4,563.25 Lakhs. Profit before tax (PBT) increased to ₹ 4,432.93 Lakhs in comparison to the previous year PBT of ₹ 879.40 Lakhs. Similarly, Profit after tax (PAT) increased to ₹ 3,813.74 lakhs in comparison to the previous year of ₹ 610.36 Lakhs.

Standalone:

During the period under review the Company recorded a Total revenue of ₹ 8,687.11 Lakhs in comparison to the last year revenue of ₹ 4563.25 Lakhs. Profit before tax (PBT) increased to ₹ 2,059.67 Lakhs in comparison to the previous year PBT of ₹ 918.60 Lakhs. Similarly, Profit after tax (PAT) increased to ₹ 1513.34 lakhs in comparison to the previous year of ₹ 649.56 Lakhs. The Company has demonstrated excellent growth in the FY 2020-21 in comparison to the previous year.

3. Dividend

The Board has not recommended any dividend for the Financial Year 2020-21. Board observed that, as the Company is in the growth phase, it would be prudent to conserve the cash flow of the Company and hence decided to reinvest the profits of the Company in the working capital and to fund the capital requirements of the Company and its subsidiaries to support the international business expansion plans of the Company.

The Company has formulated a Dividend Distribution Policy in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Dividend Distribution Policy can be accessed from the Investor section of the website of the Company at: <https://balaxipharma.in/policies-disclosures.html>

4. Transfer to Reserves

The Company does not propose to transfer any amounts to the General Reserve during the period under review.



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 31st March, 2021 and the date of this Board's Report.

6. Share Capital

The paid-up share capital of the Company as on 31st March, 2021 is ₹ 10,00,00,000 divided into 1,00,00,000 equity shares of ₹ 10 fully paid up. During the year under review, the Company has not issued any shares.

The Free Reserves and Surplus including securities Premium stood at ₹ 3324.58 Lakhs as on 31st March, 2021 as against ₹ 1811.24 Lakhs as on 31st March, 2020.

7. Subsidiaries, Associates and Joint Venture

i. Balaxi Global DMCC, Dubai- Subsidiary Company

The Company has a wholly owned subsidiary, Balaxi Global DMCC ('BGD') 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 is in line with the main objects of the parent Company. The Company (BPL) made further investment of USD 1.09 million in the Subsidiary in the year under review.

The Subsidiary, Balaxi Global DMCC acquired two distribution companies in Central America viz. Balaxi Healthcare Guatemala and Balaxi Healthcare Dominican Republic as its subsidiaries and incorporated a Company in Central Africa, Balaxi Healthcare Centrafrique in the Financial Year 2020-21. Further the subsidiary acquired another distribution Company, Balaxi Healthcare Honduras, Honduras, Central America in May, 2021, consequently making them Step down subsidiaries of Balaxi Pharmaceuticals Limited.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of

financial statements of the Company's subsidiaries in Form No. AOC-1 is attached as **Annexure- I** in this report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents are available on Investor section of the website of the Company at <https://balaxipharma.in/financial-results.html>

ii. Associate Company/ Joint Venture

The Company does not have any associates or Joint ventures during the year under review.

8. Change in the Nature of Business:

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

9. Board and its Committees

The Board consists of six (6) Directors, four (4) of whom are Independent Directors, One (1) is an Executive Director and one (1) is a Non-Executive Director. The Board consists of two(2) Woman Directors, One (1) of whom is an Independent Director.

i. Appointments and Resignations during the year under review:

Directors:

Mr. M. Srinivas Rao and Mr. Rakesh Khanna were appointed as Additional (Independent) Directors with effect from 15th September, 2020.

Mr. Rakesh Khanna resigned from the Board on 1st March, 2021.

Ms. Purnima Singh Kamble was appointed as Additional (Independent) Directors with effect from 26th March, 2021.

In accordance to the provisions of Companies Act, 2013 and the Articles of Association of the Company Ms. Minoshi Maheshwari, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.



Key Managerial Personnel:

Mr. Nidhin Jose resigned as the Company Secretary and Compliance Officer of the Company with effect from 29th September, 2020 and consequently Ms. Chinta Shalini was appointed as the Company Secretary and Compliance Officer with effect from 12th October, 2020.

Mr. Ashish Maheshwari resigned as the interim Chief Financial Officer of the Company with effect from 20th May, 2021 and Mr. Amol Mantri was appointed in his place as the permanent Chief Financial Officer with effect from 20th May, 2021.

ii. Number of Board Meetings

The Board met Five (5) times during the Financial Year 2020-21 on 16th June, 2020, 22nd July, 2020, 17th August, 2020, 12th October, 2020 and 19th January, 2021 and the gap between the said meetings did not exceed the limit of 120 days, as prescribed under the relevant regulations.

iii. Committees of Board

Pursuant to the requirement under the Act and the Listing Regulations, the Company has the following Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

The composition and terms of reference of the Committees and number of meetings held during the year under review are given in the section, Report on Corporate Governance forming part of this Annual Report. The Board accepted all the recommendations made by the Committees during the year under review.

iv. Independent Directors

The Company has appointed Independent Directors having expertise/experience in their respective field/profession. None of the Independent Directors are Promoters or related to Promoters. They do not have any pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.

The performance of the Independent Directors is subject to evaluation as per Section 149(8) of the Companies Act, 2013 and read with Schedule IV to the said Act. Pursuant to Rule 6(3) of The Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, all Independent Directors of the Company have registered in the Independent Directors Data Bank, as required under rule 6(1) and 6(2) of The Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

The Board is confident about their integrity, expertise and experience in the relevant functional areas. Requirements of online proficiency self-assessment test in terms of Rule 6(4) of The Companies (Appointment and Qualifications of Directors) Rules, 2014 will be complied within the prescribed timeline if the same is applicable to each of them.

All Independent Directors maintained their limits of Directorships as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company had issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been disclosed in the website of the Company.

v. Meeting of Independent Directors

Meeting of Independent Directors without the presence of Non- Independent Directors and members of management was duly held on 19th January, 2021 where the Independent Directors inter alia evaluated the performance of Non-Independent Directors and Board of Directors as a whole, evaluated the performance of Chairperson of Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, Management and Board.

vi. Declaration by Independent Directors

All Independent Directors have confirmed of having complied with the criteria of independence as provided in 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations



and Disclosure Requirements) Regulations, 2015 that they meet the criteria of independence laid down thereunder. Based on the declarations submitted by the Independent Directors, Board is of the opinion that, they fulfil the conditions specified in the Act and SEBI Listing Regulation and are independent of the management.

They also confirmed of having complied with Rule 6(1) and 6(2) of The Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended by registering themselves in the Independent Directors Data Bank pursuant to Rule 6(3) of the said Rules.

vii. Familiarization Programmes of Independent Directors

All Directors including Independent Directors are 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/arranged for familiarizing the Independent Directors are disclosed in Corporate Governance Report, which forms part of this Annual Report.

10. Annual Evaluation of Performance

Pursuant to the provisions of the Companies Act, 2013, the SEBI Listing Regulation, Company has put in place a criteria for annual evaluation of performance of Chairperson, Managing Director, Directors, 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 the contribution to and monitoring 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 fulfillment 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 from the website of the Company at <https://balaxipharma.in/policies-disclosures.html>. Board considered and discussed the inputs received from Independent Directors.

11. Investor Education Protection Fund (IEPF)

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

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 Companies Act, 2013. In compliance with above, the Company transferred ₹ 80,078 to the above Fund on 17th November, 2020, being the unclaimed dividend for the Financial Year 2012-13.

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

In terms of the provisions of the Section 124(6) of the Companies Act, 2013 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, to the Investor Education Protection Fund (IEPF) Authority.

To comply with the above, the Company transferred 1,180 Equity Shares on 26th November, 2020 to Investor Education and Protection Fund Authority through M/s. National Securities Depository Limited (NSDL), in respect of which dividend was not claimed for consecutive 7 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.html>.

**Details of Nodal Officer:**

The details of the Nodal Officer appointed under the provisions of IEPF are given below and the same is disseminated in the website of the Company.

| | |
|---|--|
| Name of Company Secretary as Nodal Officer | Ms. Chinta Shalini |
| Direct Phone No | 040 23555300 |
| Email ID | secretarial@balaxiventures.in |
| Address | Balaxi Pharmaceuticals Limited Plot No.409, H.No. 8-2-293, MAPS Towers, 2 nd Floor, Phase-III, Road No.81, Jubilee hills, Hyderabad, Telangana - 500096 |

12. Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. The Directors have 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.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts on a going concern basis.
- v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

- vi. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. Audit Related Matters

i. Statutory Auditors

The Company appointed of M/s. P Murali & Co, Chartered Accountants (Firm Registration No. 007257S) Hyderabad as statutory auditors of Company to hold office for one term of 5 years commencing from conclusion of 75th Annual General Meeting upto conclusion of 80th Annual General Meeting of the Company.

The Auditors Report for the Financial Year ended 31st March, 2021 does not contain any qualifications, reservation or adverse remark. The notes to accounts forming part of financial statements are self-explanatory and need no further clarification. The Auditor's Report is enclosed with the financial statements in the Annual Report.

ii. Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013 inter-alia requires every listed Company to annex with its Board's report, a Secretarial Audit Report given by a Practicing Company Secretary, in the prescribed form. Board of Directors appointed BVR & Associates, Practicing Company Secretaries LLP as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year ended 31st March, 2021 and their report in Form MR-3 is annexed to this Board's report as **Annexure II**. There are no qualifications, reservations or adverse remarks made by the Practicing Company Secretaries in the Secretarial Audit Report for the period under review.

iii. Internal Auditors

Pursuant to Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, the Company has appointed M/s PCN & Associates, Chartered Accountants - Hyderabad as the internal auditors of the Company.



14. Details of Directors/Employees Remuneration

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this report as **Annexure-III**.

No employee was in receipt of remuneration exceeding ₹ 1.2 crore or more per annum as per the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence the disclosure as required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required.

15. Fraud Reporting

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors or the Internal Auditors has 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.

16. Nomination and Remuneration Policy

Nomination and Remuneration Committee works with 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 in business, knowledge, capital market and education. 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/policies-disclosures.html>.

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:

- a) 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;

- b) Relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- c) 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 Remuneration Policy for Directors, KMP and other employees can be accessed at the weblink <https://balaxipharma.in/policies-disclosures.html>.

17. 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 also hosted the Whistle Blower Policy in line with the provisions of the Companies Act and the Listing Regulations on the website of the Company at www.balaxipharma.in.

18. Policy on Material Subsidiaries

The Board of Directors of the Company has, in accordance with the SEBI 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/policies-disclosures.html>.

In terms of the criteria laid down in the Company's Policy on Material Subsidiaries and the SEBI Listing Regulations, Balaxi Global DMCC is a Material Subsidiary of the Company.



19. Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee (CSR Committee) constituted by the Board 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 on activities mentioned in the CSR Policy. CSR Committee met once during the year under review on 19th January, 2021. The category and composition of the committee is as follows:

| Name of Members | Category |
|--------------------|----------|
| Minoshi Maheshwari | Chairman |
| Ashish Maheshwari | Member |
| Gandhi Gamji | Member |

The Corporate Social Responsibility Policy of the Company may be accessed at the website of the Company at <https://balaxipharma.in/policies-disclosures.html>.

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

20. Risk Management Policy

The Company has developed and implemented risk management framework detailing risks associated with its business, process of identification 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.

21. 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 31st March, 2021 and issued their report which forms part of the Independent Auditor's report.

22. Deposits

During the period under review, your Company has not accepted any deposits under the Companies Act, 2013.

23. Particulars of Loans, Guarantees or Investments

Particulars of loans given, guarantees provided and investments made by the Company during the financial year ended 31st March, 2021, as required under the provisions of Section 186 of the Companies Act, 2013 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.



Any 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.

24. Code of Conduct

In compliance with Regulation 26(3) of the Listing Regulations and the Act, the Company has framed and adopted Code of Conduct ("the Code") for Directors and Senior Management. The Code provides guidance on ethical conduct of business and compliance of law. The Code is available on the Company's website <https://balaxipharma.in/policies-disclosures.html>.

All Members of the Board and Senior Management personnel have affirmed the compliance with the Code as on 31st March, 2021. A declaration to this effect, signed by the Managing Director in terms of the Listing Regulations is given in the Report of Corporate Governance forming part of this Annual Report.

25. Extract of the Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2021 is available on the website of the Company at <https://balaxipharma.in/investor-annual-report.html>

26. Postal Ballot

During period under review, pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) thereof made thereunder), your Company has not passed any resolutions through postal ballot.

27. Management Discussion and Analysis Report

Management Discussion and Analysis Report comprising of all information as prescribed under Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 is annexed to this report under Business Overview section of this report.

28. Related Party Transactions

All related party transactions which were entered during the financial year were in the ordinary course of business and on an arm's length basis. There were no materially significant related party transactions entered by the Company with the promoters, Directors, key managerial personnel or other persons which may have a potential conflict with the interests of the Company. A statement of all related party transactions is presented before the Audit Committee on quarterly/annual basis, specifying the nature, value and terms and conditions of transactions. Since all the Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business, no details are required to be provided in Form AOC-2 prescribed under clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

In accordance with the requirements of the Listing Regulations, the Company has also adopted the Policy on Materiality while dealing with Related Party Transactions and the same has been placed on the website of the Company at <https://balaxipharma.in/policies-disclosures.html>.

29. Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements. The Report on Corporate Governance as required under Regulation 34(3) read with Schedule V of the Listing Regulations forms part of this Annual Report. The Practicing Company Secretary's Certificate on compliance with Corporate Governance norms is also 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 forms part of the Annual Report.

30. Consolidated Financial Statements

The Company has prepared the Consolidated Financial Statements for the financial year ended 31st March 2021, in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India and specified under section 133 of the Companies Act, 2013



read with Rule 7 of the Companies (Accounts) Rules, 2014, which forms part of the Annual Report.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website and a copy of separate audited financial statements of its subsidiaries will be provided to shareholders upon their request.

31. Business Responsibility Report

The Business Responsibility Report (BRR) of the Company for the Financial year ended 31st March, 2021 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

32. Maintenance of Cost Records

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 Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

33. Significant and Material Orders passed by the Regulators or Courts

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.

34. Energy Conservation, Technology Absorption

Particulars as prescribed under Sub-section (3) (m) of Section 134 of the Companies Act, 2013, read with Rule 8 of Companies (Accounts) Rules, 2014 regarding energy conservation and technology absorption is not applicable to your Company. However, the Company is taking adequate steps to ensure the conservation of energy and adopting the best technology in this regard according to the size of operations.

35. Foreign Exchange Earning 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 | 2020-21 | 2019-20 |
|---------------------------|---------|---------|
| Foreign Exchange Earnings | 8687.11 | 4563.25 |
| Foreign Exchange Outgo | 1097.02 | - |

36. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Company has zero tolerance towards sexual harassment at workplace and 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 Rules thereunder. Your Company has not received any Complaint under this policy during the period under review.

37. Compliance with Secretarial Standards

The Company has complied with the required Secretarial Standards issued by the Institute of Company Secretaries of India.

38. Listing Status

The Company's equity shares are listed at National Stock Exchange of India Limited (NSE). The Company has paid the listing fees to NSE and the custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year ended 31st March, 2021.

39. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

The Board has 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/policies-disclosures.html>.

40. Prevention of Insider Trading

The Board has formulated code of conduct for regulating, monitoring and reporting of trading of shares 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-compliances. The copy of the same is available on the website of the Company in the Investor section at <https://balaxipharma.in/policies-disclosures.html>.



ACKNOWLEDGEMENT

The Directors wish to place on record their sincere appreciation for the continued support extended to the Company by its promoters, valued customers, esteemed shareholders, bankers, auditors, media and employees of the Company.

For and on behalf of Board

Mr. Ashish Maheshwari
Managing Director
DIN: 01575984

Ms. Minoshi Maheshwari
Director
DIN: 01575975

Date: 17th July, 2021
Place: Hyderabad



Annexure-I

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": Subsidiary

| | |
|---|---|
| Name of the subsidiary | Balaxi Global DMCC, Dubai |
| The date since when subsidiary was acquired | 4 th September, 2019 |
| Reporting period for the subsidiary concerned | 1 st April, 2020 -31 st March, 2021 |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | USD, 73 |

| SL. NO | Particulars | Amount (INR in Lakhs) |
|--------|------------------------|-----------------------|
| 1 | Share Capital | 1,896.54 |
| 2 | Reserves & Surplus | 2,545.11 |
| 3 | Total Assets | 4,765.45 |
| 4 | Total Liabilities | 323.80 |
| 5 | Investments | 363.22 |
| 6 | Turnover | 12,785.71 |
| 7 | Profit before taxation | 2,584.19 |
| 8 | Provision for taxation | - |
| 9 | Profit after taxation | 2,584.19 |

Other Information

| | |
|--|------------|
| Proposed Dividend | NIL |
| Extent of shareholding (in percentage) | 100% |
| Names of subsidiaries which are yet to commence operations | NA |
| Names of subsidiaries which have been liquidated or sold during the year | NIL |

Part "B": Associates and Joint Ventures

The Company does not have any Associate or Joint Venture.

For and on behalf of Board,

Mr. Ashish Maheshwari
Managing Director
DIN: 01575984

Ms. Minoshi Maheshwari
Director
DIN: 01575975

Date: 20th May, 2021

Place: Hyderabad



Annexure-II

Form No: MR 3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2021

[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
3rd 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 (formally known as Balaxi Ventures 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. Based on our 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 31st March, 2021 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 have examined the books, papers, minute books, forms and returns filed and other records maintained by Balaxi Pharmaceuticals Limited for the financial year ended on 31st March, 2021 according to 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, 2009 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).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:



We report that the Company has changed its name to Balaxi Pharmaceuticals Limited during the reporting year.

