

Balaxi Ventures Limited

September 11, 2020

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

Stock Code: BALAXI

Sub: Press Release

Dear Sir/Madam,

We attach a copy of the Press Release issued by the Company. This is for your information and dissemination on your website.

The details as required under SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015 shall be duly submitted with your good office on post completion of the below stated transactions.

Yours Faithfully,
For, **Balaxi Ventures Limited,**



Ashish Maheshwari
Managing Director



Registered Office:

Plot No.409, H.No. 8-2-293, Maps Towers, 3rd Floor, Phase-III,
Road No. 81, Jubilee Hills, Hyderabad, Telangana, India - 500096.
CIN: L25191TG1942PLC121598
Phone: +91 40 23555300 | Email: info@balaxiventures.in
Website: www.balaxiventures.in

Balaxi Ventures Limited

PRESS RELEASE: FOR IMMEDIATE ISSUE

11th September 2020, Hyderabad

BALAXI VENTURES ENTERS FINAL LEG OF GROUP BUSINESS CONSOLIDATION AND OUTLINES PLAN TO ENTER CENTRAL AFRICAN REPUBLIC

Balaxi Ventures had announced its intention to acquire 49% stake in its Angola based distribution arm last month and we are happy to state that the proposed acquisition is progressing smoothly and we hope to consummate the same by next month. With an intent to completely eliminate conflicts of interest and in line with our stated plans in our last annual report, to enter more markets in Central America, we have now decided to acquire pre-revenue entities of the promoter group as well, which were formed in El Salvador and Honduras for the purpose of filing product registrations.

As part of the plan, Balaxi Ventures will acquire 100% equity of distribution entities in El Salvador and Honduras, subject to regulatory approvals from local authorities. These entities are currently part of the promoter group and house product registrations (20 in El Salvador and 24 in Honduras). The acquisitions will be made at book value, in line with the approach for consolidation of all group businesses into your Company. Both these deals are expected to be consummated by December 2020 and a more detailed announcement in this regard will be made in due course. Both these entities also have a pipeline of 100+ product registrations in respective markets. Our experience is that a minimum of 100 product registrations are required for a meaningful presence in any market, especially for our modus operandi of having on-ground distribution infrastructure. We are hopeful of getting to that point by March 2021 and commence business operations by Q1FY21.

Balaxi Ventures has also initiated the process of incorporation of a Wholly Owned Subsidiary in China to facilitate our sourcing from reputed manufacturers in China. The promoters have prior experience of sourcing from and managing a procurement office in China. The goods are directly shipped from China to the destination markets.

We have also achieved progress as far as Central African Republic, another country that we had a stated our plans to enter in our last annual report. This is a geography that the promoters have prior experience working in and they fully understand the market and the registration process. Balaxi Ventures plans to incorporate a Wholly Owned Subsidiary in Central African Republic by November 2020 and to register 175 products over the next nine months. Business operations are expected to start by Q1FY21.



Registered Office:

Plot No.409, H.No. 8-2-293, Maps Towers, 3rd Floor, Phase-III,
Road No. 81, Jubilee Hills, Hyderabad, Telangana, India - 500096.

CIN: L25191TG1942PLC121598

Phone: +91 40 23555300 | Email: info@balaxiventures.in

Website: www.balaxiventures.in

Balaxi Ventures Limited

All the three new markets identified above are import dependent geographies, with little or no local manufacturing and to put things in perspective, according to data compiled by Trading Economics from the United States COM-TRADE database on international trade imports of pharmaceutical products into these 3 markets alone stood at USD 888mn in 2017, substantial part of which would be generics and branded generics, which is Balaxi's target market.

If we include existing markets of our presence, namely, Guatemala, Dominican Republic and Angola, the total import opportunity (basis the above data source) now goes up to USD 2.47bn*, again with substantial contribution from generics and branded generics, implying a sizeable addressable market for Balaxi.

* Angola is 2018, Guatemala and Dominican Republic is 2017 – last reported data.

For, **Balaxi Ventures Limited,**



Ashish Maheshwari
Managing Director



Registered Office:

Plot No.409, H.No. 8-2-293, Maps Towers, 3rd Floor, Phase-III,
Road No. 81, Jubilee Hills, Hyderabad, Telangana, India - 500096.

CIN: L25191TG1942PLC121598

Phone: +91 40 23555300 | Email: info@balaxiventures.in

Website: www.balaxiventures.in