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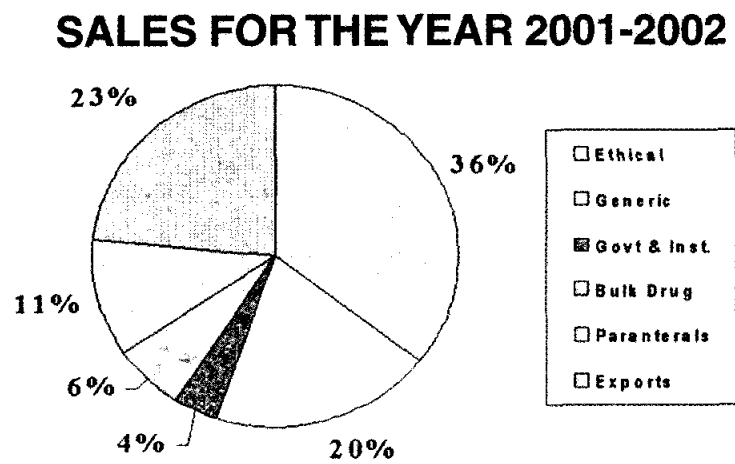
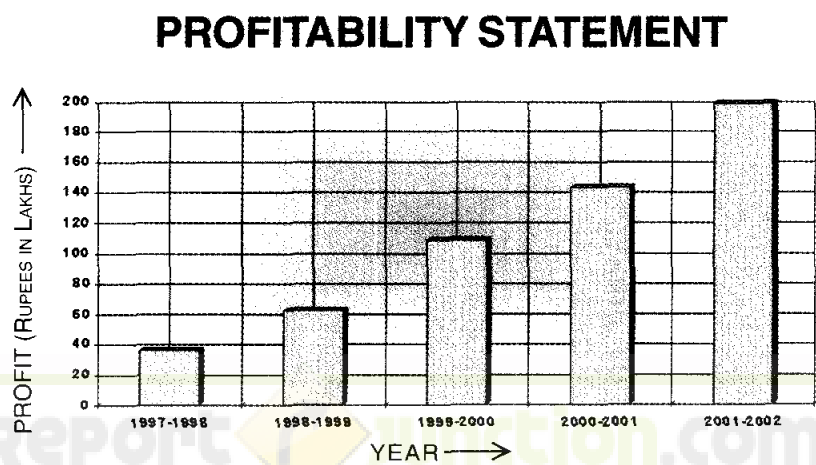
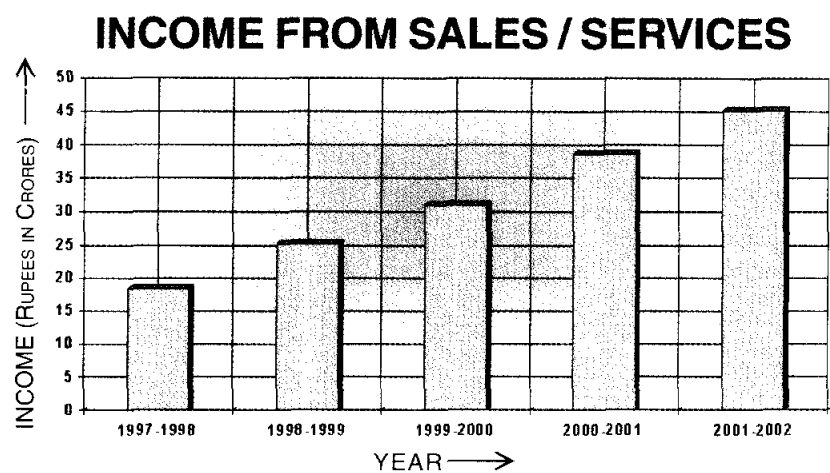
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2001-2002



ELECTRONIC CLEARING SERVICE (ECS) MANDATE FORMAT

To:

FORM FOR ELECTRONIC CLEARING SERVICE FOR PAYMENT OF DIVIDEND

I have read the letter giving details of ECS scheme. I wish to participate in the Electronic Clearing Service introduced by Reserve Bank of India. As requested, I give below the details of my bank account, to which you may electronically credit the payment due to me against the reference folio number mentioned against point 1.