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 except from April 01, 2020 to September 14, 2020 according to Regulation 17 (1) (c) of SEBI (LODR) Regulation, 2015. The NSE imposed a fine for the non-compliance under the said regulation and the Company made the payment accordingly. 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:-

| Sl No | Date of filing | SRN | Form |
|-------|----------------|-----------|-------------|
| 1 | 17.07.2020 | R46211389 | Form CHG-1 |
| 2 | 08.07.2020 | R44974707 | Form MGT-14 |
| 3 | 28.07.2020 | R47662945 | Form MGT-14 |
| 4 | 03.09.2020 | R52959327 | Form MGT-14 |
| 5 | 16.09.2020 | R56154172 | Form MGT-15 |
| 6 | 17.09.2020 | R56314826 | Form DIR-12 |

| Sl No | Date of filing | SRN | Form |
|-------|----------------|-----------|----------------------------|
| 7 | 18.09.2020 | R55102354 | Form MGT-14 |
| 8 | 19.10.2020 | R67738047 | Form DIR-12 |
| 9 | 21.10.2020 | R68107911 | Form IEPF 2 |
| 10 | 5.11.2020 | R70071014 | Form DIR-12 |
| 11 | 09.11.2020 | R70568084 | Form IEPF 2 |
| 12 | 13.11.2020 | R71034888 | Form AOC-4 XBRL FY 2019-20 |
| 13 | 21.11.2020 | R71759559 | Form MGT 7 FY 2019-20 |
| 14 | 30.11.2020 | R72845399 | Form IEPF 4 |
| 15 | 09.03.2021 | T07952955 | Form DIR-12 |

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.

FOR BVR & ASSOCIATES COMPANY SECRETARIES LLP

**CS Yogindunath S
Designated Partner**

**Place: Cochin
Date: 17th July, 2021**

FCS No. F7865
C P No. 9137
UDIN: F007865C000650727



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.

For BVR & Associates Company Secretaries LLP

Place: Cochin
Date: 17th July, 2021

CS Yogindunath S
Designated Partner
FCS No. F7865
C P No. 9137
UDIN: F007865C000650727



Annexure-III

Directors and Employees Remuneration

Details in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of remuneration of each director to the median remuneration of the employees and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary of the Company in the Financial year:

| Sl. No | Name of the Director/KMP, Designation | Ratio of remuneration to the median remuneration of the employees | Percentage increase in remuneration in the FY |
|--------|--|---|---|
| 1. | Ashish Maheshwari-Managing Director | 7.58 | NIL |
| 2. | Minoshi Maheshwari-Non-Executive Director | 4.55 | NIL |
| 3. | Kunal Bhakta-Independent Director | NIL | NIL |
| 4. | Gandhi Gamji- Independent Director | NIL | NIL |
| 5. | M. Srinivas Rao- Independent Director | NIL | NIL |
| 6. | Purnima Singh Kamble- Independent Director | NIL | NIL |
| 7. | Chinta Shalini- Company Secretary* | NA | NA |

Note: Independent Directors were paid sitting fees for attending the Meetings

*Ms. Chinta Shalini was appointed as the Company Secretary of the Company w.e.f. 12th October 2020

- (ii) The percentage increase in the median remuneration of employees in the financial year: **35%**
- (iii) The number of permanent employees on the rolls of company: **38**
- (iv) 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:

There is no increase in managerial remuneration hence comparison cannot be made with increase in the salaries of employees other than the managerial personnel.

- (v) **It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.**

For and on behalf of Board,

Mr. Ashish Maheshwari
Managing Director
DIN: 01575984

Ms. Minoshi Maheshwari
Director
DIN: 01575975

Date: 17th July, 2021
Place: Hyderabad



Annexure-IV

Corporate Social Responsibility Report

1. Brief outline on CSR Policy of the Company

The object of the Company is to operate its business in a sustainable manner respecting the society & the environment, while recognising the interests of all its stakeholders, to take up directly or indirectly programmes that will benefit the communities.

2. Composition of CSR Committee:

| Name of Director | Designation | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------------------|-------------|--|--|
| Minoshi Maheshwari | Chairman | 1 | 1 |
| Ashish Maheshwari | Member | 1 | - |
| Gandhi Gamji | Member | 1 | 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.

The web-link of the Company where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed is <https://balaxipharma.in/policies-disclosures.html>.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|---------|----------------|--|---|
| NIL | | | |

6. Average net profit of the company as per section 135(5)

₹ 3,64,50,267



7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 7,29,005
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
 (c) Amount required to be set off for the financial year, if any: NIL
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 7,29,005

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year 2020-21 (in ₹) | Amount Unspent (in ₹) | | | | |
|--|---|-------------------|--|---------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| 7,29,005 | | | NIL | | |

- (b) Details of CSR amount spent against ongoing projects for the financial year: NIL

- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|--------------|--|--|----------------------|--|--------------------------------------|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No). | Location of the project. State. District. | Amount spent for the project (in ₹). | Mode of implementation - Direct (Yes/No). | Mode of implementation - Through implementing agency. Name. CSR registration number. |
| 1. | Promoting Education for Women and Empowering Women | ii and iii | Yes | Hyderabad, Telangana | 7,29,005 | No | Balaxi Foundation CSR00009094 |
| Total | | | | | 7,29,005 | | |

- (d) Amount spent in Administrative Overheads: NIL

- (e) Amount spent on Impact Assessment, if applicable: NIL

- (f) Total amount spent for the Financial Year (8b+8c+8d+8e)

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

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

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

Not applicable

For and on behalf of Board,

Ashish Maheshwari
Managing Director
DIN: 01575984

Minoshi Maheshwari
Chairman- CSR Committee
DIN: 01575975

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

Not applicable

Date: 17th July, 2021
Place: Hyderabad

Report on Corporate Governance



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

1. Corporate Governance Philosophy

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws with highest standards of transparency and business ethics. These practices are continuously followed by the Company since inception 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 reside in. The Governance system followed by the Company over the years has enhanced the value of stakeholders.

the provisions of Section 149 of Companies Act, 2013 (the 'Act') read with the provisions of Regulation 16 of the Listing Regulations. The Board confirm that, in its opinion, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the Management.

The following are the names, position and categories of Directors as on 31st March, 2021:

| Name of Director | Position | Date of Appointment | Category |
|--------------------------|---------------------|----------------------------------|----------------------------|
| Mr. Ashish Maheshwari | Managing Director | 4 th May, 2017 | Promoter and Executive |
| Ms. Minoshi Maheshwari | Director | 4 th May, 2017 | Promoter and Non-Executive |
| Mr. Kunal M Bhakta | Director | 4 th May, 2017 | Non-Executive Independent |
| Mr. Gandhi Gamji | Director | 4 th May, 2017 | Non-Executive Independent |
| Mr. M. Srinivas Rao | Additional Director | 15 th September, 2020 | Non-Executive Independent |
| Ms. Purnima Singh Kamble | Additional Director | 26 th March, 2021 | Non-Executive Independent |

Note: During the year under review, Mr. Rakesh Khanna, Additional Director (Independent) who was appointed on 15th September, 2020, resigned from the Board on 1st March, 2021.

2. Board of Directors

a. Composition:

The present composition of the Board is in compliance with the requirements of Regulation

17(1) of the Listing Regulations. The Board of Directors (the 'Board') of the Company comprises of optimum mix of Executive and Non-Executive Directors, with more than Fifty percent of the Board as Independent Directors.

As on 31st March, 2021, 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.

All the Independent Directors have declared that they meet the criteria of 'Independence' as required under



b. Attendance of each Director at the meetings of Board and General Meeting:

Details of attendance of Directors at the five (5) Board Meetings and Annual General Meeting (AGM) held during the Financial Year are given below:

| Name of the Director | Number of Board Meetings attended | | Attendance at the last AGM held on 11 th September, 2020 |
|--------------------------|-----------------------------------|----------|---|
| | Held/Eligible to attend | Attended | |
| Mr. Ashish Maheshwari | 5 | 4 | Yes |
| Ms. Minoshi Maheshwari | 5 | 5 | Yes |
| Mr. Kunal Bhakta | 5 | 4 | Yes |
| Mr. Gandhi Gamji | 5 | 5 | Yes |
| Mr. M. Srinivas Rao | 2 | 2 | Not Applicable |
| Ms. Purnima Singh Kamble | 0 | 0 | Not Applicable |

During the year under review, a separate meeting of the Independent Directors of the Company was held on 19th January, 2021 at the Registered Office of the Company and the members discussed the matters enumerated in the Schedule IV to the Act and Regulation 25(3) of the Listing Regulations.

c. Number of other Board of Directors or committees in which a Director is a member or chairperson

| Name of the Director | Number of other of Directorships* | Board Committees** | |
|--------------------------|-----------------------------------|--------------------|--------------|
| | | Membership | Chairmanship |
| Mr. Ashish Maheshwari | - | - | - |
| Ms. Minoshi Maheshwari | - | - | - |
| Mr. Kunal Bhakta | - | - | - |
| Mr. Gandhi Gamji | - | - | - |
| Mr. M. Srinivas Rao | - | - | - |
| Ms. Purnima Singh Kamble | - | - | - |

*Excluding Private Limited Companies, Foreign Companies and Section 8 Companies.

**Only membership of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committees are considered.

d. Number of Board meetings held and dates on which held

During the year under review, Board of Directors met 5 (five) times on 16th June, 2020, 22nd July, 2020, 17th August, 2020, 12th October, 2020 and 19th January, 2021.

e. Disclosure of Relationship between Directors Inter-se

Mr. Ashish Maheshwari and Ms. Minoshi Maheshwari are promoter Directors of the Company. Ms. Minoshi Maheshwari is the spouse of Mr. Ashish Maheshwari. None of the other Directors have any inter-se relationship.



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

| Name of the Director | No. of equity shares held in the Company |
|--------------------------|--|
| Ms. Minoshi Maheshwari | 1,05,580 |
| Mr. Kunal Bhakta | 4,605 |
| Mr. Gandhi Gamji | NIL |
| Mr. M. Srinivas Rao | NIL |
| Ms. Purnima Singh Kamble | NIL |

The Company does not have any convertible instruments during the period under review.

g. Details of familiarization programmes imparted to Independent Directors

The Company has conducted familiarization programmes from time to time for all the Independent Directors of the Company, to enable them to familiarize with the nature of the industry in which the Company operates, its business model etc., and the role to be played by them. Their rights and responsibilities were intimated through the Letter of Appointment issued to them. During the Financial Year under review, the Company had conducted session on overall performance of the Company, strategy and strategic initiatives, regulatory updates and on Internal Financial Controls. The details of such familiarization programmes are disclosed on the Company's website at <https://balaxipharma.in/policies-disclosures.html>

h. List of core skills, expertise and competencies of Board of Directors

The Company is engaged in the business of International Wholesale distribution of Pharmaceuticals, Builders Hardware and FMCG. To manage the operations and to formulate long term strategies for its growth, different skill sets are required. The Board of the Company consists of individuals who have experience and expertise in the following areas:

| | |
|---------------------|--|
| International Trade | Promoter Directors, Mr. Ashish Maheshwari and Ms. Minoshi Maheshwari have extensive knowledge in International trade of Pharmaceuticals, Builder's Hardware and FMCG segment. They have more than 2 decades of experience in global trade. |
|---------------------|--|

| | |
|---------------------------|---|
| Strategy & Transformation | Mr. Ashish Maheshwari has experience in developing and reviewing long term business strategy for sustainable growth and profitability of businesses in highly competitive landscape. |
| Sales /Marketing | Mr. Ashish Maheshwari is skilled in developing strategies to protect and grow brand equity and distribution reach. Understanding evolution in channels and strategies required to protect and grow the business. Understanding developments in the Digital space, its potential to disrupt consumer business and recommend plans to leverage these developments effectively for growth and efficiency |
| Finance | Evaluating the financial viability of various strategic proposals, review of capital budgets, financial results / statements, risks associated with the business and the minimization procedure. Mr. Kunal Bhakta, Independent Director, who is acting as the Audit Committee Chairman and Mr. Ashish Maheshwari, Managing Director of the Company are Chartered Accountants. |
| Corporate Governance | Ms. Purnima Singh Kamble and Mr. M. Srinivas Rao ensure putting in place best in class practices in various functional areas to strengthen the governance system. |

- i. Independent Directors are non-executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management



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 statutory audits. Audit Committee of the Company is constituted in line with the provisions of Regulation 18(1) of Listing Regulations read with Section 177 of Companies Act, 2013.

a. Broad terms of reference of the Audit Committee are as follows:

- i. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending to the Board the appointment, reappointment and terms of appointment of auditors of the Company;
- iii. Approval of payments to the statutory auditors for services rendered by them;
- 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:
 - i. 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 Act;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgement by management
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. 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. Review and monitor the auditor's independence and performance and effectiveness of audit process.
- viii. Approval of 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, the performance of statutory and internal auditors and 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 auditors any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or



- irregularity or a failure of internal control systems of a material nature and reporting matters to the Board;
- xvi. Discussion with the statutory auditors 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;
 - xviii. Reviewing the functioning of the whistle blower mechanism;
 - xix. Approval of appointment of CFO after assessing the qualifications, experience and background etc., of the candidate; and
 - 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.
 - xxi. Carrying out any other function as is mentioned in terms of reference of the Audit committee under the SEBI Listing Regulation.

b. Composition, Meetings and Attendance

Audit Committee of the Company, inter alia, provides reassurance to the Board on the existence of an effective internal control environment, overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

The Audit Committee met 4 (four) times on 16th June, 2020, 22nd July, 2020, 12th October, 2020 and 19th January, 2021 during the year ended 31st March, 2021 and the time gap between any two meetings did not exceed more than four months.

| Name of Members | Category | No of Meetings attended |
|------------------------|-----------------|--------------------------------|
| Kunal M Bhakta | Chairman | 4 |
| Gandhi Gamji | Member | 4 |
| Ashish Maheshwari | Member | 3 |

All members of Audit Committee are financially literate and have expertise in accounting/financial management. The Statutory Auditor, Internal Auditor are invited to the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

The Chairman of the Audit Committee is always present at the Annual General Meeting (AGM) to give clarifications, if any, required by the shareholders.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19(1) of the Listing Regulations read with Section 178 of the Act.

a. Brief description of terms and reference

The broad terms of reference of Nomination and Remuneration Committee includes the following:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising suitable policy on Board diversity;
- iv. 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 their appointment and removal;
- v. To extend or continue the term of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors;
- vi. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Company has adopted a Nomination, Remuneration and Evaluation Policy for Directors,



Key Managerial Personnel and other employees which is available on the website of the Company at <https://balaxipharma.in/policies-disclosures.html>.

b. Composition, Meetings and Attendance

The meeting of the Nomination and Remuneration Committee was held 1 (one) time on 12th October, 2020 during the year ended 31st March, 2021.

| Name of the Director | Designation | No of Meetings attended |
|----------------------|-------------|-------------------------|
| Kunal M Bhakta | Chairman | 1 |
| Gandhi Gamji | Member | 1 |
| Minoshi Maheshwari | Member | 1 |

c. Performance evaluation criteria for Independent Directors

As per the Nomination, Remuneration and Evaluation policy of the Company, the Independent Directors of the Company are evaluated based on criteria such as highest personal and professional ethics, integrity, values and independence, contribution to Board deliberation, willingness to devote sufficient time to carry out the duties and responsibilities effectively including attendance at the meetings, act in the best interest of minority shareholders of the Company etc.

c. Details of Remuneration paid to the Directors

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

| Name | Salary | Benefits, Bonuses, Stock Options, Pensions etc | Sitting Fees |
|------------------------|-----------|--|--------------|
| Mr. Ashish Maheshwari | 30,00,000 | - | 80,000 |
| Ms. Minoshi Maheshwari | 18,00,000 | - | 1,30,000 |
| Mr. Kunal M Bhakta | - | - | 1,20,000 |
| Mr. Gandhi Gamji | - | - | 1,30,000 |
| Mr. M Srinivas Rao | - | - | 1,00,000 |
| Mr. Rakesh Khanna* | - | - | 1,00,000 |

*Mr. Rakesh Khanna who was appointed on 15th September, 2020, resigned from the Company w.e.f 1st March, 2021.

The Company is not paying any severance fees, commission, performance linked incentive, stock options to any of the Directors.

5. Remuneration of Directors

a. Details of pecuniary relationship or transaction of Non-Executive Directors with the Company

Ms. Minoshi Maheshwari, Non-Executive Director was paid a remuneration of ₹ 18,00,000 during the financial year ended 31st March, 2021. The Company also paid sitting fees to the Director for attending Board meetings of the Company and also reimbursed the business related expenditure occurred by the Non-Executive Director.

b. Criteria of making payments to Non-Executive Directors

The Company has adopted Nomination, Remuneration and Evaluation Policy, which describes the criteria of making payments to Non-Executive Directors. The Policy is available in the website of the Company at <https://balaxipharma.in/investor-corporate-policies.html>

The sitting fee payable to the Directors for attending the meetings is within the limits specified in Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



6. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee of the Company considers and resolves the grievances of the Shareholders of the Company, including complaints relating to transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the shareholders from time to time.

Committee also reviews the manner and time-lines of dealing with complaint letters received from Stock Exchanges/ SEBI/ Ministry of Corporate Affairs etc, and responses thereto. Based on the delegated powers of Board of Directors, Registrar and Transfer Agent approve the Share transfers/ transmissions on a regular basis and the same is reported to Company Secretary. Company Secretary further would report the same at the next meeting of Committee.

a. Composition

The meeting of Stakeholders' Relationship Committee was held one (1) time on 19th January, 2021 during the year ended 31st March, 2021.

| Name of Directors | Designation | No of Meetings attended |
|--------------------|-------------|-------------------------|
| Kunal M Bhakta | Chairman | 1 |
| Gandhi Gamji | Member | 1 |
| Minoshi Maheshwari | Member | 1 |

b. Terms of reference:

The terms of reference of Stakeholders' Relationship Committee are as follows:

- Resolving the grievances of the security holders of the listed entity including complaints related to transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Approving of demat and remat requests and authorize fixation of common seal of the Company on the share certificate(s).
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of

various services being rendered by the Registrar & Transfer Agent.

- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ Annual Reports/statutory notices by the shareholders of the Company.

c. Name and Designation of Compliance Officer

The Board of Directors has appointed Chinta Shalini, Company Secretary of the Company as Compliance Officer with effect from 12th October, 2020 as per Regulation 6 of the Listing Regulations.

d. Redressal of Investor Grievances

The Company addresses all the complaints, suggestions and grievances expeditiously. There were no complaints received during the financial year ended 31st March, 2021.

