

Balaxi Pharmaceuticals Limited

August 03, 2023

To,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No C-1, Block G, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051

NSE Symbol: BALAXI

Dear Sir/Madam,

Subject: Outcome of Board Meeting

In reference to our letter dated July 27, 2023, we wish to inform you that the Board of Directors at their meeting held today i.e., August 03, 2023, have *inter-alia*, approved the following:

1. Standalone and Consolidated Unaudited Financial Results of the Company for the quarter ended June 30, 2023.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the Standalone and Consolidated Unaudited Financial Results of the Company for the quarter ended June 30, 2023, accompanied by Limited Review Report thereon by the Statutory Auditors of the Company as **Annexure A**.

2. Acquisition of Balaxi Healthcare Ecuador S.A.S.

As part of Company's expansion plans, the Board of Directors of the Company have approved the acquisition of 100% shareholding in Balaxi Healthcare Ecuador S.A.S., an Ecuadorian Company. After completion of the proposed acquisition, Balaxi Healthcare Ecuador S.A.S. will become a Wholly Owned Subsidiary of the Company.

The details required to be furnished under SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, are provided in **Annexure B**.

The Board meeting commenced at 10:30 a.m. (IST) and concluded at 2:15 p.m. (IST).

The aforesaid information is also being hosted on the Company's website at www.balaxipharma.in.

This is for your information and records.

Yours Faithfully,

For **Balaxi Pharmaceuticals Limited**

Udayan Shukla

(Company Secretary and Compliance Officer)

Membership No.: F11744

Encl.: as above

Registered Office:

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

CIN: L25191TG1942PLC121598

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

Balaxi Pharmaceuticals Limited 3rd Floor, MAPS Towers, Plot no. 409, Road no. 81, Jubilee Hills, Phase III, Hyderabad-500096, Telangana CIN: L25191TG1942PLC121598				
Un-audited Standalone Financial Results for the Quarter Ended June 30, 2023				
(Rs. in Lakhs)				
Particulars	Quarter Ended			Year ended
	30.06.2023	31.03.2023	30.06.2022	31.03.2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Income				
Revenue from operations	2,504.03	3,035.14	2,645.36	10,813.76
Other income	12.58	18.31	257.19	660.41
Total Income	2,516.61	3,053.45	2,902.55	11,474.17
Expenses				
Cost of materials consumed	1,914.42	2,286.87	1,995.58	8,209.51
Employee benefit expense	123.61	123.87	111.50	484.13
Finance cost	25.79	22.66	19.64	45.90
Depreciation and amortisation expense	13.05	26.96	7.96	51.54
Administrative expenses	88.90	84.36	114.59	438.04
Total Expenses	2,165.77	2,544.72	2,249.27	9,229.12
Profit/(loss) before tax and other comprehensive income	350.84	508.73	653.28	2,245.05
Tax expenses				
Current tax	95.73	7.87	120.12	516.67
Deferred tax	(0.31)	106.55	(0.36)	106.17
Net Profit/(loss) for the period	255.42	394.31	533.52	1,622.21
Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss in subsequent period	-	-	-	-
Re-measured gains on defined benefit plans	-	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
B (i) Items that will be reclassified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total comprehensive income for the year	255.42	394.31	533.52	1,622.21
Paid up equity share capital - Face value of Rs.10 each	1,023.02	1,018.13	1,000.00	1,018.13
Other Equity				
Earnings Per Share (EPS)				
(EPS for the quarter is not annualised)				
-Basic (Amount in Rs.)	2.50	3.90	5.34	16.17
-Diluted (Amount in Rs.)	2.47	3.83	5.34	16.02

Notes :

1. The Unaudited Standalone Financial Results for the Quarter ended June 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 03, 2023. The Standalone Financial Results are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013.
2. Previous period figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current period's classification.
3. 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 disclosure as per Regulation 33 (1)(e) read with Clause L of Schedule IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

For and on behalf of Board of Directors
of Balaxi Pharmaceuticals Limited


Ashish Maheshwari
Managing Director
DIN: 01575984



Place: Hyderabad
Date: August 03, 2023



P. MURALI & CO.,
CHARTERED ACCOUNTANTS
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Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review report to
The Board of Directors
Balaxi Pharmaceuticals Limited**

We have reviewed the accompanying statement of unaudited standalone financial results of **BALAXI PHARMACEUTICALS LIMITED** (the "Company") for the quarter ended June 30, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting, ('Ind AS 34,') prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





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Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For P. Murali & Co.
Chartered Accountants
FRN: 007257S

A. Krishna Rao
Partner

M.No. 020085

UDIN: 23020085BG9XR D6925



Place: Hyderabad
Date: 03-08-2023.

