

**CONSOLIDATED  
FINANCIAL STATEMENTS OF  
BALAXI GLOBAL DMCC  
DUBAI- (U.A.E.)  
FOR THE YEAR ENDED  
31 MARCH 2022**

## **CONTENTS**

1. INDEPENDENT AUDITORS' REPORT
2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION
3. CONSOLIDATED STATEMENT OF PROFIT AND LOSS
4. CONSOLIDATED CASH FLOWS STATEMENT
5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
6. SCHEDULE OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

\* \* \* \*

**INDEPENDENT AUDITORS' REPORT**

**TO THE SHAREHOLDERS OF**  
**M/s. BALAXI GLOBAL DMCC**  
**DUBAI - (U.A.E.)**

***Opinion***

We have audited the financial statements ("the financial statements") of **M/s. BALAXI GLOBAL DMCC, Dubai (the "Company") AND ITS SUBSIDIARIES** (as stated in note 1.4) which comprises the consolidated statement of financial position as at **31st March 2022**, and the consolidated profit and loss account, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the Company's consolidated financial statements, including a summary of significant accounting policies set out on Pages 4 to 14.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 March 2022 and its financial performance and cash flows for the year ended 31 March 2022, in accordance with International Financial Reporting Standards ("IFRS").

***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants Code of Ethics for Professional Accounts (IESBA Code), and have fulfilled our other ethical responsibilities in accordance with the requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Management's responsibility for the financial statements***

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with applicable law in United Arab Emirates and International Financial Reporting Standards, and such internal control as the management determines is necessary to enable the presentation of financial statements that are free from materials misstatement, whether due to fraud or error.

In preparing the consolidated 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 intend to liquidate the Company, or to cease operations, or have no realistic alternative but to do so.



Contd... [2]

*Ala*

*Independent Auditor's Report (Contd...)*  
*M/s. Balaxi Global DMCC, Dubai & its subsidiaries*  
*Year Ended 31 March 2022*

***Auditors' Responsibilities***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- \* Identify and assess the risks of material misstatements 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Contd... [3]

*Ara*



*Independent Auditor's Report (Contd...)*  
*M/s. Balaxi Global DMCC, Dubai & its subsidiaries*  
*Year Ended 31 March 2022*

***Auditors' Responsibilities (contd.)***

- \* Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company's audit. We remain solely responsible for our audit opinion.

We communicate with the management 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.

***Report on Other Regulatory Matters***

We further confirm that we have obtained all information and explanations necessary for our audit, that proper financial records have been kept by the Company and that these financial statements are in agreement with the Company's financial records. The inventory has been valued in accordance with proper accounting principles.

*Al Rammahi Auditing*

**AL RAMMAHI AUDITING OF ACCOUNTS**  
**CHARTERED ACCOUNTANTS**  
**DUBAI**  
Registration No.615  
Date: 18 May 2022



**BALAXI GLOBAL DMCC**  
**DUBAI (U.A.E.)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 March 2022

	Notes	31-03-2022	(in US Dollars) 31-03-2021
<b>ASSETS EMPLOYED</b>			
<b>Non-Current Assets</b>			
Plant, property & equipments	4	319,961	64,836
Brands and patents		108,650	-
Goodwill		3,070,049	175,222
Investment	5	-	468,000
Income Tax Assets		89,558	3,127
<b>Total non-current assets</b>		<b>3,588,218</b>	<b>711,185</b>
<b>Current Assets</b>			
Inventories		14,053,211	2,418,827
Accounts receivables	6	3,630,917	6,677,937
Cash and bank balances	7	836,428	163,267
Other current assets	8	777,522	188,697
Current Loan	9	69,637	41,029
<b>Total current assets</b>		<b>19,367,715</b>	<b>9,489,757</b>
<b>Total assets</b>		<b>22,955,933</b>	<b>10,200,942</b>
<b>SHAREHOLDERS' FUNDS AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital		1,498,638	1,498,638
Retained earnings		8,313,872	3,610,739
Other equity		1,099,363	1,099,363
<b>Total shareholders' funds</b>		<b>10,911,873</b>	<b>6,208,740</b>
<b>Current liabilities</b>			
Accounts payable and accruals	10	11,489,281	3,704,057
Current loans	11	225,039	20,986
Other current liabilities	12	329,740	267,159
<b>Total current liabilities</b>		<b>12,044,060</b>	<b>3,992,202</b>
<b>Total liabilities</b>		<b>12,044,060</b>	<b>3,992,202</b>
<b>Total shareholders' funds and liabilities</b>		<b>22,955,933</b>	<b>10,200,942</b>