1. Ref. Folio No. : _____
2. Particulars of the Bank
- a. Name of the Bank : _____
- b. Branch Address : _____
- *c. 9 digit code number of the bank
& Branch as appearing on the
MICR cheque issued by the bank :
- d. Account type (please tick) : ☐ Savings ☐ Current ☐ Cash credit
- e. Ledger Folio No. (if any)
of your bank account : _____
- f. Account No. :

I hereby declare that the particulars above given are correct and complete. I undertake to inform any subsequent changes in the above particulars before the relevant book closure date(s). If the payment transaction is delayed or not effected at all for any reason(s), beyond the control of the Company, I would not hold the Company responsible.

Date: _____

Signature of the first holder

(*) The nine digit code number of your bank and branch is mentioned on the MICR band next to the cheque number

VERIFICATION BY THE BANK

(The following is not necessary if a blank cancelled cheque leaf or photocopy of a cheque is enclosed with the form)

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp:

Date: _____

Signature of the Authorised
Official from the Bank



INFORMATION TO SHAREHOLDERS

1. Annual General Meeting : Date : 19.09.2002
Time : 14.30 Hrs
Venue : Registered Office at
21-22, Bommasandra Industrial Area,
Anekal Taluk, **BANGALORE - 562 158**
Transport : Members desirous of availing transportation facility to attend AGM are requested to communicate to Company Secretary by mail/ e-mail/ fax at least one week in advance and assemble before 13.00 hrs at the City Office of the Company at Ravikiran Apartments, # 12, Plain Street, Bangalore - 560001. Requests received on or after 12.09.2002 will not be entertained.
2. Book Closure : 16.09.2002 to 19.09.2002 (both days inclusive)
3. Dividend : i. Dividend, if declared will be paid on or before 18th October, 2002 to those members whose names appear in the Company's Register of Members as on the date of the AGM. In respect of shares held in electronic form dividend will be payable on the basis of beneficial ownership as on the date of the AGM as per details furnished by NSDL and CDSL for the purpose. Dividend payment above Rs. 2,500/- shall be subject to deduction of TDS. Last date for receipt of Form 15G to reach Registrar and Share Transfer Agents of the Company, Canbank Computer Services Limited, R&T Centre, Hotel Broadway Complex, 19, K.G. Road, Bangalore - 560009, is 31.08.2002. Form 15G received on or after 01.09.2002 will not be entertained.
ii. Last date for receipt of ECS mandate (wherever shareholders desire payment of dividend through ECS) by Registrar and Share Transfer Agents of the Company, Canbank Computer Services Limited, R&T Centre, Hotel Broadway Complex, 19, K.G. Road, Bangalore - 560009, is 31.08.2002. Mandate received on or after 01.09.2002 will not be entertained.
4. Equity Shares : Stock Exchanges at Bangalore and Mumbai.
5. Listing Fee : Paid upto date
6. Scrip Code : Stock Exchange, Mumbai - 24824; Stock Exchange, Bangalore - BALPHARMA
7. Dematerialisation : As mandated by SEBI, the equity shares of the Company have been included in the list of compulsory trading in dematerialisation form with effect from 16.03.2001. The Company has signed an agreement with the National Securities Depository Limited and Central Depository Services (India) Limited and the ISIN Number allotted to the Equity Shares of the Company is INE083D01012.
8. Compliance Officer : K. MAHADEVAN, Company Secretary
Tel: 080-7833156, Fax: 080-7835482, E-mail: balpharma@vsnl.com

BOARD OF DIRECTORS :

Mr. Shailesh D Siroya	- Managing Director
Mr. Shrenik D. Siroya	- Wholetime Director
Dr. S. Prasanna	- Wholetime Director
Mr. D. B. Siroya	- Director (upto 31.01.02)
Mr. A. B. Siroya	- Director (upto 31.01.02)
Dr. G.S.R.Subbarao	- Director
Mr. N. D. Prabhu	- Director (w.e.f 15.07.02)

COMPANY SECRETARY : Mr. K.Mahadevan

BANKERS : Canara Bank, The Shamrao Vithal Co-op. Bank Limited,
Punjab National Bank