Balaxi Pharmaceuticals Limited

3rd Floor, MAPS Towers, Plot no. 409, Road no. 81, Jubilee Hills, Phase III, Hyderabad-500096, Telangana

CIN:L25191TG1942PLC121598

Un-audited Consolidated Financial Results for the Quarter Ended June 30, 2023

Particulars	Quarter Ended			(Rs. in Lakhs)
	Year Ended			
	30.06.2023	31.03.2023	30.06.2022	31.03.2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Income				
Revenue from operations	6,595.54	8,068.12	8,278.49	33,643.26
Other income	(100.81)	(22.02)	328.42	263.69
Total Income	6,494.73	8,046.10	8,606.91	33,906.96
Expenses				
Cost of materials consumed	4,031.34	5,107.92	4,826.29	20,241.56
Employee benefit expense	688.74	688.15	708.03	2,895.40
Finance cost	28.95	26.70	19.64	50.00
Depreciation and amortisation expense	28.53	118.76	18.85	175.24
Administrative Expenses	991.44	997.76	1,369.25	4,852.52
Total Expenses	5,768.99	6,939.28	6,942.06	28,214.73
Profit/(Loss) Before Exceptional Item	725.73			
Exceptional Item (Note no 4)	(4,666.94)			
Profit/(loss) before tax and other comprehensive income	(3,941.21)	1,106.83	1,664.85	5,692.23
Tax expenses				
Current tax	193.40	190.25	250.55	989.81
Deferred tax	(0.31)	106.55	(0.36)	106.17
Net Profit/(loss) for the period	(4,134.30)	810.03	1,414.66	4,596.25
Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss in subsequent period				
Exchange differences on translation of foreign operations	512.49	(18.48)	240.59	578.19
(ii) Income tax relating to items that will not be reclassified to profit or loss		-		-
B (i) Items that will be reclassified to profit or loss		-		-
(ii) Income tax relating to items that will be reclassified to profit or loss		-		-
Total comprehensive income for the year	(3,621.81)	791.55	1,655.25	5,174.44
Paid up equity share capital - Face value of Rs.10 each	1,023.02	1,000.00	1,000.00	1,018.13
Other Equity				
Earnings Per Share (EPS)				
(EPS for the quarter is not annualised)				
-Basic (Amount in Rs.)	(40.49)	8.01	14.15	45.81
-Diluted (Amount in Rs.)	(39.93)	7.86	14.15	45.40

Notes :

1. The Unaudited Consolidated Financial Results for the Quarter ended June 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 03, 2023. The Consolidated Financial Results are prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013.

2. Previous period figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current period's classification.

3. 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 disclosure as per Regulation 33 (1)(e) read with Clause L of Schedule IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

4 During the quarter under review, the Angolan currency Kwana underwent an unprecedented sharp depreciation, falling from 511.50 AOA/ USD to 832.5 AOA/ USD. Since the creditors in the books of Balaxi Angola are contracted in and due for settlement in USD, this has resulted in a loss on revaluation of 3.65bn AOA(INR 46.66 cr.) including unrealised loss of 3.46bn AOA(INR 44.35 cr.) as of June 30, 2023. The corresponding INR amount has been shown as an exceptional item in the profit and loss statement for the quarter. Balaxi Healthcare Angola has taken several price corrections during the quarter and inventories lying in the books (carried at historical cost as per conservative accounting principles) is now being sold at much higher prices.

For and on behalf of Board of Directors
of Balaxi Pharmaceuticals Limited


Ashish Maheshwari
Managing Director
DIN: 01575984

Place: Hyderabad

Date: August 03, 2023





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Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review report to
The Board of Directors
Balaxi Pharmaceuticals Limited**

We have reviewed the accompanying statement of unaudited consolidated financial results of **BALAXI PHARMACEUTICALS LIMITED** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended June 30, 2023 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting, ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





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Emphasis of Matter

We draw attention to Note 4 of the Consolidated financial results, which discloses that the functional currency of Balaxi Healthcare, Angola (Angolan kwanza i.e., AOA) has experienced a significant depreciation against the functional currency of Balaxi Global DMCC, Dubai (USD) during the quarter under review. The currency depreciation has resulted in considerable fluctuations in the reported Consolidated financial results and financial position of the group. We have evaluated the adequacy of the disclosures in Note 4 and the reasonableness of the management's assessments regarding the impact of the currency depreciation on the financial results.