The Notes referred to above form an integral part of these financial statements

For BALAXI GLOBAL DMCC

MANAGER

INDEPENDENT AUDITORS' REPORT - PAGE 1 to 3



**BALAXI GLOBAL DMCC**  
**DUBAI (U.A.E.)**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

For the year ended 31 March 2022

	<u>Notes</u>	(in US Dollars)	
		For the year 31-03-2022	31-03-2021
Sales		30,904,387	23,664,601
Less: cost of sales		22,393,259	18,300,163
Gross Profit		8,511,128	5,364,438
Other income		298,879	56,421
Gross income		8,810,007	5,420,859
<b><u>Operating Expenses</u></b>			
Salaries & benefits		1,285,837	881,313
Administration and selling	13	2,271,858	752,486
Amortisation of preliminary expenses		6,791	3,649
Finance cost		10,811	-
Taxes		246,411	98,458
Depreciation		29,187	28,634
		3,850,895	1,764,540
<b><u>Other comprehensive income</u></b>			
A (i) Items that will not be reclassified to profit or loss in subsequent period			
Exchange differences on translation of foreign operations		(255,979)	7,955
<b>NET PROFIT FOR THE YEAR</b>		<b>4,703,133</b>	<b>3,664,274</b>

The Notes referred to above form an integral part of these financial statements

For BALAXI GLOBAL DMCC

MANAGER



# **BALAXI GLOBAL DMCC** **DUBAI (U.A.E.)**

## **CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 March 2022

	Notes	31-03-2022	(in US Dollars) 31-03-2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit for the year		4,703,133	3,664,274
Depreciation		29,187	28,634
Amortisation of preliminary expenses		6,791	3,649
Operating profit before working capital		4,739,111	3,696,557
<b>Changes in working capital</b>			
Decrease/(increase) in accounts receivable		3,047,020	(6,403,816)
(Increase) in inventories		(11,634,384)	(2,418,827)
Decrease in other current assets		(588,825)	(172,920)
(Decrease) in current loan		(28,608)	(41,029)
(Decrease) in income tax assets		(86,431)	(3,127)
Increase in accounts payable		7,785,224	3,504,058
Increase in current loans		204,053	6,031
Increase in other current liabilities		62,581	215,980
Net Cash received from/(used in) operating activities (A)		3,499,741	(1,617,093)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment in subsidiaries		-	(468,000)
Preliminary expenses		(6,791)	(3,649)
(Increase) in Goodwill		(2,894,827)	(175,222)
Sale of investments		468,000	
Purchase of fixed assets & brands		(392,962)	(93,470)
Net Cash (used in) investing activities (B)		(2,826,580)	(740,341)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Share capital introduced		-	1,485,014
Share capital pending allotment		-	978,110
Net Cash received from financing activities (C)		-	2,463,124
Net increase in Cash and cash equivalents (A+B+C)		673,161	105,690
Cash and cash equivalents - beginning of the year		163,267	57,577
Cash and cash equivalents - end of the year	14	836,428	163,267

The Notes referred to above form an integral part of these financial statements

For BALAXI GLOBAL DMCC

MANAGER

INDEPENDENT AUDITORS' REPORT - PAGE 1 to 3





**BALAXI GLOBAL DMCC**  
**DUBAI (U.A.E.)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 March 2022

(in US Dollars)