7. Risk Management Committee

The Company constituted the Risk Management Committee in the Board Meeting held on 20th May, 2021.

a. Composition

| Name of the Members | Designation |
|---------------------|-------------|
| Ashish Maheshwari | Chairman |
| Gandhi Gamji | Member |
| Amol Mantri | Member |

b. Terms of reference:

- To formulate a detailed risk management policy which shall include:
 - 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.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.



- (c) Business continuity plan
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

8. General Body Meeting

a. Details of the Annual General Meetings held during the last three years are as follows:

| Financial Year | Date | Time | Location |
|-------------------------------|----------------------------------|----------|-------------------|
| 77 th AGM- 2019-20 | 11 th September, 2020 | 09:00 AM | Registered Office |
| 76 th AGM- 2018-19 | 25 th September, 2019 | 09.30 AM | Registered Office |
| 75 th AGM- 2017-18 | 20 th September, 2018 | 11.30AM | Registered Office |

b. Details of Special resolutions passed in the previous three Annual General meetings

| Date of AGM | Details of Special Resolutions passed if any |
|--|---|
| 77 th Annual General Meeting held on 11 th September, 2020 | Change of name of the Company from Balaxi Ventures Limited to Balaxi Pharmaceuticals Limited |
| 76 th Annual General Meeting held on September 25, 2019 | Payment of Remuneration to Mr. Ashish Maheshwari (DIN: 01575984) Managing Director; Payment of remuneration to Ms. Minoshi Maheshwari (DIN: 01575975) Non-Executive Director |
| 75 th Annual General Meeting held on September 20, 2018 | NIL |

c. Postal Ballot

During period under review, pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) thereof made thereunder), your Company has not passed the any resolutions through postal ballot:

9. Means Of Communication

a. Quarterly Results:

The Company regularly intimates information like quarterly/half yearly/annual financial results from time to time. The financial results and other official news releases are also placed in the investor relations section of the website of the Company at www.balaxipharma.in and have also been communicated to the National Stock Exchange of India Limited (NSE) in which the shares of the Company are listed.



b. Newspapers wherein results normally published;

Business Standard :English daily- All India Edition
 Mana Telagana/Nava Telangana :Telugu daily- Regional Edition

c. Details of website and display of official news releases and presentation made to institutional investors or to analysts;

The website of the Company www.balaxipharma.in contains comprehensive information about the Company, its business, Directors, Sub-Committees of the Board, terms and conditions of appointment of Independent Directors, products, service helplines, various policies adopted by the Board, details of unpaid dividend, contact details for investor grievance redressal, financial statements of subsidiary, shareholding pattern, notice of meeting of Board of Directors, quarterly unaudited financial results, audited financial results, Annual Report, shareholder information, schedule of analyst or institutional investor, presentations made to analysts or institutional investor, other developments etc.

10. General Shareholder Information

a. Annual General Meeting Date, Time and Venue:

78th Annual General Meeting
 Date: 25th August, 2021
 Time: 11:00 AM
 Venue: Video Conference (VC) or Other Audio Visual Means (OAVM)

b. Financial Year:

The financial year of the Company starts from 1st April of a year and ends on 31st March, of the following year.

c. Dividend:

The Board has not made recommendation for the final dividend for the Financial year ended 31st March, 2021.

d. Listing Status:

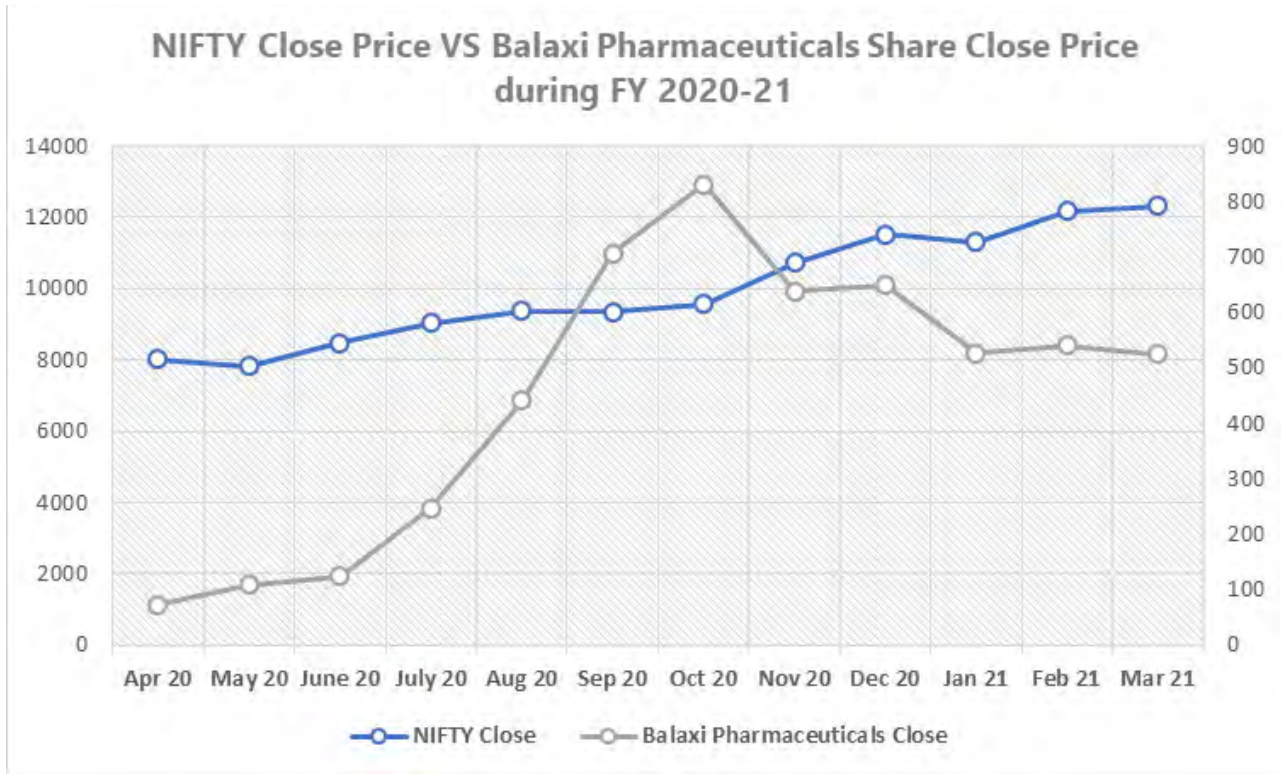
The Company's shares are listed at National Stock Exchange of India Limited (NSE). The Equity Shares of the Company is currently trading at NSE under Stock Code BALAXI. The Company has paid the listing fees to NSE and the custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year ended 31st March, 2021.

11. Market Price Data- high, low during each month in the Financial Year 2020-21:

| Month | High (₹) | Low (₹) |
|-----------------|----------|---------|
| April, 2020 | 83.5 | 67.85 |
| May, 2020 | 117.40 | 65.05 |
| June, 2020 | 134.90 | 102.50 |
| July, 2020 | 246.75 | 118.25 |
| August, 2020 | 441.85 | 259.05 |
| September, 2020 | 960.65 | 419.80 |
| October, 2020 | 1080.20 | 739.75 |
| November, 2020 | 829.95 | 620.00 |
| December, 2020 | 687.00 | 558.70 |
| January, 2021 | 673.95 | 524.30 |
| February, 2021 | 644.00 | 500.00 |
| March, 2021 | 642.95 | 510.00 |



NIFTY Close V/S Balaxi Pharmaceuticals Share Close Price



12. The Company’s shares were not suspended from trading during the Financial Year under review.

13. Registrar and Transfer Agents

Aarhi Consultants Private Limited
 1-2-285, Domalguda Hyderabad – 500029
 Phone: 040 27638111
 E-mail : info@aarhiconsultants.com
 Website : www.aarhiconsultants.com

14. Share Transfer System

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

Pursuant to the Ministry of Corporate Affairs (MCA) Notification regarding Companies (Prospectus and allotment of securities) 3rd Amendment Rules 2018 dated 10th September, 2018, the Company will not

permit transfer of shares in physical form with effect from October 2, 2018. Further, Securities and Exchange Board of India has barred physical transfer of shares of listed companies effective from 1st April, 2019 and mandated the share transfer only through Electronic Mode. However the above decision does not prohibit the investor from holding the shares in physical form. Investor has the option of holding shares in physical form even after 2nd October, 2018/ 1st April, 2019 as the case may be. Also the SEBI decision is not applicable for transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re-arrangement/interchanging of the order of name of shareholders) cases. Subject to the above, the request for transfer /transmission/ transposition, etc., as and when received, are duly processed and shares in respect of valid share transfer instruments are transferred in the names of transferees by complying with rules in force.

The Company obtains half yearly certificate of compliance with the share transfer formalities as required under Regulation 40 (10) of the Listing Regulations with Stock Exchanges from a Company Secretary in Practice, and files a copy of the certificate with the Stock Exchange.



15. Distribution of Shareholding

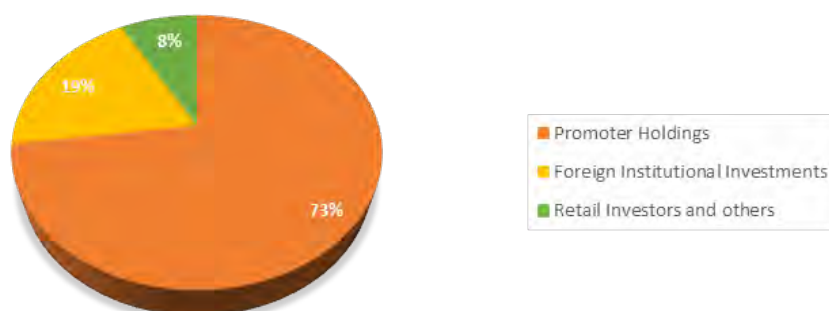
i. Distribution of Shareholding of the Company as on 31st March, 2021 is as follows;

| No of Equity Shares | No. of shareholders | Percentage | Number of shares | Percentage |
|---------------------|---------------------|---------------|------------------|---------------|
| Upto 500 | 2533 | 96.09 | 110443 | 1.10 |
| 501 - 1000 | 34 | 1.29 | 24847 | 0.25 |
| 1001 - 2000 | 16 | 0.61 | 22742 | 0.23 |
| 2001 - 3000 | 15 | 0.57 | 39642 | 0.40 |
| 3001 - 4000 | 6 | 0.23 | 20955 | 0.21 |
| 4001 - 5000 | 4 | 0.15 | 18654 | 0.19 |
| 5001 - 10000 | 12 | 0.45 | 86360 | 0.86 |
| 10001 AND ABOVE | 16 | 0.61 | 9676357 | 96.76 |
| TOTAL | 2636 | 100.00 | 10000000 | 100.00 |

ii. Category of shareholders as at 31st March, 2021

| Category | No of Shares | Percentage |
|--|-------------------|----------------|
| Promoter Company | 70,00,000 | 70.00 % |
| Promoter Group | 2,86,354 | 02.86% |
| Total Promoter Holdings | 72,86,354 | 72.86% |
| Foreign Institutional Investments (FPIs) | 19,45,000 | 19.45% |
| Retail Investors and others | 7,68,646 | 07.68% |
| Total | 100,00,000 | 100.00% |

Shareholding Pattern



16. Dematerialisation of Shares and Liquidity

Shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery only in dematerialisation form. The entire Promoter's holdings are in electronic form and the same is in line with the direction issued by SEBI.

The Equity shares of the Company have been admitted for Demat with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN Number allotted to the Company is INE618N01014. Shareholders can avail the Demat facility and get their shares in the physical form dematted. Shareholders are advised to demat their holdings at the earliest.



The status of shares held in dematerialised and physical forms as on 31st March, 2021 are given below:

| Particulars | No. of Shares | Percentage |
|------------------------------------|-------------------|---------------|
| Shares held in Dematerialised form | 99,48,390 | 99.48 |
| Shares held in Physical form | 51,610 | 00.51 |
| Total | 100,00,000 | 100.00 |

17. Outstanding GDRS/ADRS/Warrants or any Convertible Instruments, Conversion Date and likely Impact on Equity

The Company has not issued any GDRs/ADRS/Warrants or any Convertible Instruments during the period under review and hence the same is not applicable on the Company.

18. Commodity Price Risks and Commodity Hedging Activities

During the year ended 31st March, 2021, the Company has managed its foreign exchange risk by make necessary arrangements in working capital cycle and by making suitable arrangements with the customers of the Company. Details are provided in the financial statements of the Company.

19. Plant Locations

The Company does not have any plant and the same the not applicable to the Company.

20. Credit Ratings

The Company does not have any debt instruments or any fixed deposit programme or any scheme or proposal involving mobilisation of funds, whether in India or abroad and hence the Company didn't obtain any credit rating on this behalf. the Company is not categorised as a Large Corporate in terms of SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November, 2018.

21. Address for Correspondence are as follows

The Company Secretary
 Balaxi Pharmaceuticals Limited,
 Plot No.409, H.No. 8-2-293,MAPS Towers,
 2nd Floor, Phase-III
 Road No.81, Jubilee hills,
 Hyderabad, Telangana, India -500096
 website: www.balaxipharma.in,
 email: secretarial@balaxiventures.in
 Contact No: 040-23555300

22. Other Disclosures

a. Disclosures on Materially significant related party transactions that may have potential conflict with interest of the listed entity at large;

All transactions with related parties were entered in the books as prescribed during the financial year was in the ordinary course of business only. There were no materially significant related party transactions with the Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Details of related party transaction entered into during the Financial Year ended 31st March, 2021 are given in notes to the financial statements.

b. Details of Non-Compliance by the Company, Penalties, strictures imposed on the Company by Stock Exchange or the Board or any statutory authority, on any matter related to capital markets during lasts three years;

There has been one instance of "Delayed Compliance" by the Company with respect to the provisions of Regulation 17(1) [the composition of Board of Directors of the top 2000 listed entities (with effect from 01-04-



2020) shall comprise of “**not less than 6 [Six] Directors**]. The Company was in the process of identifying Directors to be included in the Board since March 2020 but due to the Nationwide lockdown, the appointments could not be made.

The National Stock Exchange [NSE] imposed a penalty of ₹ 9,85,300 and the Company paid the same. The Company has fully complied with all its compliances under the Listing Regulations, other applicable regulations and circulars issued thereunder except as mentioned above.

c. Details of establishment of Vigil mechanism and Whistle Blower policy;

The Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s Code of Conduct or ethics policy.

The Vigil Mechanism provides for adequate safeguards against victimization of Directors/ employees who blows the whistle and to provide direct access to the Chairman of the Audit Committee in exceptional cases. No employee is denied the opportunity to meet the Chairman of the Audit Committee.

Other required details are duly provided in the Board’s Report of this Annual Report.

d. Details of policy for determining ‘material’ subsidiaries;

The Board of Directors have formulated a policy for determining material subsidiary and the same is posted on the website of the Company at www.balaxipharma.in

e. Related Party Transactions

The Board of Directors of the Company, as per the provisions of Regulation 23 of the Listing Regulations, has formulated a policy on Material Related Party Transactions. The said policy is available on the website of the Company at www.balaxipharma.in in the page ‘Investor Relations’. The related party transactions entered during the year under review are in the ordinary course of business and on arms’ length basis. Further, a statement on all related party transactions is presented

before the Audit Committee of the Company on quarterly basis for its review.

Details of the related party transaction entered during the year is detailed in the notes to the financials and other relevant details are provided in the Board’s Report.

f. Certificate from Practicing Company Secretary

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Listing Regulations, M/s. BVR & Associates Practicing Company Secretaries LLP , Company Secretary in practice, Cochin, has certified 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 is attached as **Annexure A**.

The Company also obtained a compliance certificate from M/s. BVR & Associates Practicing Company Secretaries LLP regarding compliance of conditions of corporate governance and the same is attached as **Annexure B**.

g. Recommendation of Committees;

All recommendations / submissions made by various Committees of the Board during the Financial year 2020-21 were accepted by the Board of the Company.

h. Fees to statutory auditors

M/s. P Murali & Co, Chartered Accountants (Firm Registration No. 007257S) Hyderabad is the statutory auditors of Company. None of the subsidiary companies have availed of any services from the Statutory Auditors of the Company or any of its network firm/network entity during the Financial year 2020-21. The Company had paid an audit fees of ₹ 5.00 Lakhs for the Financial year 2020-21.

i. Prevention of Sexual Harassment

The Company has zero tolerance towards sexual harassment at its workplace and has adopted a Policy for Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal)



Act, 2013 (“POSH Act”) to provide a safe, secure and enabling environment, free from sexual harassment. All employees (permanent, contractual, temporary, trainees) as well as women who visit the premises of the Company for any purpose are covered under this Policy. The Policy is gender neutral.

| Particulars | Complaints |
|--|------------|
| No of Complaints filed during the Financial Year | NIL |
| No of Complaints disposed of during the Financial Year | NIL |
| No of Complaints pending as on the end of the Financial Year | NIL |

23. Disclosure on Compliance with Corporate Governance requirements

The Company has complied with all the requirements of Corporate Governance mentioned in the Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, wherever applicable.

The Company has complied with all the requirements of Corporate Governance Report as specified in sub paras (2) to (10) of Schedule V(C) of the Listing Regulations.

24. Details of Adoption of Discretionary Requirements Specified in Part E of Schedule II to the Listing Regulations

The Company has adopted the following nonmandatory requirements of Part E of Schedule II to the Listing Regulations.

a. Unmodified Audit Report:

During the financial year under review, there was no audit qualification on the Company’s audited Standalone and Consolidated Financial Statements and Results. The Company continues to adopt best practices to ensure regime of unmodified financial statements.

b. Reporting of Internal auditor:

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

25. Details of other Compliances

Details of compliances of provisions relating to Corporate Governance in various Regulations of the Listing Regulations, other than those specified above are as under:

a. Code of Conduct for Directors and Senior Management;

The Board has put in place a Code of Conduct for Directors and Senior Management of the Company in line with the provisions of the Act and the Listing Regulations. The Code is available on the website of the Company www.balaxipharma.in in the page ‘Investor Relations’. The Declaration on this behalf is provided as **Annexure C**.