However, our Opinion is not modified in respect of the above matter.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

The Statement includes the results of the following entities:

- i. M/s. Balaxi Global DMCC, Dubai (Wholly owned subsidiary) which includes following wholly owned Subsidiaries:
 - 1 Balaxi Healthcare Guatemala, S.A, Dominican Republic(wholly owned subsidiary of Balaxi Global DMCC, Dubai)
 - 2 Balaxi Healthcare Dominican, S.R.L, Dominican Republic(wholly owned subsidiary of Balaxi Global DMCC, Dubai)
 - 3 Balaxi Healthcare, Honduras, S DE RL DE CV(wholly owned subsidiary of Balaxi Global DMCC, Dubai)
 - 4 Balaxi Healthcare Centrafrique, SARL(wholly owned subsidiary of Balaxi Global DMCC, Dubai)
 - 5 Balaxi Healthcare El Salvador SA DE (wholly owned subsidiary of Balaxi Global DMCC, Dubai)
 - 6 Balaxi Healthcare Angola(wholly owned subsidiary of Balaxi Global DMCC, Dubai)





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Based on our review conducted and procedures performed as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of:

subsidiary, whose interim financial results and other financial information reflect total revenues of Rs. 1815.21 Lakhs, total net profit after tax of Rs. (4286.25) Lakhs and comprehensive income of Rs. (3927.53) Lakhs for the quarter ended June 30, 2023, as considered in the Statement whose interim financial results and other financial information have not been reviewed by their auditors;

These unaudited interim financial results and other unaudited financial information have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of this subsidiary is based solely on such unaudited interim financial results and other unaudited financial information.

Our conclusion on the Statement in respect of matters stated above is not modified with respect to our reliance on the financial results certified by the Management

For P. Murali & Co.
Chartered Accountants
FRN: 007257S


A. Krishna Rao
Partner
M. No. 020085
UDIN: 23020085BG9XRC7576



Place: Hyderabad
Date: 03-08-2023

Annexure – B

Details required under SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023

Acquisition of Balaxi Healthcare Ecuador S.A.S.:

Sno.	Particulars	Remarks
1.	Name of the target entity, details in brief such as size, turnover etc	<p>Name of the Target Entity: Balaxi Healthcare Ecuador S.A.S.</p> <p>Balaxi Healthcare Ecuador S.A.S is an Ecuadorian Company incorporated in the year 2022.</p> <p>The object of Balaxi Healthcare Ecuador S.A.S. is distribution and marketing of all types of medicines and pharmaceutical products which is in line with our main objects.</p> <p>Balaxi Healthcare Ecuador S.A.S. has not yet started its operations.</p>
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”.	<p>The proposed acquisition is not a related party transaction and none of the promoter/ promoter group/ group companies have any interest in Balaxi Healthcare Ecuador S.A.S.</p>
3.	Industry to which the entity being acquired belongs.	<p>Balaxi Healthcare Ecuador S.A.S. is a Pharmaceutical Distribution Company.</p> <p>The object of Balaxi Healthcare Ecuador S.A.S. is distribution and marketing of all types of medicines and pharmaceutical products which is in line with our main objects.</p>
4.	Objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity).	<p>The acquisition is a part of Company’s Expansion Plans.</p> <p>This acquisition will help the Company to expand its footprints in Latin American (“LATAM”) region.</p> <p>The object of Balaxi Healthcare Ecuador S.A.S is in line with the main objects of our Company.</p>

Registered Office:

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Balaxi Pharmaceuticals Limited

5.	Brief details of any governmental or regulatory approvals required for the acquisition.	The proposed investment is an Overseas Direct Investment (ODI) and is covered under the Automatic route as per the Foreign Exchange Management (Overseas Investment) Directions, 2022 read with Foreign Exchange Management (Overseas Investment) Rules, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022.
6.	Indicative time period for completion of the acquisition	The proposed acquisition will tentatively be completed by September 30, 2023.
7.	Consideration - whether cash consideration or share swap or any other form and details of the same	Consideration will be made in cash (through banking channel).
8.	Cost of acquisition and/or the price at which the shares are acquired	USD 42,500
9.	Percentage of shareholding / control acquired and / or number of shares acquired;	Currently, the Company do not hold any stake in Balaxi Healthcare Ecuador S.A.S. After completion of the acquisition, the Company will hold 100% of shareholding Balaxi Healthcare Ecuador S.A.S.
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information.	Balaxi Healthcare Ecuador S.A.S. is an Ecuadorian Company incorporated on July 11, 2022. The object of Balaxi Healthcare Ecuador S.A.S. is distribution and marketing of all types of medicines and pharmaceutical products which is in line with our main objects. Balaxi Healthcare Ecuador S.A.S. has not yet started its operations. This acquisition will help our Company to expand its footprints in LATAM region.

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