	Share Capital	Retained (Losses)/Earnings	Other Equity	Total
Balance as on 1 April 2020	13,624	(53,535)	121,253	81,342
Net profit for the year	-	3,664,274	-	3,664,274
Introduced during the year	1,485,014	-	-	1,485,014
Allotted Share capital	-	-	(121,253)	(121,253)
Pending allotment	-	-	1,099,363	1,099,363
<b>Balance as on 31 March 2021</b>	<b>1,498,638</b>	<b>3,610,739</b>	<b>1,099,363</b>	<b>6,208,740</b>
Net profit for the year	-	4,703,133	-	4,703,133
<b>Balance as on 31 March 2022</b>	<b>1,498,638</b>	<b>8,313,872</b>	<b>1,099,363</b>	<b>10,911,873</b>

For BALAXI GLOBAL DMCC

MANAGER

INDEPENDENT AUDITORS' REPORT - PAGE 1 to 3



## BALAXI GLOBAL DMCC DUBAI (U.A.E.)

### SCHEDULE OF NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

(in US Dollars)

#### 1. LEGAL STATUS

- 1.1 M/s. **BALAXI GLOBAL DMCC** is incorporated and registered as a free zone company with limited liability with Dubai Multi Commodities Centre Authority in the emirates of Dubai (U.A.E) under license no DMCC - 739729 and having registration no. DMCC 178924.

<u>Name of the shareholder</u>	<u>Nationality</u>	<u>Share in Capital/Profit &amp; Losses</u>
M/s. Balaxi Pharmaceuticals Limited	Indian	100%
	Total	100%

- 1.2 The principal activity of the company is trading in pharmaceutical products outside U.A.E.; building hardware & tools; bread & bakery products; foodstuff & beverages and snack food.
- 1.3 The principal place of business of the company is located in Unit No. 1302-C, Reef Towers, Plot No.: JLT-PH2-01A, Jumeirah Lakes Towers, Dubai, U.A.E.
- 1.4 These consolidated financial statements of **M/s. BALAXI GLOBAL DMCC AND ITS SUBSIDIARIES** includes the following:

<u>Name of the Companies</u>	<u>Country of Incorporation</u>	<u>Percentage of Ownership</u>
Balaxi Global DMCC Parent Company	U.A.E	-
Balaxi Healthcare Guatemala, S.A.	Republic of Guatemala	99%
Balaxi Healthcare Dominicana S.R.L.	Dominican Republic	99%
Balaxi Healthcare Centrafrique SARL	South Africa	100%
Balaxi Healthcare El Salvador SA DE	Central America	99%
Balaxi Healthcare Honduras	Central America	99%
Balaxi Healthcare Angola LDA	Angola	99%

#### 2. BASIS OF PREPARATION

- 2.1 Statement of Compliance  
The financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and interpretations issued by the Standards Interpretations Committee of the IASB.
- 2.2 Basis of measurement  
These financial statements have been prepared under the going concern assumption and historical cost convention except in respect of financial instruments, which are presented at fair values and properly disclosed elsewhere in the report.



## NOTES TO THE FINANCIAL STATEMENTS

### 2.3 Basis of accounting

Income and expenditure have been accounted on accrual basis. Under accrual basis, the transactions and events are recognised as and when they occur and are recorded in the financial statements for the period they relate to.

### 2.4 Functional and Presentation currency

The financial statements are presented in US Dollars (USD) which is also the company's functional currency. All financial information presented in USD has been rounded off to the nearest US Dollar.

### 2.5 Use of estimates & judgements

The preparation of Financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of policies and reported amounts of assets, liabilities, incomes and expenses.

Actual results may differ from these estimate. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected. During the period, there are no estimates or judgements, or any changes therein, that are material in nature.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been consistently applied in dealing with items considered material to the company's financial statements:

### 3.1 Plant, property & equipment

Plant, property and equipments are stated at cost less accumulated depreciation. Cost is depreciated on straight line basis as under:

Improvement to leasehold premises	1 year
Computers & Fixtures	3 years
Furniture & Fixtures	5 year
Motor Vehicles	5 years

### 3.2 Investment in subsidiaries

Investment in subsidiaries is stated at cost.