26. Disclosures with Respect to Demat Suspense Account/ Unclaimed Suspense Account

a. Unclaimed/Undelivered shares

The Company did not have any outstanding equity shares lying in the demat suspense account/unclaimed suspense account during the Financial year 2020-21 and as on 31st March, 2021. Further voting rights on none of equity shares of the Company are frozen. Hence disclosure or reporting in terms of Regulation 34(3) read with Part F of Schedule V to the SEBI Listing Regulations is not applicable/required.

b. Investors’ Education and Protection Fund (“IEPF”)

The details of unpaid and unclaimed Dividend of previous years which has been transferred or is due to be transferred to the IEPF during the Financial year 2020-21 in terms of the applicable provisions of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), as amended from time to time is provided in the Board’s Report which forms part of this Annual Report.



27. Management Discussion and Analysis

The Management Discussion and Analysis for the financial year under review, as stipulated under Regulation 34(2) (e) read with Part B of Schedule V of the SEBI Listing Regulations, is presented in a separate section and forms part of this Annual Report. It provides mandatory

disclosures required under the SEBI Listing Regulations comprising of inter-alia details about the overall industry structure, economic scenarios, operational and financial performance of the Company, business strategy, internal controls and their adequacy, risk management systems and other material developments during the Financial year ended 31st March, 2021.

For and on behalf of Board,

Mr. Ashish Maheshwari
Managing Director
DIN: 01575984

Ms. Minoshi Maheshwari
Director
DIN: 01575975

Date: 17th July, 2021
Place: Hyderabad



Annexure A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members

Balaxi Pharmaceuticals Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Balaxi Pharmaceuticals Limited having Corporate Identity Number: L25191TG1942PLC121598 and having registered office at Plot No.409,H.No. 8-2-293, Maps Towers 2nd Floor, Phase-III, Road No.81,Jubilee Hills Hyderabad, 500096. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of 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) 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 31st March, 2021, 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: 17th July, 2021,

Place: Cochin

CS Yogindunath S
BVR & Associates Company Secretaries LLP,

Designated Partner

M NO: 7865

CP: 9137



Annexure B

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members

Balaxi Pharmaceuticals Limited

We have examined the compliance of conditions of Corporate Governance by Balaxi Ventures Limited having its registered office at Plot No.409,H.No. 8-2-293, Maps Towers 3rd Floor, Phase-III, Road No.81,Jubilee Hills Hyderabad-500096 for the year ended 31st March, 2021 as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended 31st March, 2021. Except for delay in compliance of having atleast six (6) directors on Board until 15th September, 2020.

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: 17th July, 2021,

Place: Cochin

CS Yogindunath S
BVR & Associates Company Secretaries LLP,
Designated Partner

M NO: 7865

CP: 9137



Annexure C

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

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board Members and the Senior Management Personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management during the financial year ended 31st March, 2021.

Ashish Maheshwari
Managing Director
DIN: 01575984

Place: Hyderabad
Date: 17th July, 2021



MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

To
The Board of Directors
Balaxi Pharmaceuticals Limited
Hyderabad

We, Ashish Maheshwari, Managing Director and Amol Mantri, Chief Financial Officer of the Company, to the best of our knowledge and belief, certify that:

1. We have reviewed the Financial Statements and Cash Flow Statement for the year ended 31st March, 2021, and a summary of the significant accounting policies and other explanatory information of the Company for the year ended 31st March, 2021.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company for the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have:
 - i. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under my supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared.
 - ii. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian Accounting Standards (Ind AS).
6. We had disclosed, based on my most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board:
 - i. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
 - ii. Any significant changes in internal controls during the year covered by this report.
 - iii. All significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements.
 - iv. Any instances of significant fraud of which we are aware, that involvement of the Management or other employees who have a significant role in the Company's internal control system.
7. We affirm that we had not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we provided protection to whistle-blowers from unfair termination and other unfair or prejudicial employment practices.
8. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Ashish Maheshwari
Managing Director
DIN: 01575984

Amol Mantri
Chief Financial Officer

Date: 20th May, 2021
Place: Hyderabad

Business Responsibility Report



Section A: General Information about the Company

| Sl. No. | Particulars | Details |
|---------|--|--|
| 1. | Corporate Identity Number (CIN) of the Company | L25191TG1942PLC121598 |
| 2. | Name of the Company | Balaxi Pharmaceuticals Limited |
| 3. | Registered address | Plot No. 409, H. No. 8-2-293, Maps Towers, 2 nd Floor, Phase-III, Road No.81, Jubilee Hills, Hyderabad-500096 |
| 4. | Website | www.balaxipharma.in |
| 5. | E-mail id | secretarial@balaxiventures.in |
| 6. | Financial Year reported | 1 st April, 2020 to 31 st March, 2021 |
| 7. | Sector(s) that the Company is engaged in (industrial activity code-wise) | NIC Code 46497 |
| 8. | List three key products/services that the Company manufactures/provides (as in balance sheet) | Export of Pharmaceuticals products Export of hardware items Export of FMCG |
| 9. | Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations | 9 (Nine) a) Dubai, Angola, Guatemala, Dominican Republic, Honduras, Central African Republic b) 1 (Hyderabad) |
| 10. | Markets served by the Company – Local/State/National/International | International |

Section B: Financial Details of the Company

| Sl. No. | Particulars | Details |
|---------|---|---|
| 1. | Paid up Capital (INR) | ₹ 1000.00 lakhs |
| 2. | Total Turnover (INR) | ₹ 8687.11 lakhs |
| 3. | Total profit after taxes (INR) | ₹ 1513.34 lakhs |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 0.48% |
| 5. | List of activities in which expenditure in 4 above has been incurred: | a) promoting education, including special education and employment enhancing vocation skills especially among women b) promoting gender equality, empowering women |



Section C: Other Details

| | | |
|----|--|-----|
| 1. | Does the Company have any Subsidiary Company/ Companies? | Yes |
| 2. | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | No |
| 3. | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | No |

Section D: BR Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies:

1. DIN Number : **01575984**
2. Name : **Ashish Maheshwari**
3. Designation : **Managing Director**

(b) Details of the BR head

| Sl. No. | Particulars | Details |
|---------|----------------------|-------------------|
| 1. | DIN | 01575984 |
| 2. | Name | Ashish Maheshwari |
| 3. | Designation | Managing Director |
| 4. | Telephone no. | 040 23555300 |
| 5. | E-mail ID | info@balaxi.in |

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability (P1).

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (P2).

Principle 3: Businesses should promote the wellbeing of all employees (P3).

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized (P4).

Principle 5: Businesses should respect and promote human rights (P5).

Principle 6: Businesses should respect, protect and make efforts to restore the environment (P6).

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner (P7).

Principle 8: Businesses should support inclusive growth and equitable development (P8).

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner (P9).



(a) Details of compliance (Reply in Y/N)

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|--|--|----|----|----|----|----|----|----|----|
| 1. | Do you have a policy/ policies for principles stated above | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2. | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Does the policy conform to any national / international standards? If yes, specify? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 4. | Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Policies, as required by the applicable statutes, are approved by the Board/Committee, and other internal policies are approved by the Managing Director | | | | | | | | |
| 5. | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y* | Y* | Y* | Y* | Y* | Y* | Y* | Y* | Y* |
| 6. | Indicate the link for the policy to be viewed online? | www.balaxipharma.in | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 8. | Does the company have in-house structure to implement the policy/ policies. | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9. | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10. | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | N | N | N | N | N | N | N | N | N |

* Policies conform to applicable laws and the national standards. Implementation of the Policies lies with the respective functional Heads and reviewed by the Management.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not applicable

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|----|----|----|----|----|----|----|----|----|
| 1. | The company has not understood the Principles | - | - | - | - | - | - | - | - | - |
| 2. | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | - | - | - | - | - | - | - | - | - |
| 3. | The company does not have financial or manpower resources available for the task | - | - | - | - | - | - | - | - | - |
| 4. | It is planned to be done within next 6 months | - | - | - | - | - | - | - | - | - |
| 5. | It is planned to be done within the next 1 year | - | - | - | - | - | - | - | - | - |
| 6. | Any other reason (please specify) | - | - | - | - | - | - | - | - | - |



3. Governance related to BR:

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company:

Annually

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company published its BR report for the first time for the financial year ended 31st March, 2021 and which is part of the Annual Report of the Company. The report is published on annual basis and can be viewed on the website of the Company i.e. www.balaxipharma.in.

certified (“Good Manufacturing Practices”) and demonstrate a strong regulatory commitment and compliance to international GMP standards.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company always tries to optimise and consolidate shipments in bulk to ensure best logistics efficiency.

Section E: Principle-Wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company?

No

Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?

Yes

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

We have not received any complaints from stakeholders in the last financial year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company does not manufacture but sources all its products from responsible producers who are GMP

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Sustainable sourcing and distribution practices are followed ensuring quality and safety of packaging materials procured from suppliers. The Company lays emphasis on safe transportation, optimisation of logistics, lowering of transportation costs, and reduction of vehicular air emission.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The nature of our business requires us to buy globally, from the best qualified vendors. Hence, local sourcing is not always feasible under our business model.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company is into distribution of pharmaceuticals products and hence generates very negligible waste.

Principle 3: Businesses should promote the wellbeing of all employees

7. Please indicate the Total number of employees:

38 as on 31st March, 2021



2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:

NIL

8. Please indicate the Number of permanent women employees:

5 as on 31st March, 2021

9. Please indicate the Number of permanent employees with disabilities:

NIL

10. Do you have an employee association that is recognized by management:

Balaxi does not have any employee association or a trade union of workers.

11. What percentage of your permanent employees is members of this recognized employee association?

Not applicable

12. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

NIL

13. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Development opportunities for our employees are customized as per their functional needs. We have in-house skill enhancement programs and externally supported skill up-gradation programs for employees. All employees attend our Health & Safety training programmes.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Since the Company is into Pharmaceuticals, we are in the business of selling and marketing drugs that positively impact people with health ailments. As such, we try to make our products affordable so that low income populations can easily afford them.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The principles stated in our code and policies which include respect for human rights and dignity of all stakeholders, extend to the group, suppliers and all those who work with us.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

We have not received any stakeholder complaints pertaining to this principle, during the financial year.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Applicable only to the Company

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

No



3. Does the company identify and assess potential environmental risks?

Yes

4. Does the company have any project related to Clean Development Mechanism?

No

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.

No

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There were no show cause/ legal notices received from CPCB/SPCB in the reporting year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) Pharmexcil
- (b) Federation of Indian Export Organisations
- (c) Agricultural and Processed Food Products Export Development Authority

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

No

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company supports inclusive growth and equitable development of all its stakeholders. We strongly believe in growing together responsibly leading to success of our business. Balaxi is committed to giving back to the society within which it operates and flourishes and as part of this principle, we have chosen our initiatives around education and empowerment of women. The Company carries out various initiatives under Corporate Social Responsibility and are undertaken through our own foundation 'Balaxi Foundation'.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company undertakes most of its programmes/projects through its registered Society named 'Balaxi Foundation'.

3. Have you done any impact assessment of your initiative?

No

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

₹ 7,29,005 for the FY 2020-21. For more details please refer to the Corporate Social Responsibility Report in this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. The Company's CSR initiatives are rolled out through its Foundation which ensures that the CSR initiatives are well reached, as well as successfully adopted by the Community. The Corporate Social Responsibility Committee, at its meetings, reviews the programs/initiatives/projects undertaken and spending of amount in relation thereto.



Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year:

NIL

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Yes

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year:

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends.

Yes, customer feedback is taken and evaluated periodically.

Independent Auditor's Report On Standalone Financial Statements



To the Members of Balaxi Pharmaceuticals Limited
(Formerly Known as Balaxi Ventures Limited)

Opinion

We have audited the accompanying IND AS Standalone financial statements of Balaxi Pharmaceuticals Limited (Formerly Known as Balaxi Ventures Limited) ("the Company"), which comprise the balance sheet as at 31st March 2021, the statement of Profit and Loss for the year then ended, and Cash Flow Statement 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, 2021, 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 consolidated 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, there are no key audit matters to communicate in the Audit Report.

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

Independent Auditor's Report On Standalone Financial Statements *(contd.)*



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, 2016 ('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.

Independent Auditor's Report On Standalone Financial Statements *(contd.)*



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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

**For P Murali & Co.,
Chartered Accountants
Firm Regn No. 007257S**

A Krishna Rao
Partner
Membership No. 020085
UDIN: 21020085AAAAANW3476

**Place: Hyderabad
Date: May 20, 2021**

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 (Formerly Known as Balaxi Ventures Limited) on the accounts of the Company for the year ended 31st March, 2021 Under “Report on other Legal & Regulatory Requirements”

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) Property, Plant and Equipment 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) As the Company does not have immovable properties holding of title, as this clause is not applicable to the company.
- ii. 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.
- 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 31st March 2021 for a period of more than 6 months from the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax and any other statutory dues which have not been deposited on account of any disputes.
- viii. In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or financial institutions. The company has not issued any debentures.
- ix. According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3(ix) of the order are not applicable to the company.
- x. During the course of examination of books of accounts 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.
- xi. According to information and explanation given to us and based on our examination of records of the company, the Company has paid managerial remuneration in Compliance with the provisions of section 197 of the Act.



- xii. In our opinion and according to information and explanations given to us, the company is not a Nidhi Company.
- 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 Standalone 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.
- xiv. According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to information and explanations given to us and to the best of our knowledge and belief the company has not entered into any non-cash transactions with directors or persons connected with the directors.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934.

For P Murali & Co.,
Chartered Accountants
Firm Regn No. 007257S

A Krishna Rao
Partner
Membership No. 020085
UDIN: 21020085AAAAANW3476

Place: Hyderabad
Date: May 20, 2021

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 (Formerly Known as Balaxi Ventures Limited) on the Standalone Ind AS financial statement for the year ended 31st march 2021.

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 (Formerly Known as Balaxi Ventures Limited) (‘the Company’) as of 31st March 2021 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

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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 2021, 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: 21020085AAAAANW3476

**Place: Hyderabad
Date: May 20, 2021**

Standalone Balance Sheet

as at March 31, 2021



(₹ in Lakhs.)

| Particulars | Note No | As on 31-03-2021 | As on 31-03-2020 |
|--|---------|---------------------|---------------------|
| ASSETS: | | | |
| 1 Non-Current Assets: | | | |
| (a) Property, Plant and Equipment | 3 | 69.40 | 18.66 |
| (b) Capital Work-in-progress | | - | - |
| (c) Goodwill | | - | - |
| (d) Financial Assets: | | | |
| (i) Investments | 4 | 1,953.50 | 9.78 |
| (ii) Other Financial Assets | | | |
| (e) Other Non Current Assets | 5 | 2.33 | 92.33 |
| 2 Current Assets: | | | |
| (a) Inventories | 6 | 1.50 | 83.21 |
| (b) Financial Assets: | | | |
| (i) Trade Receivables | 7 | 4,812.58 | 3,122.22 |
| (ii) Cash and Cash Equivalents | 8 | 47.72 | 356.67 |
| (iii) Loans and Advances | 9 | 4.78 | 107.64 |
| (c) Other Current Assets | | | |
| Total | | 6,891.81 | 3,790.51 |
| EQUITY AND LIABILITIES | | | |
| 1 Shareholder Funds | | | |
| (a) Equity Share Capital | 10 | 1,000.00 | 1,000.00 |
| (b) Other Equity | 11 | 3,324.56 | 1,811.22 |
| 2 Share application money pending allotment | | - | - |
| 3 Non-Current Liabilities | | | |
| (a) Financial Liabilities: | | | |
| (i) Borrowings | | - | - |
| (b) Provisions | | - | - |
| (c) Deferred Tax Liabilities (Net) | 12 | 0.71 | 0.34 |
| 4 Current Liabilities | | | |
| (a) Financial Liabilities: | | | |
| (i) Trade Payables | 13 | 1,664.50 | 730.62 |
| (ii) Borrowings | 14 | 350.60 | - |
| (b) Other Current Liabilities | 15 | 7.84 | 7.01 |
| (c) Provisions | 16 | 543.60 | 241.32 |
| Total | | 6,891.81 | 3,790.51 |

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements.

For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

For and behalf of the Board
Balaxi Pharmaceuticals Limited

A Krishna rao
Partner
Membership No. 020085
UDIN: 21020085AAAAANW3476

Ashish Maheshwari
Managing Director
DIN: 01575984

Minoshi Maheshwari
Director
DIN: 01575975

Place: Hyderabad
Date: 20-05-2021

Amol Mantri
Chief Financial Officer

Chinta Shalini
Company Secretary

Statement of Profit and Loss

for the year ended 31st March 2021



| (₹ in Lakhs.) | | | |
|---|---------|--------------------------|--------------------------|
| Particulars | Note No | Year Ended 31-03-2021 | Year Ended 31-03-2020 |
| I. Revenue from Operations | 17 | 8,687.11 | 4,563.25 |
| II. Other Income | 18 | 180.98 | 59.47 |
| III. Total Income (I +II) | | 8,868.09 | 4,622.72 |
| IV. Expenses: | | | |
| Cost of material consumed | | 6,332.84 | 3,282.64 |
| Employee Benefits expense | 19 | 194.83 | 175.21 |
| Finance costs | 20 | 1.31 | - |
| Depreciation and Amortization Expense | 3 | 8.75 | 0.75 |
| Administrative Expenses | 21 | 270.69 | 245.52 |
| IV. Total Expenses | | 6,808.42 | 3,704.12 |
| V. Profit/(Loss) before exceptional items and tax (III - IV) | | 2,059.67 | 918.60 |
| VI. Exceptional Items | | - | - |
| VII. Profit/(Loss) before tax (V-VI) | | 2,059.67 | 918.60 |
| VIII. Tax expense: | | | |
| (1) Current tax | 22 | 545.96 | 268.70 |
| (2) Deferred tax | | 0.37 | 0.34 |
| IX. Profit/(Loss) for the period from continuing operations (VII-VIII) | | 1,513.34 | 649.56 |
| 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 | | - | - |
| Total Comprehensive Income for the period | | 1,513.34 | 649.56 |
| XII. Earnings per equity share (for continuing operation): | 23 | | |
| (1) Basic | | 15.13 | 8.65 |
| (2) Diluted | | 15.13 | 8.65 |

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements.

