

Balaxi Pharmaceuticals Limited

February 09, 2024

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: Update on Company's Pharmaceutical Formulation Plant

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we enclose herewith an update on the Company's Pharmaceutical Formulation Plant, being set up at Jadcherla, Hyderabad.

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: A/a

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

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Update on Company's Pharmaceutical Formulation Plant

Dear Shareholders,

In reference to our earlier updates on Company's Pharmaceutical Formulation Plant, we would like to further update you on the recent development in this regard.

The construction of the Company's Pharmaceutical Formulation Plant remains a top priority for the Management and the Company is committed to complete the construction of the plant as per the below-mentioned timelines.

Company has conducted several rounds of discussion with the warrant holders and updated them on the status of Pharmaceutical Formulation facility. Seeing the response of the warrant holders in conversion of their warrants, the Company has now decided to set up the Plant in a phased manner. The first phase will cost approximately Rs. 32 Crores and will take 12 months to complete. The preliminary work relating to the first phase has already started and the construction work at the site is also slated to begin from the end of this month.

The second phase of the plant will incur an additional cost of approximately Rs. 15 Crores to the Company and this expansion will double the capacities of the plant from the first phase.

To align with a better capital efficient strategy towards the project, the Company has finalised a Turnkey Consultant who has an experience of 20+ years in providing turnkey solutions along with consultancy services in the Pharma Manufacturing space. They have completed around 200 projects efficiently and in timely manner.

The proposed plant will be a state-of-the-art formulation plant for manufacturing of tablets and capsules at Jadcherla, Hyderabad. The plant will be as per International GMP Standards such as WHO GMP and PIC/s through which we will cater our existing/ targeted markets. The plant will be based on a closed manufacturing concept so that the products will be untouched by human hands till packing.

Additionally, Headwinds in the existing markets of Balaxi, such as currency depreciation in Angola and Geo-Political upheavals in Dominican Republic and Guatemala, have now softened and the Company is on track to achieve normal levels of operations in these markets.

The company had secured a total commitment of INR 49.35 cr in October 2022, by way of a Preferential Issue to investors, most of which was issued as Convertible Warrants. The main object of the issue was to set up a Pharmaceutical Formulation Plant for the manufacturing of Tablets and Capsules. With the recent conversion in the month of January 2024, Warrant Holders of the Company have converted 3,09,750 warrants out of the total of 10,70,000 warrants to be converted. The Company has received a total of Rs. 23.64 Crores from the investors of the preferential issue.

The equity portion already infused by the investors and internal accruals should support the construction of the first phase of the Plant. For the second phase, Company would thereafter be banking on incremental infusion through warrant conversions to fund its capex requirements.