AUDITORS : Ostawal & Jain, Chartered Accountants,
430, Avenue Road, Pathi Market, 2nd Floor, Bangalore - 560 002

REGISTERED OFFICE & FACTORY (Formulation unit) : 21-22, Bommasandra Industrial Area, Anekal Taluk, Bangalore - 562 158

R & D CENTRE (Bulk Drug unit) : 61/B, Bommasandra Industrial Area, Anekal Taluk, Bangalore - 562 158

PARENTERALS UNIT : Miaami Pharma & Chemicals, Village Kenjal, Dist. Bhor, Maharashtra.

BANGALORE CITY OFFICE : Ravikiran Apartments, 12, Plain Street, Bangalore - 560 001
Fax: 080-2867734 / 2860742, E-mail: balpharma@vsnl.com

REGISTRAR & SHARE TRANSFER AGENTS :

(Upto 30.09.2002)

1. Physical Segment:

Canbank Computer Services Limited,
R&T Centre, Hotel Broadway Complex, 19, K.G.Road, Bangalore - 560 009, Tel: 080-2872461 / 2872462

2. Demat Segment:

Tata Share Registry Limited,
Complex: Army & Navy Building, 148, M.G. Road, Fort, Mumbai: 400 001, Tel: 022-2873871

(From 1.10.2002)

Both Physical Segment and Demat Segment:

Tata Share Registry Limited,
Complex: Army & Navy Building, 148, M.G. Road, Fort, Mumbai: 400 001, Tel: 022-2873871

Shareholders can contact the branch offices of Tata Registry Limited also whose addresses are given below:

- i. Tata Share Registry Limited, 503, Barton Centre, #84, M.G. Road, Bangalore - 560 001,
Tel: 080-5580019 / 5320321, Fax: 080-5580019, E-mail: tsrlbang@bgl.vsnl.net.in
- ii. Tata Share Registry Limited, Bunglow No.1, E Road, N Town, Bistupur, Jamshedpur - 831 001
Tel: 0657-426616, Fax: 0657-426937, E-mail: tsrljsr@sify.com
- iii. Tata Share Registry Limited, C/o Tata Finance Ltd., Apeejay House, Block A, 7th Floor, 15 Park Street, Kolkata - 700 016
Tel: 033-2296867 / 2299572, Fax: 033-2269789, E-mail: tsrlcal@cal2.vsnl.net.in
- iv. Tata Share Registry Limited, Plot No. 2/42, Sant Vihar, Ansari Road, Darya Gunj, New Delhi - 110 002
Tel: 011-3271805, Fax: 011-3271802, E-mail: tsrlndo@nda.vsnl.net.in

NOTICE

Notice is hereby given that the 15th Annual General Meeting of the Company will be held at the Registered Office of the Company at 21-22, Bommasandra Industrial Area, Anekal Taluk, Bangalore - 562158, at 14.30 hours on Thursday, the 19th day of September, 2002, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2002 and Profit & Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon;
2. To declare Dividend;
3. To appoint a Director in place of Dr. G.S.R. Subbarao who retires by rotation and being eligible, offers himself for appointment;
4. To appoint a Director in place of Mr. Shrenik D. Siroya who retires by rotation and being eligible, offers himself for appointment;
5. To appoint Auditors and authorise the Board to fix their remuneration;

By order of the Board
For **BAL PHARMA LIMITED**

Bangalore
25th July, 2002

K. Mahadevan
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself. A proxy need not be a member of the Company. Proxy in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. For the convenience of the Members and for proper conduct of the Meeting, entry to the venue of the meeting will be regulated by an Attendance Slip which is annexed to this report. Members are kindly requested to fill in and affix their signature in the space provided therein and handover the Attendance Slip at the entrance of the venue of the meeting. Proxies shall indicate so in the Attendance Slip.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 16.9.2002 to 19.9.2002 (both days inclusive).
4. Dividend, if declared, will be paid on or before 18th October, 2002, to those members whose names appear on the Company's Register of Members as on the date of 15th AGM: In respect of shares held in electronic form, dividend will be payable on the basis of beneficial ownership, as per details furnished by NSDL and CSDL for this purpose.