For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

For and behalf of the Board
Balaxi Pharmaceuticals Limited

A Krishna rao
Partner
Membership No. 020085
UDIN: 21020085AAAAANW3476

Ashish Maheshwari
Managing Director
DIN: 01575984

Minoshi Maheshwari
Director
DIN: 01575975

Place: Hyderabad
Date: 20-05-2021

Amol Mantri
Chief Financial Officer

Chinta Shalini
Company Secretary

Statement of changes in equity

for the year ended 31st March 2021



a) Equity share capital

Equity shares of ₹10/- each issued, subscribed and fully paid

| | Number of shares in Lakhs | ₹ Lakhs |
|--------------------------|---------------------------|---------|
| As at 31st March 2020 | 100 | 1,000 |
| Changes in share capital | - | - |
| As at 31st March 2021 | 100 | 1,000 |

b) Other equity

| | Reserves & Surplus | | | | (₹ in Lakhs) |
|---------------------------------|--------------------|-----------------|---------------|----------------------------|--------------|
| | Retained Earnings | General Reserve | Share Premium | Capital Redemption Reserve | Total Equity |
| Balance as at 31st March 2020 | 681.33 | 4.61 | 1,125.30 | - | 1,811.24 |
| Add: profit/(loss) for the year | 1,513.34 | - | - | - | 1,513.34 |
| Other comprehensive income | - | - | - | - | - |
| Balance as at 31st March 2021 | 2,194.67 | 4.61 | 1,125.30 | - | 3,324.58 |

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements.

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Director
DIN: 01575975

Chinta Shalini
Company Secretary

Cash Flow Statement

for the year ended 31st March 2021



| Particulars | (₹ in Lakhs.) | |
|---|--------------------------|--------------------------|
| | Year Ended 31-03-2021 | Year Ended 31-03-2020 |
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net profit before taxation, and extraordinary items | 2,059.67 | 918.60 |
| Adjustments for: | | |
| Interest | 1.31 | - |
| Depreciation | 8.75 | 0.75 |
| Comprehensive income for the year | - | - |
| Operating Profit before working capital changes | 2,069.73 | 919.35 |
| Adjustments for: | | |
| Increase/ (decrease) in trade payables | 933.88 | 483.26 |
| Increase/ (decrease) in other financial liabilities | 0.83 | 42.67 |
| Decrease / (increase) in other bank balance | 0.82 | 0.94 |
| Decrease / (increase) in advance | 102.86 | (90.67) |
| Decrease / (increase) in other receivables | 90.00 | (60.34) |
| Decrease / (increase) in trade receivables | (1,690.36) | (2,574.83) |
| Decrease / (increase) in Inventory | 81.72 | (83.21) |
| Cash generated from operations | 1,589.48 | (1,362.83) |
| Direct taxes paid (net of refunds) | (243.68) | (74.43) |
| Cash flow before extraordinary items | 1,345.80 | (1,437.26) |
| Extraordinary items | - | - |
| NET CASH FLOW FROM OPERATING ACTIVITIES | 1,345.80 | (1,437.26) |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets | (59.49) | (18.27) |
| Proceeds from other financial assets | - | - |
| Proceeds from Loan | - | - |
| Investment in Non-Current Investments | (1,943.72) | (9.78) |
| Net Cash Used In Investing Activities | (2,003.21) | (28.05) |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Interest paid | (1.31) | - |
| Long Term Liabilities | - | - |
| Loans taken | 350.60 | - |
| Long Term Provisions | - | - |
| Long Term Loans and Other Financial Assets | - | - |
| Further Issue of Equity Share Capital incl. Premium | - | 1,809.60 |
| Net Cash Flow From Financing Activities | 349.29 | 1,809.60 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | (308.12) | 344.29 |
| Cash and Cash equivalents (Opening Balance) | 354.60 | 10.31 |
| Cash and Cash equivalents (Closing Balance) | 46.47 | 354.60 |
| Unencashed Dividends in bank accounts | 1.25 | 2.07 |
| Total Cash and Bank Balances | 47.72 | 356.67 |

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements.

For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

A Krishna rao
Partner
Membership No. 020085
UDIN: 21020085AAAAANW3476

Place: Hyderabad
Date: 20-05-2021

For and behalf of the Board
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Chinta Shalini
Company Secretary

Notes Financial Statements

for the year ended 31st March 2021



1. General Information

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.

1.1 Basis of preparation of financial statements

1.1 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.

These financial statements have been prepared for the Company as going concern on the basis of relevant Indian Accounting Standards (Ind AS) that are effective at the Company's annual reporting date, 31 March 2021. The financial statements were authorised for issue by the Company's Board of Directors on May 20, 2021.

1.3 Functional and presentation currency

The financial statements are presented in Indian rupees Lakhs (Rounded off to thousands), 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 Rupee Lakhs (Rounded off to thousands) except share data, unless otherwise stated.

1.4 Basis of measurement

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;
- refer accounting policy regarding financial instruments.

1.5 Operating cycle

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:

- 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.



1.6 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, 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, 2021 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.

1.7 Measurement of fair values

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. "

2 Significant accounting policies

2.1 Revenue recognition

The Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of promised products or services to customer in an amount that reflect the consideration which the Company expects to receive in exchange of those products or services.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and VAT/ GST are recognised when all significant



risks and rewards of ownership of the goods sold are transferred.

- Revenue from the sale of goods includes excise duty.
- Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds
- Dividend income is accounted for when the right to receive the income is established, which is generally when shareholders approve the dividend.
- Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction.
- Interest income is accrued on, 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.

2.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.

Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Further, at the inception of above arrangement, the Company determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2.3 Foreign currencies

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.

2.4 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

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

2.5 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.

2.6 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.

2.7 Property, plant and equipment

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.

2.8 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".

2.9 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. "

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.

2.10 Intangible assets and amortisation

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.

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.

2.11 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. "

2.12 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.

2.13 Cash flow statement

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.

2.14 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.

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



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.

2.15 Impairment of non financial 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 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.

2.16 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 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."

2.17 Provisions (other than for employee benefits)

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 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.

2.18 Contingent liabilities & contingent assets

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.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

2.19 Financial instruments

a. Recognition and Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and Subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, Subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.



c. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit.

d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e. Impairment

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

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

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

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



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

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

Measurement of expected credit losses

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

and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



3. Property, plant and Equipment

| (₹ in Lakhs.) | | | | | |
|----------------------------------|----------------------|----------------------|-------------------|--------------|--------------|
| Particulars | Furniture & Fixtures | Computer and Printer | Office Equipments | Vehicles | Total |
| At 1 April 2020 | 9.41 | 0.37 | 8.88 | - | 18.66 |
| Additions | 0.46 | 3.65 | 0.10 | 55.28 | 59.49 |
| Disposals | - | - | - | - | - |
| Exchange differences if any | - | - | - | - | - |
| At 31 March 2021 | 9.87 | 4.02 | 8.98 | 55.28 | 78.15 |
| Depreciation charge for the year | 0.42 | 0.95 | 2.32 | 5.07 | 8.75 |
| Disposals | - | - | - | - | - |
| Exchange differences | - | - | - | - | - |
| At 31 March 2021 | 9.45 | 3.07 | 6.66 | 50.21 | 69.40 |

4. : Investments

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| (₹ in Lakhs.) | | | |
|---------------|---|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| I | Investments in Equity Instruments: | | |
| 1) | Investment in Subsidiaries | | |
| a) | Equity Shares | | |
| 1) | Balaxi Global DMCC-100% Holding | 1,953.50 | 9.78 |
| | Wholly owned subsidiary of the company. | | |
| | Total Investments | 1,953.50 | 9.78 |

5. Other Non Current Assets

| (₹ in Lakhs.) | | | |
|---------------|---------------------------------|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| a | TDS | 2.33 | 2.33 |
| b | Advance Tax FY 2019-20 | - | 90.00 |
| | Total- Income tax assets | 2.33 | 92.33 |

6. Inventory

| (₹ in Lakhs.) | | | |
|---------------|--------------------------|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| a | Stock of Finished Goods | 1.50 | 83.21 |
| | Total Inventories | 1.50 | 83.21 |

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



7. Trade Receivables

(₹ in Lakhs.)

| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|--------|------------------------------------|------------------|------------------|
| | Unsecured, Considered Good | | |
| a | Accounts Receivable | 4,489.25 | 2,949.84 |
| | a) Equity Shares | 4,489.25 | 2,949.84 |
| | Less: Allowance for Doubtful Debts | - | - |
| b | Other Receivable | 261.20 | 154.40 |
| c | GST Refund | 62.13 | 17.98 |
| | Total Trade Receivables | 4,812.58 | 3,122.22 |

8. Cash And Cash Equivalents

(₹ in Lakhs.)

| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|--------|--|------------------|------------------|
| | Cash and cash equivalents : | | |
| a | Balances with banks : | | |
| | On Current Accounts | 46.30 | 353.73 |
| b | Cash on hand | 0.17 | 0.87 |
| | d) Others | | |
| | Sub Total | 46.47 | 354.60 |
| c | Other bank balances | 1.25 | 2.07 |
| | Total Cash and Cash Equivalents | 47.72 | 356.67 |

9. Advances

(₹ in Lakhs.)

| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|--------|---------------------------------|------------------|------------------|
| | Unsecured, Considered Good | | |
| a | Loans and Advances to Employees | 4.78 | 107.64 |
| | Total Loans -Current | 4.78 | 107.64 |

10. Equity Share Capital

(₹ in Lakhs.)

| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|--------|-----------------------------------|------------------|------------------|
| I | Equity Share Capital | | |
| | (a) Authorised | | |
| | (4,00,00,000 Shares of 10/- each) | - | - |
| | | 4,000.00 | 4,000.00 |
| | | 4,000.00 | 4,000.00 |

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



(₹ in Lakhs.)

| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|------------|--|---------------------------|------------------|
| (b) | Issued [1,00,00,000 Shares of 10/- each] | - 1,000.00 | - 1,000.00 |
| (c) | Subscribed & Fully Paid Up [1,00,00,000 Shares of 10/- each] | - 1,000.00 | - 1,000.00 |
| | Total Equity Share capital | 1,000.00 | 1,000.00 |
| II | A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period: | | |
| | Equity Shares of ₹10Each, Fully paid up | | |
| | At the Beginning | 100.00 | 30.40 |
| | Issued during the year | - | 69.60 |
| | At the end | 100.00 | 100.00 |
| III | Details of Shareholder holding more than 5% shares of the company: | % of Share Holding | |
| | Equity Shares of ₹ 10 each Held By | | |
| | Balaxi Overseas Private Limited (holding company) - 7000000 shares | 70% | 70% |
| | Elara India Opportunities Limited - 950000 shares | 9.5% | 9.5% |
| | Marshal Global Capital Fund Ltd - 950000 shares | 9.5% | 9.5% |

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11. Other Equity

(₹ in Lakhs.)

| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|----------|------------------------------------|------------------|------------------|
| I | RESERVES AND SURPLUS | | |
| 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 | - | 2.50 |
| | Add: Additions during the year | | |
| | Less: Utilised for during the year | - | 2.50 |
| | | - | - |
| c) | Securities Premium Reserve | | |
| | As at the commencement of the year | 1,125.30 | 11.70 |
| | Add: Additions during the year | - | 1,113.60 |
| | Less: Utilised for during the year | - | - |
| | | 1,125.30 | 1,125.30 |

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



| | | (₹ in Lakhs.) | |
|--------|--|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| d) | General reserve | | |
| | As at the commencement of the year | 4.61 | 2.11 |
| | Add: Additions during the year | - | 2.50 |
| | Less: Utilised for during the year | | |
| | | 4.61 | 4.61 |
| e) | Revaluation reserve | - | - |
| f) | Share options outstanding account | - | - |
| g) | Retained Earnings : | | |
| i) | Opening Balance - Statement of Profit and Loss | 681.31 | 31.75 |
| | Add: Transfer from Statement of Profit & Loss | 1,513.34 | 649.56 |
| | | - | - |
| | | 2,194.65 | 681.31 |
| | | 2,194.65 | 681.31 |
| | At the end | 3,324.56 | 1,811.22 |

12. Deferred Tax Liability (Net)

| | | (₹ in Lakhs.) | |
|--------|--|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| I | Opening Deferred tax Liability | 0.34 | - |
| | Add: | | |
| | Deferred Tax Liability for the year | 0.37 | 0.34 |
| | Gross Deferred tax Liability | 0.71 | 0.34 |
| | Opening Deferred tax Asset | - | - |
| | Deferred Tax Asset for the year | - | - |
| | Gross Deferred tax Asset | - | - |
| | Deferred Tax Liability/ (Asset) - Net | 0.71 | 0.34 |

13. Trade Payables

| | | (₹ in Lakhs.) | |
|--------|--|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| a | Trade Payables | | |
| | To MSMEs | - | - |
| | Others | 1,513.40 | 691.27 |
| | Salaries Payable | 13.57 | - |
| | Freight Payable | 52.29 | - |
| | Audit Fee Payable | 5.90 | - |
| | Remuneration/Expenses payable to directors | 79.34 | 39.35 |
| | Total Trade Payables | 1,664.50 | 730.62 |

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



14. Borrowings

| | | (₹ in Lakhs.) | |
|--------|--|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| a | Unsecured Loans from Directors | 333.00 | - |
| b | Term Loans from Banks : | | |
| | - Vehicle Loan from HDFC Bank | 17.60 | |
| | (Secured Against Hypothecation of Car with the Bank) | - | |
| | Total Provisions | 350.60 | - |

15. Other Current Liabilities

| | | (₹ in Lakhs.) | |
|--------|--|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| a | Unpaid dividend | 1.25 | 2.07 |
| b | Statutory Liabilities | 6.59 | 4.94 |
| | Total Other Current Liabilities | 7.84 | 7.01 |

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16. Provisions

| | | (₹ in Lakhs.) | |
|--------|--------------------------|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| a | Provision for Income Tax | 543.60 | 241.30 |
| | Total Provisions | 543.60 | 241.30 |

17. Revenue From Operations

| | | (₹ in Lakhs.) | |
|--------|--------------------------------------|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| | Revenue from operations | | |
| | (i) Sale of Services | | |
| a | Domestic Sales | - | - |
| b | Export Sales | - | - |
| | Sale of Pharmaceuticals | 6,037.68 | 2,870.98 |
| | Sale of Hardware items | 350.87 | 240.54 |
| | Sale of FMCG Items | 2,298.56 | 1,451.73 |
| | Total Revenue from Operations | 8,687.11 | 4,563.25 |

18. Other Income

| | | (₹ in Lakhs.) | |
|--------|----------------------------|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| a | Foreign Exchange gain/Loss | 163.44 | 56.03 |
| b | Discount Received | 17.54 | 3.44 |
| | Total Other Income | 180.98 | 59.47 |

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



19. Employee Benefits Expense

(₹ in Lakhs.)

| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|--------|--|------------------|------------------|
| a | Salaries, wages and bonus | 180.88 | 166.12 |
| b | Other employee benefit expenses | 13.95 | 9.09 |
| | Total Employee Benefit Expenses | 194.83 | 175.21 |

20. Finance Costs

(₹ in Lakhs.)

| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|--------|---------------------------|------------------|------------------|
| a | i) Interest Expenses | | |
| | Interest on Vehicle Loan | 1.31 | - |
| | Interest on Term Loan | - | - |
| | Total Finance Cost | 1.31 | - |

21. Administrative Expenses

(₹ in Lakhs.)

| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|--------|---|------------------|------------------|
| a | Bank charges | 12.92 | 4.69 |
| b | Rent | 4.00 | 24.00 |
| c | Repairs & maintenance | 11.82 | 0.02 |
| d | Advertising and business promotion expenses | 7.28 | 10.18 |
| e | Travelling expenses | 24.89 | 44.10 |
| f | Communication costs | 2.63 | 1.97 |
| g | Printing and stationery | 22.53 | 15.67 |
| h | Legal and professional fees | 5.68 | 2.38 |
| i | Payment to auditor (Refer details below) | 5.90 | 5.00 |
| j | Bad debts written off | 3.71 | - |
| k | Listing Fees | 3.65 | 5.20 |
| l | Miscellaneous expenses | 0.29 | 1.58 |
| m | Registration Charges | 55.36 | - |
| n | Conveyance | 0.90 | 1.24 |
| o | Other Expenses | 26.49 | 67.78 |
| p | Fees & Subscription | 9.17 | 13.71 |
| q | Remuneration-Directors | 48.00 | 48.00 |
| r | CSR Expenses | 8.59 | - |
| s | Website development and Investor relations | 16.35 | - |
| t | Other Interest | 0.53 | - |
| | Total Other Expenses | 270.69 | 245.52 |

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



22. Current Tax

| | | (₹ in Lakhs.) | |
|-------|---------------------------------------|------------------|------------------|
| S.No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| a | Current tax expense for current year | 545.96 | 268.70 |
| b | Tax expense pertaining to prior years | - | - |
| | | 545.96 | 268.70 |

23. 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:

| | | (₹ in Lakhs.) | |
|---|------------------|------------------|--|
| Particulars | As on 31-03-2021 | As on 31-03-2020 | |
| Profit after tax | 15,13,34,139 | 6,49,57,999 | |
| Weighted average number of equity shares | 1,00,00,000 | 75,08,852 | |
| Basic and diluted earnings per share for continued operations (in rupees) | 15.13 | 8.65 | |

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24. 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

25. 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.Sreenivas rao
Rakesh Khanna

c) Key managerial personnel

| | |
|-------------------|-------------------|
| Ashish Maheshwari | Managing Director |
| Amol Mantri | CFO |
| Chinta Shalini | Company Secretary |

d) Wholly Owned Subsidiary company

Balaxi Global DMCC, Dubai

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



B. Transactions with related parties

| Particulars | (₹ in Lakhs.) | |
|--|------------------|------------------|
| | As on 31-03-2021 | As on 31-03-2020 |
| Operating and administrative costs | | |
| Balaxi Overseas Pvt Ltd | | |
| Rent | 4.00 | 24.00 |
| Cost of Packing | - | - |
| Reimbursement of Expenses to directors | 13.33 | 32.75 |
| Directors Remuneration | - | - |
| Ashish Maheshwari | 30.00 | 30.00 |
| Minoshi Maheshwari | 18.00 | 18.00 |
| Sitting Fee | 1.90 | 2.00 |
| KMP Salary | 12.50 | 24.60 |
| Capital contribution to Balaxi Global DMCC | 1,943.72 | 9.78 |
| Loan from Directors | 333.00 | - |

26. 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 | (₹ in Lakhs.) | |
|---------------------------------|------------------|------------------|
| | As on 31-03-2021 | As on 31-03-2020 |
| Borrowings | 350.60 | - |
| Trade and other payables | 1,672.34 | 737.63 |
| Less: Cash and cash equivalents | (47.72) | (356.67) |
| Net Debt | 1,975.21 | 380.96 |
| Equity | 4,324.56 | 2,811.22 |
| Capital and Net Debt | 6,299.77 | 3,192.18 |
| Gearing Ratio | 31.35% | 11.93% |

27. 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 2021 and 31 March 2020.