### 3.3 Preliminary expenses

Preliminary expenses is being written off over a period of three years from the first full year of commercial operations of the company

### 3.4 Debtors

Bad Debts are written off as they arise

### 3.5 Accounts Payable and Accruals

Liabilities are recognized for amounts to be paid in future for goods or services received, whether or not billed to the company

### 3.6 Foreign Currency Conversion

Balances in foreign currencies have been converted into US Dollars at the rate of exchange prevailing at the balance sheet date. Transactions in foreign currencies are converted at rates ruling when the transaction was entered into. Gains or losses resulting from foreign transactions are taken to profit and loss account.

### 3.7 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement consists of cash, balances with banks, overdrafts, and deposits with banks with a maturity of three months or less from the date of deposit.





## NOTES TO THE FINANCIAL STATEMENTS

### 3.8 Sales

Sales are stated net of trade discounts and sales return.

### 3.9 Purchases

Purchases are stated net of discounts and return and include all direct expenses to determine the landed cost.

### 3.10 Impairment of Assets

#### Financial Assets

At each balance sheet date, the company assesses if there is any objective evidence indicating impairment of financial assets or non-collectibility of receivables

#### Non-financial Assets

At each balance sheet date, the company assesses if there is any indication of impairment of non-financial assets. If Any indication exists, the company estimates the recoverable amount of the assets and recognizes an impairment loss in Profit & Loss Account. The company assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in Profit & Loss Account.

- 3.11 Financial Instruments comprise cash, bank balances, deposits, advances, trade debtors, amounts due from/to related parties, trade creditors, accruals and borrowings. The financial instruments are recognized on the balance sheet when the company becomes a party to the contractual provisions of the instrument.

**31-03-2022**

## 4. PLANT, PROPERTY AND EQUIPMENT

This item consists of the following :

	<u>Vehicles</u>	<u>Improvement to Premises</u>	<u>Computers &amp; Equipment</u>	<u>Furniture &amp; Equipment</u>	<u>Total</u>
<b><u>Cost</u></b>					
As on 1 April 2021	66,495	8,855	12,451	5,669	93,470
Additions	237,500	9,966	3,820	33,026	284,312
As at 31 March 2022	<u>303,995</u>	<u>18,821</u>	<u>16,271</u>	<u>38,695</u>	<u>377,782</u>
<b><u>Less: Depreciation</u></b>					
Upto 31 March 2021	15,417	8,855	2,969	1,393	28,634
For the year	19,899	2,519	4,456	2,313	29,187
Upto 31 March 2022	<u>35,316</u>	<u>11,374</u>	<u>7,425</u>	<u>3,706</u>	<u>57,821</u>
<b><u>Net Book Value</u></b>					
As at 31 March 2022	<u>268,680</u>	<u>7,447</u>	<u>8,846</u>	<u>34,989</u>	<u>319,961</u>
As on 31 March 2021	<u>51,079</u>	<u>-</u>	<u>9,482</u>	<u>4,276</u>	<u>64,836</u>





	31-03-2022	31-03-2021
<b>5. <u>INVESTMENT</u></b>		
This item consists of the following :		
49% Shares in M/s. Balaxi Healthcare Angola LDA	-	468,000
Total	<u>-</u>	<u>468,000</u>
<b>6. <u>ACCOUNTS RECEIVABLES &amp; PREPAYMENTS</u></b>		
This item consists of the following :		
a) This item consists of the following :		
Trade Debtors - Note 6(b)	3,630,917	6,677,937
Total	<u>3,630,917</u>	<u>6,677,937</u>
b) <u>Trade Debtors</u>		
Ageing of Trade Debtors :		
Due for less than 90 days	2,936,979	6,535,691
Due for more than 90 days	693,938	142,246
Total - Note 6 (a)	<u>3,630,917</u>	<u>6,677,937</u>
<b>7. <u>CASH &amp; BANK BALANCES</u></b>		
This item consists of the following :		
Cash on hand	81,674	7,164
Cash at a bank - Current account	754,754	156,103
Total	<u>836,428</u>	<u>163,267</u>
<b>8. <u>OTHER CURRENT ASSETS</u></b>		
This item consists of the following :		
Prepayments	411,269	9,069
Deposits	24,285	15,523
Staff advance	2,110	643
Tax refund receivables	103,094	95,715
Other advances	233,115	60,449
Preliminary expenses	3,649	7,298
Total	<u>777,522</u>	<u>188,697</u>