As per the provisions of Income Tax Act, 1961, receipt of dividend upto Rs. 2,500/- by an individual shareholder does not attract deduction of tax at source. Members who desire to get their dividend without deduction of tax may file a declaration in Form 15G, in duplicate, in accordance with provisions of Section 197A(1) of the Income Tax Act, 1961, on or before 31.08.2002 with the present Registrar & Share Transfer Agents, Canbank Computer Services Limited, R&T Centre, Hotel Broadway Complex, 19, K.G. Road, Bangalore - 560009. Form 15G is Annexed herewith. Form 15G received on or after 1.9.2002 shall be treated as if they were not received and accordingly will not be entertained.

5. In order to protect the investors from fraudulent encashment of their dividend warrants, the Company hereby offers Electronic Clearing Service Facility to the Shareholders having Bank Accounts at Centres notified for ECS by RBI. RBI is continuously adding more centres for ECS and Members are kindly requested to check with their banker whether their place has been notified by RBI for the purposes of ECS;

ECS mandate form is annexed herewith. The Members from the ECS notified centres desirous of payment of dividend through ECS are kindly requested to forward the ECS mandate form duly signed with the required annexure to Company's present Registrar and Share Transfer Agents, Canbank Computer Services Limited, R&T Centre, Hotel Broadway Complex, 19, K.G. Road, Bangalore - 560009, on or before 31.08.2002. ECS mandate received on or after 1.9.2002 will be treated as if they were not received and accordingly will not be entertained;

6. Pursuant to Section 205A(5) of the Companies Act, 1956, as amended, any money transferred to Unpaid Dividend Account and remaining unclaimed for a period of 7 (seven) years from the date of such transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government and thereafter the Shareholders shall not be able to claim any Unpaid Dividend from the said fund or from the Company.
- Members who have not yet encashed the dividend warrant(s) of earlier financial years are requested to make their claims to the Company;
7. Members holding more than one share certificate in different folios are requested to kindly apply for consolidation of share folios and send the relative share certificates to the Company's Registrar and Share Transfer Agents.
8. Members are requested to quote the folio number or demat ID No. in all their correspondence.
9. Members are kindly requested to bring Annual Report alongwith them to the Annual General Meeting since extra copies will not be supplied at the meeting.
10. Members are kindly requested to notify the change of address, if any, to the Company's Registrar and Share Transfer Agents in time to service their interests better.

11. As mandated by SEBI, the equity shares of the Company have been included in the list of compulsory trading in dematerialisation form with effect from 16.03.2001. The Company has signed an agreement with the National Securities Depository Limited and Central Depository Services (India) Limited and the ISIN number allotted to the equity shares of the Company is INE083D01012. Members are requested to kindly make a note of the same.

12. Tata Share Registry Limited, who are presently the Registrars and Share Transfer Agents in the demat segment will be taking over physical segment also from 1st October, 2002. Their details are given under Information to Shareholders. Members can approach any of their nearest branches for their transactions.

Bangalore
25th July, 2002

By order of the Board
For **BAL PHARMA LIMITED**
K.Mahadevan
Company Secretary

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the 15th Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2002.

ECONOMIC SCENARIO:

The country was passing through a state of economic turbulence and the targeted economic growth rate was far from achievement. Forces of recession were active in many sectors and the impact was felt in sluggishness of demand and recoveries. This has resulted in lower sales and profits and in negative growth of many industries along with slow down of investment. This situation was aggravated by the events of September 11th with the tragedy of WTC. However, by prudent actions and focused efforts, your Company has been able to counter these forces.

INDUSTRY STATUS:

The Indian pharma industry has played a vital role in building up the country's human capital. This is evident from the improvement in life expectancy which has risen to 61 years. With increased availability of medicines and health care facilities the mortality rate has come down considerably. However, the medical profession feels that Cardio-vascular disorders, Diabetes, Respiratory complaints and Stress related illness will be on the increase.

The Indian Pharma industry has grown up in stature growing from a mere packing industry to a sophisticated industry with advanced knowledge of medicines and technology. Today it is being looked upon by the rest of the world for the supply of technology and products at very economical prices. The general growth in Indian pharma industry was about 8% during last year. The Indian companies have shown better results and growth.