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.

28. MSME

The Company has not entered into any business transactions nor has borrowed any amounts from suppliers registered under the Micro, Small and Medium Enterprises Development act, 2006.

29. Subsequent Events

There are no significant events that occurred after the balance sheet date.

30. Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to confirm with the current year's classification.

For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

A Krishna rao
Partner
Membership No. 020085
UDIN: 21020085AAAAANW3476

Place: Hyderabad
Date: 20-05-2021

For and behalf of the Board
Balaxi Pharmaceuticals Limited

Ashish Maheshwari
Managing Director
DIN: 01575984

Amol Mantri
Chief Financial Officer

Minoshi Maheshwari
Director
DIN: 01575975

Chinta Shalini
Company Secretary

Independent Auditor's Report On Consolidated Financial Statements



To the Members of

M/s. Balaxi Pharmaceuticals Limited (Formerly Known as Balaxi Ventures 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 (Formerly Known as Balaxi Ventures 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, 2021, and the consolidated Statement of Profit and Loss, and the Consolidated Cash flows Statement 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, 2021, 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

Independent Auditor's Report On Consolidated Financial Statements *(contd.)*



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 Statements include the Audited Financial Statements of Balaxi Global DMCC (Dubai), wholly owned foreign subsidiary,, whose Financial Statements reflect Group's share of total assets of ₹ 7,446.69 lakhs as at 31st March

Independent Auditor's Report On Consolidated Financial Statements (contd.)



2021, Groups share of total revenue of ₹ 17,511.80 Lakhs and Group's share of total comprehensive income of ₹ 2,711.56 Lakhs for the year ended on that date, as considered in the consolidated Financial Statements. The financial statements and financial information of this subsidiary have been audited by other auditor whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiary, is based solely on the report of such other 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:

- (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 of the aforesaid Consolidated IND AS Financial Statements.
- (b) 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.
- (c) 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 31st March, 2021 none of the directors of the Group companies, are disqualified as on 31st March, 2021 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 Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 31st, 2021 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For P Murali & Co.,
Chartered Accountants
Firm Regn No. 007257S

A Krishna Rao
Partner
Membership No. 020085
UDIN: 21020085AAAAANV4254

Place: Hyderabad
Date: May 20, 2021

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 31st March 2021, we have audited the internal financial controls over financial reporting of **Balaxi Pharmaceuticals Limited (Formerly Known as Balaxi Ventures Limited)** as at 31st March 2021. 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 2021, 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: 21020085AAAAANV4254

Place: Hyderabad
Date: May 20, 2021

Consolidated Balance Sheet

as at March 31, 2021



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| Particulars | Note No | (₹ in Lakhs.) | |
|--|---------|---------------------|------------------|
| | | As on 31-03-2021 | As on 31-03-2020 |
| ASSETS: | | | |
| 1 Non-Current Assets: | | | |
| (a) Property, Plant and Equipment | 3 | 116.73 | 18.65 |
| (b) Capital Work-in-progress | | - | - |
| (c) Goodwill | | 127.91 | - |
| (d) Financial Assets: | | | |
| (i) Investments | 4 | 341.64 | - |
| (ii) Other Financial Assets | | | |
| (e) Other Non Current Assets | 5 | 4.61 | 92.33 |
| 2 Current Assets: | | | |
| (a) Inventories | 6 | 1,361.79 | 83.21 |
| (b) Financial Assets: | | | |
| (i) Trade Receivables | 7 | 7,675.90 | 2,971.44 |
| (ii) Cash and Cash Equivalents | 8 | 166.90 | 400.07 |
| (iii) Loans and Advances | 9 | 4.78 | 19.50 |
| (c) Other Current Assets | 10 | 167.70 | 11.89 |
| Total | | 9,967.96 | 3,597.09 |
| EQUITY AND LIABILITIES | | | |
| 1 Shareholder Funds | | | |
| (a) Equity Share Capital | 11 | 1,000.00 | 1,000.00 |
| (b) Other Equity | 12 | 5,497.98 | 1,774.57 |
| 2 Share application money pending allotment | | - | - |
| 3 Non-Current Liabilities | | | |
| (a) Financial Liabilities: | | | |
| (i) Borrowings | | - | - |
| (b) Provisions | | - | - |
| (c) Deferred Tax Liabilities (Net) | 13 | 0.71 | 0.34 |
| 4 Current Liabilities | | | |
| (a) Financial Liabilities: | | | |
| (i) Trade Payables | 14 | 2,488.09 | 573.48 |
| (ii) Borrowings | 15 | 365.92 | - |
| (b) Other Current Liabilities | 16 | 14.08 | 7.01 |
| (c) Provisions | 17 | 601.18 | 241.69 |
| Total | | 9,967.96 | 3,597.09 |

Summary of Significant Accounting Policies

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 behalf of the Board
Balaxi Pharmaceuticals Limited

A Krishna rao
Partner
Membership No. 020085
UDIN: 21020085AAAANV4254

Ashish Maheshwari
Managing Director
DIN: 01575984

Minoshi Maheshwari
Director
DIN: 01575975

Place: Hyderabad
Date: 20-05-2021

Amol Mantri
Chief Financial Officer

Chinta Shalini
Company Secretary

Statement of Profit and Loss

for the year ended 31st March 2021



| Particulars | Note No | (₹ in Lakhs.) | |
|---|---------|--------------------------|--------------------------|
| | | Year Ended 31-03-2021 | Year Ended 31-03-2020 |
| I. Revenue from Operations | 18 | 23,133.31 | 4,563.25 |
| II. Other Income | 19 | 222.74 | 59.49 |
| III. Total Income (I +II) | | 23,356.05 | 4,622.74 |
| IV. Expenses: | | | |
| Cost of material consumed | | 17,214.79 | 3,282.64 |
| Employee Benefits expense | 20 | 847.01 | 209.86 |
| Finance costs | 21 | 1.31 | - |
| Depreciation and Amortization Expense | 3 | 29.78 | 0.75 |
| Administrative Expenses | 22 | 830.23 | 250.09 |
| IV. Total Expenses | | 18,923.12 | 3,743.34 |
| V. Profit before exceptional and extraordinary items and tax (III - IV) | | 4,432.93 | 879.40 |
| VI. Exceptional Items | | - | - |
| VII. Profit before extraordinary items and tax (V - VI) | | 4,432.93 | 879.40 |
| VIII. Extraordinary Items | | - | - |
| V. Profit/(Loss) before exceptional items and tax (III - IV) | | 4,432.93 | 879.40 |
| VI. Exceptional Items | | - | - |
| VII. Profit/(Loss) before tax (V-VI) | | 4,432.93 | 879.40 |
| VIII. Tax expense: | | | |
| (1) Current tax | 23 | 618.82 | 268.70 |
| Less: MAT Credit | | - | - |
| (2) Deferred tax | | 0.37 | 0.34 |
| XI. Profit(Loss) from the period from Continuing Operations (VII - VIII) | | 3,813.74 | 610.36 |
| XII. Profit/(Loss) from Discontinuing Operations | | - | - |
| XIII. Tax expense of Discounting Operations | | - | - |
| XIV. Profit/(Loss) from Discontinuing operations (XII - XIII) | | - | - |
| IX. Profit/(Loss) for the period from continuing operations (VII-VIII) | | 3,813.74 | 610.36 |
| 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 | | 90.33 | (2.55) |
| (ii) Actuarial loss on defined benefit plans recognised in accordance with Ind AS 19. | | - | - |
| B. Items that will be reclassified to Profit or Loss | | | |
| Total Comprehensive Income for the period | | 3,723.41 | 612.91 |
| XII. Earnings per equity share (for continuing operation): | | | |
| (1) Basic | | 38.14 | 8.12 |
| (2) Diluted | | 38.14 | 8.12 |

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements.

For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

For and behalf of the Board
Balaxi Pharmaceuticals Limited

A Krishna rao
Partner
Membership No. 020085
UDIN: 21020085AAAANV4254

Ashish Maheshwari
Managing Director
DIN: 01575984

Minoshi Maheshwari
Director
DIN: 01575975

Place: Hyderabad
Date: 20-05-2021

Amol Mantri
Chief Financial Officer

Chinta Shalini
Company Secretary

Statement of changes in equity

for the year ended 31st March 2021



a) Equity share capital

Equity shares of ₹10/- each issued, subscribed and fully paid

| | Number of shares in Lakhs | ₹ Lakhs |
|-----------------------------------|---------------------------|---------|
| As at 31 st March 2020 | 100 | 1,000 |
| Changes in share capital | - | - |
| As at 31 st March 2021 | 100 | 1,000 |

b) Other equity

| | Reserves & Surplus | | | | (₹ in Lakhs) |
|---|--------------------|-----------------|---------------|----------------------------|--------------|
| | Retained Earnings | General Reserve | Share Premium | Capital Redemption Reserve | Total Equity |
| Balance as at 31 st March 2020 | 644.69 | 4.61 | 1,125.30 | - | 1,774.60 |
| Add: profit/(loss) for the year | 3,723.41 | - | - | - | 3,723.41 |
| Other comprehensive income | - | - | - | - | - |
| Balance as at 31 st March 2021 | 4,368.10 | 4.61 | 1,125.30 | - | 5,498.01 |

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements.

For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

For and behalf of the Board
Balaxi Pharmaceuticals Limited

A Krishna rao
Partner
Membership No. 020085
UDIN: 21020085AAAAANV4254

Ashish Maheshwari
Managing Director
DIN: 01575984

Minoshi Maheshwari
Director
DIN: 01575975

Place: Hyderabad
Date: 20-05-2021

Amol Mantri
Chief Financial Officer

Chinta Shalini
Company Secretary

Cash Flow Statement

for the year ended 31st March 2021



(₹ in Lakhs.)

| Particulars | Year Ended 31-03-2021 | Year Ended 31-03-2020 |
|---|--------------------------|--------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net profit before taxation, and extraordinary items | 4,432.93 | 879.40 |
| Adjustments for: | | |
| Interest | 1.31 | - |
| Depreciation | 29.78 | 0.75 |
| Comprehensive income for the year | (90.33) | 2.55 |
| Operating Profit before working capital changes | 4,373.69 | 882.70 |
| Adjustments for: | | |
| Increase/ (decrease) in trade payables | 1,914.62 | 276.66 |
| Increase/ (decrease) in other financial liabilities | 7.07 | 42.67 |
| Decrease / (increase) in other bank balance | 0.82 | 0.94 |
| Decrease / (increase) in advance | 14.72 | (2.53) |
| Decrease / (increase) in other receivables | 87.72 | (60.34) |
| Decrease / (increase) in trade receivables | (4,704.46) | (2,424.06) |
| Decrease / (increase) in Inventory | (1,278.58) | (83.21) |
| Decrease / (increase) in other current assets | (155.81) | (11.89) |
| Increase/ (decrease) in other current liabilities | | 49.85 |
| Cash generated from operations | 259.79 | (1,329.21) |
| Direct taxes paid (net of refunds) | (259.47) | (74.43) |
| Cash flow before extraordinary items | 0.32 | (1,403.64) |
| Extraordinary items | - | - |
| NET CASH FLOW FROM OPERATING ACTIVITIES | 0.32 | (1,403.64) |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets | (127.73) | (18.27) |
| Proceeds from other financial assets | - | - |
| Proceeds from Goodwill | (127.91) | - |
| Proceeds from Loan | - | - |
| Investment in Non-Current Investments | (341.64) | - |
| Net Cash Used In Investing Activities | (597.28) | (18.27) |

Cash Flow Statement

for the year ended 31st March 2021 *(contd.)*



(₹ in Lakhs.)

| Particulars | Year Ended 31-03-2021 | Year Ended 31-03-2020 |
|--|--------------------------|--------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Interest paid | (1.31) | - |
| Long Term Liabilities | | - |
| Loans taken from Directors | 365.92 | - |
| Long Term Provisions | - | - |
| Long Term Loans and Other Financial Assets | - | - |
| Further Issue of Equity Share Capital incl. Premium | - | 1,809.60 |
| Net Cash Flow From Financing Activities | 364.61 | 1,809.60 |
| NET INCREASE\ (DECREASE) IN CASH AND CASH EQUIVALENTS | (232.35) | 387.69 |
| Cash and Cash equivalents (Opening Balance) | 398.00 | 10.31 |
| Cash and Cash equivalents (Closing Balance) | 165.65 | 398.00 |
| Unencashed Dividends in bank accounts | 1.25 | 2.07 |
| Total Cash and Bank Balances | 166.90 | 400.07 |

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements.

For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

A Krishna rao
Partner
Membership No. 020085
UDIN: 21020085AAAAANV4254

Place: Hyderabad
Date: 20-05-2021

For and behalf of the Board
Balaxi Pharmaceuticals Limited

Ashish Maheshwari
Managing Director
DIN: 01575984

Amol Mantri
Chief Financial Officer

Minoshi Maheshwari
Director
DIN: 01575975

Chinta Shalini
Company Secretary

Notes Financial Statements

for the year ended 31st March 2021



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 Basis of preparation of financial statements

2.1 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. These financial statements have been prepared for the Company as going concern on the basis of relevant Indian Accounting Standards (Ind AS) that are effective at the Company's annual reporting date, 31 March 2021. The financial statements were authorised for issue by the Company's Board of Directors on May 20, 2021.

2.2 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-Mar-21 |
|--|----------------------|--------------------------|--------------------------------------|
| 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% |

2.3 Basis of consolidation

- (i) 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.
- (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. "

2.4 Functional and presentation currency

The financial statements are presented in Indian rupees lakhs, (Rounded off to thousands) which is the functional currency of the Group. Functional currency of an entity is the currency of the primary economic environment in which the entity operates. All amounts are in Indian Rupee lakhs (Rounded off to thousands) except share data, unless otherwise stated.



2.5 Basis of measurement

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;
- refer accounting policy regarding financial instruments”

2.6 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Group’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:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Group’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 Group’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 Group 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.

2.7 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group’s accounting policies, which are described in note 3, the management of the Group 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 ongoing 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 Group’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, Group 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, 2021 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



2.8 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. “

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and VAT/ GST are recognised when all significant risks and rewards of ownership of the goods sold are transferred.
- Revenue from the sale of goods includes excise duty.
- Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds
- Dividend income is accounted for when the right to receive the income is established, which is generally when shareholders approve the dividend.
- Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction.
- Interest income is accrued on, 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.

3 Significant accounting policies

3.1 Revenue recognition

The Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of promised products or services to customer in an amount that reflect the consideration which the Company expects to receive in exchange of those products or services.

3.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.

Lease payments under operating lease are generally recognised as an expense in the statement of profit and



loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Further, at the inception of above arrangement, the Group determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Group separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.3 Foreign currencies

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.

3.4 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.

3.5 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.

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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.

3.6 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.

3.7 Property, plant and equipment

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.

3.8 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”.

3.9 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 Group, or the number of production or similar units expected to be obtained from the asset by the Group.

The Group has componentised its PPE and has separately assessed the life of major components. The Group depreciates its fixed assets over the useful lives as prescribed in Schedule II to the Act.

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.

3.10 Intangible assets and amortisation

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.



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.

3.11 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.

3.12 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.

3.13 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated. Bank overdrafts

are classified as part of cash and cash equivalent, as they form an integral part of an entity’s cash management.

3.14 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.

3.15 Impairment of non financial 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

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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 favorable change in the estimates used to determine the recoverable amount.

3.16 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 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.

3.17 Provisions (other than employee benefits)

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.

3.18 Contingent liabilities & contingent assets

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.

3.19 Financial instruments

a. Recognition and Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and Subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL



Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held

within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.”