	<u>31-03-2022</u>	<u>31-03-2021</u>
<b>9. <u>CURRENT LOAN</u></b>		
This item consists of the following :		
Due from related parties	-	41,029
Due from others	69,637	-
Total	<u>69,637</u>	<u>41,029</u>
<b>10. <u>ACCOUNTS PAYABLE &amp; ACCRUALS</u></b>		
This item consists of the following :		
Trade creditors	11,262,287	3,689,590
Accrued expenses	226,264	6,633
Other payables	730	7,834
Total	<u>11,489,281</u>	<u>3,704,057</u>
<b>11. <u>CURRENT LOANS</u></b>		
This item consists of the following :		
Loan from the manager	-	20,986
Loan from others	225,039	-
Total	<u>225,039</u>	<u>20,986</u>
<b>12. <u>OTHER CURRENT LIABILITIES</u></b>		
This item consists of the following :		
Accrued expenses	31,172	179,733
Taxes payable	298,568	87,426
Total	<u>329,740</u>	<u>267,159</u>



For the year

**13. ADMINISTRATION AND SELLING EXPENSES**

This item consists of the following :

	<u>31-03-2022</u>	<u>31-03-2021</u>
Rent	469,321	116,264
Legal & professional fees	186,705	133,443
Bank charges	75,035	16,699
Visa expenses	12,662	2,579
Travelling & accommodation expenses	109,079	111,844
Vehicle expenses	56,153	28,948
Telephone & electricity charges	30,235	42,925
Insurance Charges	21,343	3,900
Security expenses	47,540	19,330
Business promotion expenses	22,027	17,373
Printing & Stationery	29,925	2,814
Transportation and courier expenses	261,556	20,554
Miscellaneous expenses	950,277	235,813
Total	<u>2,271,858</u>	<u>752,486</u>

**14. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the Statement of Cash Flows comprises of the following balance

	<u>31-03-2022</u>	<u>31-03-2021</u>
Cash & bank Balances	836,428	163,267
Total	<u>836,428</u>	<u>163,267</u>

**15. TRANSACTIONS WITH RELATED PARTIES**

Material transactions between the company and related parties defined as Shareholders/Manager and enterprises in which the Shareholders/Manager have control or significant influence, are stated below:

Loan from the manager	-	20,986
Salary to the manager	54,875	188,650



31-03-2022

31-03-2021

**16. FINANCIAL INSTRUMENTS**Derivative & exchange rate risks

The company does not use derivative financial instruments for speculative purposes.

The company does not have any policy of entering into foreign exchange contracts or options to manage its exposure to fluctuations in foreign currency exchange rates since substantial portion of the transactions are designated in USD and in AED to which USD is fixed. Significant foreign currency assets/liabilities as at 31 March 2022 were as follows:

Financial assets in foreign currencies

Cash & bank balance	758,648	44,165
---------------------	---------	--------

Financial liabilities in foreign currencies

Accounts payable	1,353,119	-
------------------	-----------	---

Credit risks

Financial assets which potentially subject the company to concentration of credit risk consists principally of cash and bank balances and advance to suppliers. Bank balances and deposits are with regulated financial institutions.

Interest rate risks

No interest is paid/received on shareholders' equity and related party advances.

Fair value

At the balance sheet date, the carrying amount of cash and bank balances, and other advances and payables approximated their fair values.

**17. COMMITMENTS**

There were no significant commitments, of capital nature or otherwise as on the date of these financial statements.

**18. COMPARATIVE FIGURES**

Comparatives figures have been regrouped/reclassified wherever necessary to confirm to current years figures. Further the comparative figures do not include the figures for some subsidiaries as they become subsidiaries in the current year only.

For BALAXI GLOBAL DMCC

MANAGER