YOUR COMPANY'S PERFORMANCE:

With the backdrop of the economy and the industry, the performance of your company in the last year was very encouraging and was better than the industry average. The gross income from Sales and Services registered a growth of about 17% over last year. Profit Before Tax has shown a increase of 40% over the previous year and the Profit After Tax has gone up by 39% over the previous year. The sales growth over the last five years has been 140% indicating an average growth of 28% per year.

During the current year your Company has crossed a few milestones:

- The company started commercial operations in 1992-93 and has completed a decade of operations. During this decade of operations, the Company has established itself as a producer of quality healthcare products. The turnover of the Company has increased from Rs.138 lakhs in 1992-93 to Rs.4523.66 lakhs in the year 2001-02 growing up by 33 times.
- In 1997 the Company established a product network comprising of Formulations, Bulk Drugs and Intravenous Fluids & Drops

using FFS technology. Very few pharma companies have such a broad spectrum of pharmaceutical products.

- In the same year, the Company received the ISO 9001 Certificate issued by KPMG – USA.
- 'Gliclazide' produced by your company has received the Certificate of suitability issued by European Directorate for the Quality of Medicines and your Company is the only one to receive such certificate for this product in India. This is expected to open out a wide market for this bulk drug in Europe and UK at remunerative rates.
- Your Company has now been recognized as an "EXPORT HOUSE" by the Government of India and a certificate to this effect has been received.
- Your Company's in-house R&D Centre has been accorded recognition by the Department of Science & Technology, Government of India.

OPERATIONS:

Formulations Division continues to record its upward growth and is the main contributor to the sales of the company. The sales of this Division last year have grown up by a impressive 48%. The new Cardiac products division "SERVETUS" which was started last year has taken off well and has established its products into various markets in the country.

The bulk drug division has shown remarkable improvement in sales with the introduction of additional products. In addition to Gliclazide, Amiloride, Benzydamine and Ebastine have been added to the list of bulk drugs. In spite of the severe competition faced from China for Gliclazide, the domestic demand for your company's 'Gliclazide' has been very good and the company is able to hold together its top clientele.

The Generics Division has maintained its growth trend and in the last year, the sales grew by 20%.

As a result of well coordinated marketing efforts on the export front, further penetration has been made in more countries and the list of products registered abroad has also been enlarged. The total exports last year stood at Rs. 1006.27 lakhs which reflects a growth of 10.6% over the previous year. The export of bulk drugs recorded a significant increase at Rs.122 lakhs as against Rs. 38 lakhs in the previous year.

RESEARCH AND DEVELOPMENT:

Your Company has recognized the vital role of R & D in pharma business. Concerted efforts have been focused on the development of new products and processes for ultimate commercialization. As a direct result of these efforts the R & D Team has been successful in introducing new products viz Amiloride, Benzydamine and Ebastine into the commercial market. The demand for these products from the overseas clients has been extremely good. This has resulted in the exports of bulk drugs to the tune of Rs.122 lakhs and a domestic sale of Rs.274 lakhs. As many as 12 R&D Projects are on going and it is



expected that these will become commercial products in the following years enlarging the bulk drugs turnover.

The Company's in-house R&D Centre, at 61-B, Bommasandra Industrial Area, has been accorded recognition by the Department of Science & Technology, Government of India. During the last year, the Company contributed 1.26% of its total turnover to R & D.

To give further boost to the R & D efforts a new company – Novosynth Research Lab Private Limited has been formed as a fully owned subsidiary of your Company to venture into contract research. With the acceptance of GATT and in view of the short time frame in recognition of patents, a number of developed countries including USA are showing considerable interest in the R & D capabilities of India. Since the cost of conducting R&D in India is quite economical, the prospects of Contract Research on behalf of overseas clients in India is very bright. Your Company plans to capitalize on this opportunity.

PROSPECTS:

The economy has started to look better now and the recessive forces are held back. The focused efforts of the Marketing Team has started yielding better results. With the opening of new markets in North India and the introduction of new products, the sales of ethical division are expected to grow further. The cardiac products have been well received in the markets and this division will increase its contribution in the current year at a higher rate.