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

“

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
 - terms that may adjust the contractual coupon rate, including variable interest rate features;

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- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, Subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are

subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit

d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.



e. Impairment

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

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

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

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

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

“ Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

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3. Property, plant and Equipment

| (₹ in Lakhs) | | | | | | |
|----------------------------------|----------------------|--------------|-------------------|-------------|---------------|---------------|
| Particulars | Furniture & Fixtures | Computer | Office Equipments | Software | Vehicles | Total |
| At 1 April 2020 | 9.41 | 0.37 | 8.88 | - | - | 18.65 |
| Additions | 4.60 | 12.71 | 6.57 | 0.04 | 103.82 | 127.73 |
| Disposals | - | - | - | - | - | - |
| Exchange differences if any | - | - | - | - | - | - |
| At 31 March 2021 | 14.01 | 13.08 | 15.45 | 0.04 | 103.82 | 146.38 |
| Depreciation charge for the year | 1.44 | 3.14 | 8.85 | 0.01 | 16.35 | 29.78 |
| Disposals | - | - | - | - | - | - |
| Exchange differences | 0.01 | 0.03 | 0.09 | 0.00 | 0.15 | 0.13 |
| At 31 March 2021 | 12.58 | 9.97 | 6.69 | | 87.62 | 116.73 |

4. Investments

| (₹ in Lakhs.) | | |
|---|------------------|------------------|
| S. Particulars No. | As on 31-03-2021 | As on 31-03-2020 |
| I Investments in Equity Instruments: | | |
| 1) Investment in Subsidiaries | | |
| a) Equity Shares | | |
| 1) Balaxi Healthcare Angola LDA - 49% Holding | 341.64 | - |
| | 341.64 | - |
| Total Investments | 341.64 | - |

5. Other Non Current Assets

| (₹ in Lakhs.) | | | |
|---------------|---------------------------------|------------------|------------------|
| S.No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| a | TDS | 2.33 | 2.33 |
| b | Advance Tax | 2.28 | 90.00 |
| | Total- Income tax assets | 4.61 | 92.33 |

6. Inventory

| (₹ in Lakhs.) | | | |
|---------------|--------------------------|------------------|------------------|
| S.No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| a | Stock of Finished Goods | 1,361.79 | 83.21 |
| | Total Inventories | 1,361.79 | 83.21 |

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7. Trade Receivables

| | | (₹ in Lakhs.) | |
|--------|------------------------------------|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| | Unsecured, Considered Good | | |
| a | Accounts Receivable | 7,352.57 | 2,799.06 |
| | | 7,352.57 | 2,799.06 |
| | Less: Allowance for Doubtful Debts | - | - |
| b | Other Receivable | 261.20 | 154.40 |
| c | GST Refund Receivable | 62.13 | 17.98 |
| | Total Trade Receivables | 7,675.90 | 2,971.44 |

8. Cash And Cash Equivalents

| | | (₹ in Lakhs.) | |
|--------|--|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| | Cash and cash equivalents : | | |
| a | Balances with banks : | | |
| | On Current Accounts | 160.23 | 397.13 |
| b | Cash on hand | 5.42 | 0.87 |
| | d) Others | | |
| | Sub Total | 165.65 | 398.00 |
| c | Other bank balances | 1.25 | 2.07 |
| | Total Cash and Cash Equivalents | 166.90 | 400.07 |

9. Loans And Advances

| | | (₹ in Lakhs.) | |
|--------|-----------------------------------|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| | Unsecured, Considered Good | | |
| a | Loans and Advances to Employees | 4.78 | 19.50 |
| | Total Loans -Current | 4.78 | 19.50 |

10 : Other Current Assets

| | | (₹ in Lakhs.) | |
|--------|-----------------------------------|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| | Other Current Assets | | |
| a | Preliminary Expenses | 5.33 | - |
| b | Import Duty receivable | 54.36 | - |
| c | Sales Tax receivable | 6.17 | - |
| d | Advance to Suppliers | 71.89 | 11.89 |
| e | Other Advances | 29.95 | - |
| | Total Other Current Assets | 167.70 | 11.89 |

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11. Equity Share Capital

(₹ in Lakhs.)

| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|------------|--|---------------------------|------------------|
| I | Equity Share Capital | | |
| (a) | Authorised (4,00,00,000 Shares of 10/- each) | - | - |
| | | 4,000.00 | 4,000.00 |
| | | 4,000.00 | 4,000.00 |
| (b) | Issued [1,00,00,000 Shares of 10/- each] | - | - |
| | | 1,000.00 | 1,000.00 |
| (c) | Subscribed & Fully Paid Up [1,00,00,000 Shares of 10/- each] | - | - |
| | | 1,000.00 | 1,000.00 |
| | Total Equity Share capital | 1,000.00 | 1,000.00 |
| II | A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period: | | |
| | Equity Shares of ₹ 10 Each, Fully paid up | | |
| | At the Beginning | 100.00 | 30.40 |
| | Issued during the year | - | 69.60 |
| | At the end | 100.00 | 100.00 |
| III | Details of Shareholder holding more than 5% shares of the company: | % of Share Holding | |
| | Equity Shares of ₹ 10 each Held By | | |
| | Balaxi Overseas Private Limited (holding company) - 7000000 shares | 70 | 70 |
| | Elara India Opportunities Limited - 950000 shares | 10 | 10 |
| | Marshal Global Capital Fund Ltd - 950000 shares | 10 | 10 |

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12. Other Equity

(₹ in Lakhs.)

| S.No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|----------|------------------------------------|------------------|------------------|
| I | RESERVES AND SURPLUS | | |
| 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 | - | 2.50 |
| | Add: Additions during the year | | |
| | Less: Utilised for during the year | - | 2.50 |
| | | - | - |

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| | | (₹ in Lakhs.) | |
|-------|---|------------------|------------------|
| S.No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| c) | Securities Premium Reserve | | |
| | As at the commencement of the year | 1,125.30 | 11.70 |
| | Add: Additions during the year | - | 1,113.60 |
| | Less: Utilised for during the year | - | - |
| | | 1,125.30 | 1,125.30 |
| d) | General reserve | | |
| | As at the commencement of the year | 4.61 | 2.11 |
| | Add: Additions during the year | - | 2.50 |
| | Less: Utilised for during the year | - | - |
| | | 4.61 | 4.61 |
| e) | Revaluation reserve | - | - |
| f) | Share options outstanding account | - | - |
| g) | Retained Earnings : | | |
| | i) Opening Balance - Statement of Profit and Loss | 644.66 | 31.75 |
| | Add: Transfer from Statement of Profit & Loss | 3,723.41 | 612.91 |
| | | 4,368.07 | 644.66 |
| | At the end | 5,497.98 | 1,774.57 |

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13. Deferred Tax Liability (Net)

| | | (₹ in Lakhs.) | |
|-------|--|------------------|------------------|
| S.No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| I | Opening Deferred tax Liability | 0.34 | - |
| | Add: | | |
| | Deferred Tax Liability for the year | 0.37 | 0.34 |
| | Gross Deferred tax Liability | 0.71 | 0.34 |
| | Opening Deferred tax Asset | - | - |
| | Deferred Tax Asset for the year | - | - |
| | Gross Deferred tax Asset | - | - |
| | Deferred Tax Liability/ (Asset) - Net | 0.71 | 0.34 |

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



14. Trade Payables

(₹ in Lakhs.)

| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|--------|--|------------------|------------------|
| a | Trade Payables | | |
| | To MSMEs | - | - |
| | Others | 2,205.78 | 484.67 |
| | Salaries Payable | 135.49 | 49.85 |
| | Freight Payable | 52.29 | - |
| | Audit Fee Payable | 8.89 | - |
| | Remuneration/Expenses payable to directors | 79.34 | 39.36 |
| | Rent Payable | 6.30 | - |
| | Total Trade Payables | 2,488.09 | 573.88 |

15. Borrowings

(₹ in Lakhs.)

| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|--------|--|------------------|------------------|
| a | Unsecured Loans from Directors | 333.00 | - |
| b | Unsecured Loans from Manager | 15.32 | - |
| c | Term Loans from Banks : | 17.60 | - |
| | - Vehicle Loan from HDFC Bank | - | - |
| | (Secured Against Hypothecation of Car with the Bank) | - | - |
| | Total Provisions | 365.92 | - |

16. Other Current Liabilities

(₹ in Lakhs.)

| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|--------|--|------------------|------------------|
| a | Unpaid dividend | 1.25 | 2.07 |
| b | Statutory Liabilities | 12.83 | 4.94 |
| | Total Other Current Liabilities | 14.08 | 7.01 |

17. Provisions

(₹ in Lakhs.)

| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|--------|--------------------------|------------------|------------------|
| a | Provision for Income Tax | 601.18 | 241.30 |
| | Total Provisions | 601.18 | 241.30 |

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



18. Revenue From Operations

| | | (₹ in Lakhs.) | |
|----------|--------------------------------------|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| | Revenue from operations | | |
| | (i) Sale of Services | | |
| a | Domestic Sales | - | - |
| b | Export Sales | | |
| | Sale of Pharmaceuticals | 13,614.45 | 2,870.98 |
| | Sale of Hardware items | 6,601.54 | 240.54 |
| | Sale of FMCG Items | 2,917.32 | 1,451.73 |
| | Total Revenue from Operations | 23,133.31 | 4,563.25 |

19. Other Income

| | | (₹ in Lakhs.) | |
|----------|----------------------------|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| a | Foreign Exchange gain/Loss | 205.02 | 56.03 |
| b | Discount Received | 17.54 | 3.44 |
| c | Interest received | 0.18 | 0.02 |
| | Total Other Income | 222.74 | 59.49 |

20. Employee Benefits Expense

| | | (₹ in Lakhs.) | |
|----------|--|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| a | Salaries, wages and bonus | 833.06 | 199.77 |
| b | Other employee benefit expenses | 13.95 | 10.09 |
| | Total Employee Benefit Expenses | 847.01 | 209.86 |

21. Finance Costs

| | | (₹ in Lakhs.) | |
|----------|---------------------------|------------------|------------------|
| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
| a | i) Interest Expenses | | |
| | Interest on Vehicle Loan | 1.31 | - |
| | Interest on Term Loan | - | - |
| | Total Finance Cost | 1.31 | - |

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



22. Administrative Expenses

(₹ in Lakhs.)

| S. No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|--------|---|------------------|------------------|
| a | Bank charges | 25.98 | 4.78 |
| b | Rent | 120.79 | 26.32 |
| c | Repairs & maintenance | 64.95 | 0.02 |
| d | Advertising and business promotion expenses | 10.18 | 10.18 |
| e | Travelling expenses | 51.15 | 44.10 |
| f | Communication costs | 39.55 | 1.97 |
| g | Printing and stationery | 23.80 | 15.67 |
| h | Legal and professional fees | 48.28 | 2.38 |
| i | Payment to auditor (Refer details below) | 9.63 | 8.08 |
| j | Bad debts written off | 3.71 | - |
| k | Listing Fees | 3.65 | 5.20 |
| l | Miscellaneous expenses | 0.29 | 1.58 |
| m | Registration Charges | 63.85 | - |
| n | Conveyance | 28.96 | 1.24 |
| o | Other Expenses | 252.68 | 68.77 |
| p | Fees & Subscription | 9.31 | 11.80 |
| q | Remuneration-Directors | 48.00 | 48.00 |
| r | CSR Expenses | 8.59 | - |
| s | Website development and Investor relations | 16.35 | - |
| t | Other Interest | 0.53 | - |
| | Total Other Expenses | 830.23 | 250.09 |

23. Current Tax

(₹ in Lakhs.)

| S.No. | Particulars | As on 31-03-2021 | As on 31-03-2020 |
|-------|---------------------------------------|------------------|------------------|
| a | Current tax expense for current year | 618.82 | 268.70 |
| b | Tax expense pertaining to prior years | - | - |
| | | 618.82 | 268.70 |

24. 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:

(₹ in Lakhs.)

| Particulars | As on 31-03-2021 | As on 31-03-2020 |
|---|------------------|------------------|
| Profit after tax | 38,13,73,584 | 6,10,39,787 |
| Weighted average number of equity shares | 1,00,00,000 | 75,21,096 |
| Basic and diluted earnings per share for continued operations (in rupees) | 38.14 | 8.12 |



25. 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

26. 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.Sreenivas rao

Rakesh Khanna

Bharat Tawari (Director of Subsidiary Company)

c) Key managerial personnel

Ashish Maheshwari

Managing Director

Amol Mantri

CFO

Chinta Shalini

Company Secretary

d) Wholly Owned Subsidiary company

Balaxi Global DMCC, Dubai

B. Transactions with related parties

| Particulars | (₹ in Lakhs.) | |
|---|------------------|------------------|
| | As on 31-03-2021 | As on 31-03-2020 |
| Operating and administrative costs | | |
| Balaxi Overseas Pvt Ltd | | |
| Rent | 4.00 | 24.00 |
| Cost of Packing | - | - |
| Reiumbersement of Expenses to directors | 13.33 | 32.75 |
| Directors Remuneration | - | - |
| Ashish Maheshwari | 30.00 | 30.00 |
| Minoshi Maheshwari | 18.00 | 18.00 |
| Sitting Fee | 1.90 | 2.00 |
| KMP Salary | 12.50 | 24.60 |

Notes Financial Statements

for the year ended 31st March 2021 (contd.)



| | | |
|--|----------|------|
| Capital contribution to Balaxi Global DMCC | 1,943.72 | 9.78 |
| Loan from Directors | 333.00 | - |
| Subsidiaries | | |
| Sale with the subsidiary companies | 3,918.59 | - |
| Purchase with the subsidiary companies | 3,918.59 | - |
| KMP Salary with the subsidiary companies | 66.60 | - |

27. 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 | (₹ in Lakhs.) | |
|---------------------------------|-----------------|-----------------|
| | 31-Mar-21 | 31-Mar-20 |
| Borrowings | 365.92 | - |
| Trade and other payables | 2,502.17 | 580.48 |
| Less: Cash and cash equivalents | (166.90) | (400.07) |
| Net Debt | 2,701.19 | 180.41 |
| Equity | 6,497.98 | 2,774.57 |
| Capital and Net Debt | 9,199.17 | 2,954.98 |
| Gearing Ratio | 29.36% | 6.11% |

28. 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 2021 and 31 March 2020.



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.

29. MSME

The Company has not entered into any business transactions nor has borrowed any amounts from suppliers registered under the Micro, Small and Medium Enterprises Development act, 2006.

30. Subsequent Events

There are no significant events that occurred after the balance sheet date.

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31. Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to confirm with the current year's classification..

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements.

**For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S**

**For and behalf of the Board
Balaxi Pharmaceuticals Limited**

A Krishna rao
Partner
Membership No. 020085
UDIN: 21020085AAAAANV4254

Ashish Maheshwari
Managing Director
DIN: 01575984

Minoshi Maheshwari
Director
DIN: 01575975

Place: Hyderabad
Date: 20-05-2021

Amol Mantri
Chief Financial Officer

Chinta Shalini
Company Secretary

Notice of 78th Annual General Meeting

Notice is hereby given that the 78th Annual General Meeting of the Members of the Company will be held on **Wednesday, 25th August, 2021 at 11:00 AM** through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at Plot No.409, H.No. 8-2-293, MAPS Towers, 2nd Floor, Phase-III, Road No.81, Jubilee Hills, Hyderabad, Telangana, India -500096;

Ordinary Business:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements for the Financial Year Ended 31st March, 2021, which includes the Balance Sheet, Statement of Profit & Loss, Cash Flow Statement as at that date, the Auditor's Report and the Board's Report thereon.
2. To appoint a Director in place of Ms. Minoshi Maheshwari (DIN: 01575975) who retires by rotation and being eligible, offers herself for re-appointment.

Special Business:

3. Appointment of Mr. M. Srinivas Rao (DIN: 08095079) as an Independent Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint Mr. M. Srinivas Rao (DIN: 08095079), who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of independence under Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member

proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for a period of 3 years i.e., from 15th September, 2020 to 14th September, 2023 and he shall not be liable to retire by rotation.

FURTHER RESOLVED THAT any Director or Company Secretary of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. Appointment of Ms. Purnima Singh Kamble (DIN: 00241708) as an Independent Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint Ms. Purnima Singh Kamble (DIN: 00241708), who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria of independence under Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for a period of 2 years i.e., from 26th March, 2021 to 25th March, 2023 and she shall not be liable to retire by rotation.

FURTHER RESOLVED THAT any Director or Company Secretary of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”



5. Re-appointment of Mr. Gandhi Gamji (DIN: 01944694) as an Independent Director for a second term of five consecutive years.

To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013(“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Gandhi Gamji (DIN: 01944694) who holds office of Independent Director up to 3rd May, 2022 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Gandhi Gamji for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 4th May, 2022.”

6. Re-appointment of Mr. Kunal Mahendra Bhakta (DIN: 01710557) as an Independent Director for a second term of five consecutive years.

To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013(“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Kunal Mahendra Bhakta (DIN: 01710557) who holds office of Independent Director up to 3rd May, 2022 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Kunal Mahendra Bhakta for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 4th May, 2022.”

**By Order of the Board
For Balaxi Pharmaceuticals Limited**

**Chinta Shalini
Company Secretary**

Place: Hyderabad
Date: 17th July, 2021

Registered Office:

Plot No.409, MAPS Towers,
2nd Floor, Phase-III, Road No.81,
Jubilee Hills, Hyderabad, Telangana-500096
Website: www.balaxipharma.in
Email: secretarial@balaxiventures.in
Phone: 040-23555300

Notice of 78th Annual General meeting *(contd.)*



Notes:

1. In view of the global outbreak of COVID – 19, the Ministry of Corporate Affairs vide Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular no. 22/2020 dated 15th June, 2020 and Circular 39/2020 dated 31st December, 2020 and 13th January 2021 (collectively referred to as “MCA Circulars”) has permitted the Companies to conduct Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-visual Means (OAVM).
2. PURSUANT TO THE ABOVE CIRCULARS, THE ANNUAL GENERAL MEETING OF THE COMPANY SHALL BE CONDUCTED THROUGH VC/OAVM WITHOUT THE PHYSICAL PRESENCE OF THE MEMBERS AT A COMMON VENUE AND HENCE, THE FACILITY FOR APPOINTMENT OF PROXY BY THE MEMBERS IS NOT AVAILABLE FOR THIS AGM AND THE PROXY FORM AND THE ATTENDANCE SLIP INCLUDING ROUTE MAP ARE NOT ANNEXED TO THIS NOTICE. PURSUANT TO THE ABOVE CIRCULARS ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS, THE COMPANY HAS DECIDED TO SEND THE NOTICE OF THE AGM ONLY THROUGH E-MAIL TO ALL THE MEMBERS OF THE COMPANY.
3. For convenience of the Members and for proper conduct of the AGM, Members can login and join 30 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 atleast 1000 Members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shares, 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.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) in respect of the special businesses, which are unavoidable in nature, under item nos. 3, 4, 5 and 6 of the accompanying Notice is annexed hereto.
6. Corporate Members are required to send a certified true copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the Meeting.
7. Pursuant to Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, as amended from time to time, the Company is pleased to provide its Members the facility for voting through remote e-voting as well as e-voting during the AGM in respect of all the businesses to be transacted at the AGM and the company has engaged CDSL to provide e-voting facility and for participation in the AGM through VC / OAVM facility.
8. A brief resume of the Director proposed to be appointed/ re-appointed at this AGM, nature of their expertise in specific functional areas, names of companies in which they hold directorship and membership / chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under Regulation 36 of the Listing Regulations and other requisite information as per Clause 1.2.5 of Secretarial Standard-2 on General Meetings, are provided in this notice.
9. Electronic copy of the Annual Report for the FY 2020-21 and Notice of the AGM is uploaded on the Company's website www.balaxipharma.in and is being sent to all the Members whose email IDs are registered with the Company/Depository Participant(s)/RTA for communication purposes and also available on the website of The National Stock Exchange of India Limited at www.nseindia.com. Further, Notice of the AGM is available on the website of CDSL (the agency engaged for providing e-voting facility and e-voting system during the AGM), i.e. www.evotingindia.com.
10. All the documents referred to in the accompanying Notice and the Statement setting out material facts can be obtained for inspection by writing to the Company at its email ID secretarial@balaxivenutres.in till the date of the AGM.

Notice of 78th Annual General meeting (contd.)



11. The annual accounts of the subsidiary company are made available on the website of the Company at www.balaxipharma.in.
12. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, the Company has transferred on due dates, all unclaimed dividends up to the Financial Year 2012-13 to Investor Education and Protection Fund (IEPF) established by Central Government. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has uploaded the details of the unpaid and unclaimed amounts lying with the Company on the website of the Company (www.balaxipharma.in), and also on the website of the Ministry of Corporate Affairs (www.iepf.gov.in). Members who have not encashed the dividend warrant(s) for the Financial Year 2013-14 and for consecutive 7 years from the said year, so far, are requested to make their claim to the Secretarial Department of the Company, at the Registered Office or the office of the RTA on or before 4th September, 2021, failing which the unpaid / unclaimed amount for the Financial Year 2013-14 shall be transferred to said fund at an appropriate date. Members' attention is particularly drawn to the "Corporate Governance" section of the Annual Report in respect of unclaimed dividend.
13. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all equity shares of the Company on which dividend has not been paid or claimed for seven consecutive years or more on or before 4th September, 2021, shall be transferred by the Company to Investor Education and Protection Fund Authority (IEPFA). The Company has also written to the Shareholders concerned intimating them their particulars of the equity shares due for transfer. These details are also available on the Company's website www.balaxipharma.in. No claim shall lie against the Company in respect of these equity shares post their transfer to IEPFA. Upon transfer, the Shareholders will be able to claim these equity shares only from the IEPFA by making an online application, the details of which are available at www.iepf.gov.in. All correspondence should be addressed to the RTA of the Company.
14. The cut-off date for the purpose of determining the Members eligible for participation in remote e-voting (e-voting from a place other than venue of the AGM) and e-voting at the AGM is Wednesday, 18th August, 2021. Please note that a person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e Wednesday, 18th August, 2021 only shall be entitled to avail the facility of remote e-voting or e-voting at the Meeting. If Members opt for remote e-voting, then they should not vote at the Meeting. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting can attend the Meeting and participate in the Meeting but shall not be entitled to cast their vote again.
15. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.
16. The Board has appointed BVR & Associates Practicing Company Secretaries LLP, Cochin, as the scrutinizer to scrutinize both the remote e-voting as well as e-voting during the AGM in a fair and transparent manner.
17. Any person, who acquires shares of the Company and becomes member of the Company after sending of the Notice and holding shares as of the **cut-off date i.e Wednesday, 18th August, 2021**, may obtain the login ID and password by sending an email to info@arthiconsultants.com or secretarial@balaxivenutres.in 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. Once the vote on a Resolution is casted by the Member, the Member shall not be allowed to change it subsequently or cast the vote again. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again. At the end of remote e-voting period, the facility shall forthwith be blocked.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat

Notice of 78th Annual General meeting *(contd.)*



accounts. Members holding shares in physical form should submit their PAN to the RTA /Company.

19. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) **The e-voting period begins on Saturday, 21st August, 2021 at 9:00 AM and ends on Tuesday, 24th August, 2021 at 5:00 PM.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th August, 2021 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 during the AGM.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated 09.12.2020, 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.

- (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 meetings **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 CDSL | <p>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 URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>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 & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> |

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| Type of shareholders | Login Method |
|---|--|
| | <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>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 www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be 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.</p> |
| Individual Shareholders holding securities in demat mode with NSDL | <p>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: https://eservices.nsd.com 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 & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider 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</p> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | <p>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.</p> |

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.

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

(v) Login method for 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.
- 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 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"> • 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. |
| Dividend Bank Details | 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"> • 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. |

(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.

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(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) **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 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.
- 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- 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 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 and to the Company at the email address viz; secretarial@balaxiventures.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/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- a. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
- b. 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.
- c. 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/EGM.
- d. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- e. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- f. 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.
- g. 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 **atleast 5 days prior to meeting, i.e 20th August, 2021** mentioning their name, demat account

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number/folio number, email id, mobile number at secretarial@balaxiventures.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@balaxiventures.in. These queries will be replied to by the company suitably by email. The speaker Members are requested to maintain a time limit of 5 minutes to complete their questions.

- h. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- i. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast 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.
- j. 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 shall 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.

1. 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 aarthiconsultants@gmail.com/ info@aarthiconsultants.com.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. 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 or contact at 022- 23058738 and 022-23058542/43.

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 or call on 022-23058542/43.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING OF BALAXI PHARMACEUTICAL LIMITED

Item no. 3

Mr. M. Srinivas Rao was appointed as an Additional Director (Independent Director) of the Company with effect from 15th September, 2020 pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and holds office up to the date of ensuing Annual General Meeting.

The Nomination and Remuneration Committee (NRC) has recommended appointment of Mr. M. Srinivas Rao as an Independent Director of the Company and the Board on the recommendation of NRC, proposed to appoint Mr. M. Srinivas Rao as an Independent Director of the Company, for a period of 3 (three) years on the Board and will not be liable to retire by rotation.

Mr. M. Srinivas Rao has given his consent to act as director and declaration to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013. He further submitted a declaration that he meets the criteria of independence as prescribed under both Section 149(6) of the Companies Act, 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("Listing Regulations").

The Board of Directors of the Company, after reviewing the documents submitted by Mr. M. Srinivas Rao are of the opinion that he fulfills the conditions specified in the Companies Act, 2013 and Listing Regulations and he is independent of the Management.

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Details of Mr. M. Srinivas Rao are provided in the 'Annexure to the Notice'. The terms and conditions of appointment of Mr. M. Srinivas Rao as the Independent Director of the Company is open for inspection by the Members in electronic form 21 days before the Annual General Meeting and can be viewed in the Company's website www.balaxipharma.in.

The resolution seeks the approval of members for the appointment of Mr. M. Srinivas Rao as an Independent Director of the Company as detailed in the resolution.

Mr. M. Srinivas Rao is interested in the resolution set out at Item No. 3 of the Notice with regard to his appointment. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is interested in or concerned, financially or otherwise, with the said Resolution.

The Board recommends the Resolution set out at Item No. 3 of the notice for approval by the members.

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Item No. 4

Ms. Purnima Singh Kamble was appointed as an Additional Director (Independent Director) of the Company with effect from 26th March, 2021 pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and holds office up to the date of ensuing Annual General Meeting.

The Nomination and Remuneration Committee (NRC) has recommended appointment of Ms. Purnima Singh Kamble as an Independent Director of the Company and the Board on the recommendation of NRC, proposed to appoint Ms. Purnima Singh Kamble as an Independent Director of the Company, for a period of 2 (two) years on the Board and will not be liable to retire by rotation.

Ms. Purnima Singh Kamble has given her consent to act as director and declaration to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013. She further submitted a declaration that she meets the criteria of independence as prescribed under both Section 149(6) of the Companies Act, 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("Listing Regulations").

The Board of Directors of the Company, after reviewing the documents submitted by Ms. Purnima Singh Kamble are of the opinion that she fulfills the conditions specified in the Companies Act, 2013 and Listing Regulations and she is independent of the Management.

Details of Ms. Purnima Singh Kamble are provided in the 'Annexure to the Notice'. The terms and conditions of appointment of Ms. Purnima Singh Kamble as the Independent Director of the Company is open for inspection by the Members in electronic form 21 days before the Annual General Meeting and can be viewed in the Company's website www.balaxipharma.in.

The resolution seeks the approval of members for the appointment of Ms. Purnima Singh Kamble as an Independent Director of the Company as detailed in the resolution.

Ms. Purnima Singh Kamble is interested in the resolution set out at Item No. 4 of the Notice with regard to her appointment. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is interested in or concerned, financially or otherwise, with the said Resolution.

The Board recommends the Resolution set out at Item No. 4 of the notice for approval by the members.

Item no. 5

The Members of the Company had appointed Mr. Gandhi Gamji (DIN: 01944694) as an Independent Director of the Company, to hold office up to 3rd May, 2022, ("first term"). The Nomination and Remuneration Committee (the "NRC Committee") of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Gandhi Gamji as an Independent Director, for a second term of 5 (five) consecutive years, on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC Committee, considers that, given his professional background and experience and contributions made by him during his tenure, the continued association of Mr. Gandhi Gamji would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Gandhi Gamji as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Mr. Gandhi Gamji is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 ("the Act"), and has given his consent to act as a director. The Company has also received declaration from Mr. Gandhi Gamji that he meets the criteria of independence as prescribed, both, under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure

Notice of 78th Annual General meeting *(contd.)*



Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

In the opinion of the Board, Mr. Gandhi Gamji fulfils the conditions for appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations. Mr. Gandhi Gamji is independent of the management. Details of Mr. Gandhi Gamji are provided in the ‘Annexure to the Notice’, pursuant to the provisions of (i) SEBI Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board and reimbursement of expenses for participating in the Board. The terms and conditions of appointment is available for inspection by the Members in electronic form 21 days before the Annual General Meeting and can be viewed in the Company’s website www.balaxipharma.in.

Mr. Gandhi Gamji is interested in the resolution set out at Item No. 5 of the Notice with regard to his re-appointment. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

Item no. 6

The Members of the Company had appointed Mr. Kunal Mahendra Bhakta (DIN: 01710557) as an Independent Director of the Company, to hold office up to 3rd May, 2022, (“first term”). The Nomination and Remuneration Committee (the “NRC Committee”) of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Kunal Bhakta as an Independent Director, for a second term of 5 (five) consecutive years, on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC Committee, considers that, given his professional background and experience and

contributions made by him during his tenure, the continued association of Mr. Kunal Bhakta would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Kunal Bhakta as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Mr. Kunal Bhakta is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 (“the Act”), and has given his consent to act as a director. The Company has also received declaration from Mr. Kunal Bhakta that he meets the criteria of independence as prescribed, both, under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

In the opinion of the Board, Mr. Kunal Bhakta fulfils the conditions for appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations. Mr. Kunal Bhakta is independent of the management. Details of Mr. Kunal Bhakta are provided in the “Annexure to the Notice”, pursuant to the provisions of (i) SEBI Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board and reimbursement of expenses for participating in the Board. The terms and conditions of appointment is available for inspection by the Members in electronic form 21 days before the Annual General Meeting and can be viewed in the Company’s website www.balaxipharma.in.

Mr. Kunal Bhakta is interested in the resolution set out at Item No. 6 of the Notice with regard to his re-appointment. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.



Annexure to the Notice

Details of Directors seeking appointment /re-appointment at the Annual General Meeting

(Pursuant to Regulation 36 of SEBI (Listing obligations and disclosure Requirements) Regulations, 2015)

Item No: 2

| | |
|---|---|
| Name of Director | Minoshi Maheshwari |
| Category | Non-Executive Director |
| DIN | 01575975 |
| Date of Birth and Age | 8 th July, 1972, 49 Years |
| Qualifications | B.Com (Hons.) |
| Brief Resume along with nature of expertise | Ms. Minoshi Maheshwari is the co-founder of Balaxi Group. She is a Commerce Graduate and has more than one decade of business experience. She also holds Directorship in other Companies of Balaxi Group. She has vast experience in administration, trading, Pharma Sector and other allied business fields. |
| First Appointment on the Board | 4 th May, 2017 |
| Terms & Conditions of Appointment | Appointment under Director liable to retire by rotation |
| Remuneration Details | Basic Salary of INR 18,00,000/- per annum. Variable allowance of INR 12,00,000/- per annum. |
| Number of meetings of the Board attended during the FY 2020-21 | 5 |
| Inter-se Relationship with other Directors/ Manager/KMP | Spouse of Managing Director |
| Shareholding in the Company | 1.06% |
| Other Directorships | Balaxi Overseas Private Limited |
| Committee Positions in the Company | Member of: Stakeholders Relationship Committee Nomination and Remuneration Committee Corporate Social Responsibility Committee |

Item No. 3:

| | |
|--|---|
| Name of Director | M. Srinivas Rao |
| Category | Non-Executive Independent Director |
| DIN | 08095079 |
| Date of Birth and Age | 9 th August, 1960, 60 years |
| Qualifications | Masters in Business Management, Asian Institute of Management, Phillipines |
| Brief Resume along with nature of expertise | Mr. M. Srinivas Rao has a good understanding of global markets and has experience in leading strategy formulation, project leadership, fund raising etc. He was previously associated with ITC as Head – New Initiatives, Agri Business Division where he oversaw business of USD 800 mn |
| Date of Appointment | 15 th September, 2020 |
| Terms & Conditions of Appointment | Appointment as an Independent Director |
| Remuneration Details | No remuneration other than Sitting fees |

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| | |
|---|---|
| Number of meetings of the Board attended during the FY 2020-21 | 2* *Appointed w.e.f 15 th September, 2020 |
| Inter-se Relationship with other Directors/ Manager/KMP | No relationship with other Directors/ Manager/KMP |
| Shareholding in the Company | NIL |
| Other Directorships | NIL |
| Committee Positions in the Company | NIL |

Item No. 4

| | |
|---|--|
| Name of Director | Purnima Singh Kamble |
| Category | Non-Executive Independent Director |
| DIN | 00241708 |
| Date of Birth and Age | 30 th January, 1972, 49 years |
| Qualifications | LLB, University of Lucknow B.Com, University of Lucknow |
| Brief Resume along with nature of expertise | Ms. Purnima Singh Kamble has approximately 23 years of experience in the areas of corporate and commercial law including legal consultancy in foreign investment, infrastructure projects, joint ventures, merger and acquisition, capital structuring, land acquisitions, property related issues and civil and commercial litigation. As a special interest in women related issues, Ms. Purnima works actively in respect of matters related to Sexual Harassment at workplace for which she conducts various training sessions. She is currently Chairperson of Indian Women Network (CI) Telangana. |
| Date of Appointment | 26 th March, 2021 |
| Terms & Conditions of Appointment | Appointment as an Independent Director |
| Remuneration Details | No remuneration other than Sitting fees |
| Number of meetings of the Board attended during the FY 2020-21 | NIL* *Appointed w.e.f 26 th March, 2021 |
| Inter-se Relationship with other Directors/ Manager/KMP | No relationship with other Directors/ Manager/KMP |
| Shareholding in the Company | NIL |
| Other Directorships | Aradhita Foods Private Limited TIE Amravati Chapter (Section 8 Company) |
| Committee Positions in the Company | NIL |

Notice of 78th Annual General meeting *(contd.)*



Item no. 5

| | |
|---|--|
| Name of Director | Gandhi Gamji |
| Category | Non-Executive Independent Director |
| DIN | 01944694 |
| Date of Birth and Age | 12 th October, 1969, 51 years |
| Qualifications | MBA and Bachelors in Engineering (BE) |
| Brief Resume along with nature of expertise | Mr. Gandhi Gamji has more than 20 years of experience in Business and heads a successful business of niche speciality paints and ink chemicals in Africa and GCC |
| Date of Appointment | 4 th May, 2017 |
| Terms & Conditions of Appointment | Re-appointment as an Independent Director |
| Remuneration Details | No remuneration other than Sitting fees |
| Number of meetings of the Board attended during the FY 2020-21 | 5 |
| Inter-se Relationship with other Directors/ Manager/KMP | No relationship with other Directors/ Manager/KMP |
| Shareholding in the Company | NIL |
| Other Directorships | Green Chemical Technologies (India) Private Limited |
| Committee Positions in the Company | Member of: Audit Committee Nomination and Remuneration Committee Stakeholders and Relationship Committee CSR Committee Risk Management Committee |

Item no. 6

| | |
|---|---|
| Name of Director | Kunal Mahendra Bhakta |
| Category | Non-Executive Independent Director |
| DIN | 01710557 |
| Date of Birth and Age | 10 th January, 1982, 39 years |
| Qualifications | Chartered Accountant |
| Brief Resume along with nature of expertise | Mr. Kunal Mahendra Bhakta is a Chartered Accountant with 14 years of experience in the field of Capital Markets. He is currently serving as an investment manager for First Water Capital Fund; A SEBI registered listed markets AIF He has successfully executed multiple M&A, Capital Raise and Investor Relations Strategy Engagements in his earlier roles at Lastaki Advisors He was previously associated with Motilal Oswal as a lead Analyst post which he was by Co-founder at Foster Capital Ventures |
| Date of Appointment | 4 th May, 2017 |
| Terms & Conditions of Appointment | Re-appointment as an Independent Director |
| Remuneration Details | No remuneration other than Sitting fees |
| Number of meetings of the Board attended during the FY 2020-21 | 4 |

Notice of 78th Annual General meeting *(contd.)*



| | |
|--|---|
| Inter-se Relationship with other Directors/ Manager/KMP | No relationship with other Directors/ Manager/KMP |
| Shareholding in the Company | 4,605 shares (0.05%) |
| Other Directorships | K&I Consulting Private Limited First Water Capital Advisors LLP K&I Wealth Advisors LLP |
| Committee Positions in the Company | Chairman of: Audit Committee Nomination and Remuneration Committee Stakeholders and Relationship Committee |

By Order of the Board
For Balaxi Pharmaceuticals Limited

Place: Hyderabad
Date: 17th July, 2021

Chinta Shalini
Company Secretary

Registered Office:

Plot No.409, MAPS Towers,
2nd Floor, Phase-III, Road No.81,
Jubilee Hills, Hyderabad, Telangana-500096
Website: www.balaxipharma.in
Email: secretarial@balaxiventures.in
Phone:040-23555300

Notes





BALAXI
BALAXI PHARMACEUTICALS LIMITED

Registered Office:

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