In view of the changed environmental conditions, the Company has already formalized its plans for the marketing of Formulations for the treatment of cardio-vascular products, anti-diabetic products and products for the treatment of respiratory and stress related complaints.

With receipt of certificate of suitability for Gliclazide and added list of Bulk Drugs, this Division is expected to increase its sales both within the country and abroad substantially.

With the strengthening of the marketing team and in view of the sustained efforts, the exports of your company's products is expected to yield higher sales during years to come.

Recognizing the growing demand for herbal medicines and Ayurvedic system of medicines both within as well as outside the country, a new division styled "BALVEDICS" has been started. Clinical trials for the products that the company plans to market are ongoing and commercial marketing is expected to start by the end of this year.

With all these encouraging factors and the dedicated efforts of the personnel of your organization, your Board is confident of giving consistently better results from year to year.

FINANCIAL RESULTS:

	Rs. Lakhs	
	31.03.2002	31.03.2001
Total Income	4415.63	3780.32
Profit Before Tax	213.10	152.11
Profit After Tax	198.77	142.69

DIVIDEND:

In view of the satisfactory results during the year ended 31.3.2002, your Board of Directors have recommended a dividend payment of 10% on the Equity Share Capital of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance to the Provisions of section 217 (2AA) of the Companies Act, 1956, your Directors wish to confirm:

- (i) that in preparing the Annual Accounts, all applicable accounting standards have been followed;
- (ii) that the accounting policies adopted are consistently followed and the judgments and estimates made 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 Account of the Company for the financial year;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing/detecting fraud and other irregularities;
- (iv) that the Directors have prepared the Annual Accounts on 'going concern' basis;

CORPORATE GOVERNANCE:

Corporate Governance in terms of Listing Agreement needs to be implemented by financial year 2002-2003. Your Company has already taken steps to implement the Listing Agreement provisions in this regard. The Company has two independent Directors on the Board and shall shortly induct another independent Director so as to be fully complying with the relevant guidelines.

Audit Committee constituted under the Companies Act, 1956, during the financial year carried out the purposes for which it was constituted and guided the Board. With the induction of one more independent Director on the Board and on the Audit Committee, the Audit Committee in terms of the Listing Agreement would also commence its designated functions and a report on Corporate Governance in terms of the Listing Agreement alongwith the certificate from the Auditors confirming compliance would be placed before the shareholders on completion of the financial year 2002-2003.

DIRECTORS:

Mr. D.B. Siroya and Mr. A.B. Siroya tendered their resignation with effect from January, 2002 due to personal reasons.. The Board places its appreciation of the services rendered by Mr. D.B. Siroya and Mr. A.B. Siroya. In the vacancy caused by the resignation of Mr. D.B. Siroya, the Board has appointed Mr. N.D. Prabhu, former Chairman and Managing Director of Canara Bank on the Board with effect from 15.7.2002

PARTICULARS OF EMPLOYEES:

No employee of the company was paid remuneration in terms of the revised notification under Section 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY

Details relating to the Conservation of Energy and Technology absorption and foreign exchange earnings and outgoings are given in Annexure I forming part of the Directors' Report as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

PERSONNEL:

The Board acknowledges the contribution of all the employees to the growth achieved by your company during the year.

PUBLIC DEPOSITS:

As on date of the report the Company has not accepted any public deposit.

AUDITORS:

Messers Ostawal & Jain, Chartered Accountants, Auditors of the Company, retire at the Annual General Meeting and are eligible for reappointment.

ACKNOWLEDGMENTS:

The Directors place on record their appreciation of the co-operation and guidance provided by Canara Bank, The Shamrao Vithal Co-operative Bank Ltd., Punjab National Bank, and State Bank of India and other banks and Financial Institutions, members of the medical profession, customers, suppliers and other business associates. The Directors express their gratitude to all shareholders of the company for the confidence reposed in the Management.

For and on behalf of the Board of Directors

DR. S.PRASANNA **SHAILESH .D. SIROYA**
Director Managing Director

Bangalore
15th July, 2002

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