

**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") which comprise the balance sheet as at **31st March 2021**, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the Company's financial statements, including a summary of significant accounting policies set out on Pages 4 to 13.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021 and its financial performance and cash flows for the year ended 31 March 2021, 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 Accountants (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 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 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.



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*Independent Auditor's Report (Contd...)*  
*M/s. Balaxi Global DMCC, Dubai*  
*Year Ended 31 March 2020*

***Auditors' Responsibilities***

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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*Independent Auditor's Report (Contd...)*  
*M/s. Balaxi Global DMCC, Dubai*  
*Year Ended 31 March 2020*

***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.

We further confirm that the financial statements comply with provisions of implementing Regulation No. 1/03 issued by the Dubai Multi Commodity Centre Authority.

*Al Rammahi Auditing*

**AL RAMMAHI AUDITING OF ACCOUNTS**  
**CHARTERED ACCOUNTANTS**  
**DUBAI**  
Registration No.615  
Date: 8 May 2021





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

**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2021

	<u>Notes</u>	<u>31-03-2021</u>	<u>(in US Dollars)</u> <u>31-03-2020</u>
<b><u>ASSETS EMPLOYED</u></b>			
<b><u>Non-Current Assets</u></b>			
Investment in subsidiaries/group companies	4	497,564	-
Preliminary expenses		7,298	10,947
<b>Total non-current assets</b>		<b>504,862</b>	<b>10,947</b>
<b><u>Current Assets</u></b>			
Accounts receivables	5	5,927,006	274,120
Bank balances	6	50,985	57,577
Other current assets	7	4,126	4,830
Current loans	8	41,029	-
<b>Total current assets</b>		<b>6,023,146</b>	<b>336,527</b>
<b>Total assets</b>		<b>6,528,008</b>	<b>347,474</b>
<b><u>SHAREHOLDERS' FUNDS AND LIABILITIES</u></b>			
<b><u>Shareholders' funds</u></b>			
Share Capital		1,498,638	13,624
Retained earnings/(losses)		3,486,447	(53,535)
Other equity		1,099,363	121,253
<b>Total shareholders' funds</b>		<b>6,084,448</b>	<b>81,342</b>
<b><u>Current liabilities</u></b>			
Accounts payable and accruals	9	272,613	200,000
Current loans	10	20,986	14,955
Other current liabilities	11	149,961	51,177
<b>Total current liabilities</b>		<b>443,560</b>	<b>266,132</b>
<b>Total liabilities</b>		<b>443,560</b>	<b>266,132</b>
<b>Total shareholders' funds and liabilities</b>		<b>6,528,008</b>	<b>347,474</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.)**

**STATEMENT OF PROFIT AND LOSS**

For the year ended 31 March 2021

	<u>Notes</u>	<u>(in US Dollars)</u>	
		For the year/period 31-03-2021	31-03-2020
Sales		17,514,668	-
Less: cost of sales		13,360,845	-
Gross Profit		4,153,823	-
Other income		247,643	-
Gross income		4,401,466	-
<b><u>Operating Expenses</u></b>			
Salaries & benefits		646,650	43,911
Administration and selling	12	211,185	9,624
Amortisation of preliminary expenses		3,649	-
		861,484	53,535
<b>NET PROFIT/(LOSS) FOR THE YEAR/PERIOD</b>		<b>3,539,982</b>	<b>(53,535)</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.)**

**CASH FLOW STATEMENT**

For the year ended 31 March 2021

	<u>Notes</u>	<u>31-03-2021</u>	<u>(in US Dollars)</u> <u>31-03-2020</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Net profit/(loss) for the year/period		3,539,982	(53,535)
Amortisation of preliminary expenses		3,649	-
Operating profit/(loss) before working capital		3,543,631	(53,535)
<b><u>Changes in working capital</u></b>			
(Increase) in accounts receivable		(5,652,886)	(274,120)
Decrease/(increase) in other current assets		704	(4,830)
(Increase) in current loan		(41,029)	-
Increase in accounts payable and accruals		72,613	200,000
Increase in current loans		6,031	14,955
Increase in other current liabilities		98,784	51,177
Net Cash (used in) operating activities (A)		(1,972,152)	(66,353)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Preliminary expenses		-	(10,947)
Investment in subsidiaries		(497,564)	-
Net Cash (used in) investing activities (B)		(497,564)	(10,947)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Share capital introduced		1,485,014	13,624
Share application money		978,110	121,253
Net Cash received from financing activities (C)		2,463,124	134,877
Net (decrease)/increase in Cash and cash equivalents (A+B+C)		(6,592)	57,577
Cash and cash equivalents - beginning of the year		57,577	-
Cash and cash equivalents - end of the year	13	50,985	57,577

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.)**

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 March 2021

(in US Dollars)

	Share Capital	Retained Earnings/ (Losses)	Other Equity	Total
Share capital issued	13,624	-	121,253	134,877
Net (loss) for the period	-	(53,535)	-	(53,535)
<b>Balance as on 31 March 2020</b>	<b>13,624</b>	<b>(53,535)</b>	<b>121,253</b>	<b>81,342</b>
Introduced during the year	1,485,014	-	-	1,485,014
Net profit for the year	-	3,539,982	-	3,539,982
Alloted share capital	-	-	(121,253)	(121,253)
Share application money pending allotment	-	-	1,099,363	1,099,363
<b>Balance as on 31 March 2021</b>	<b>1,498,638</b>	<b>3,486,447</b>	<b>1,099,363</b>	<b>6,084,448</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 FINANCIAL STATEMENTS

For the year ended 31 March 2021

(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%
	<b>Total</b>	<b>100%</b>

- 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.

#### 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.

##### 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.



## NOTES TO THE FINANCIAL STATEMENTS

### 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 Investment in subsidiaries  
Investment in subsidiaries is stated at cost.
- 3.2 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
- 3.3 Debtors  
Bad Debts are written off as they arise
- 3.4 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
- 3.5 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.
- 3.6 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.
- 3.7 Sales  
Sales are stated net of trade discounts and sales return.
- 3.8 Purchases  
Purchases are stated net of discounts and return and include all direct expenses to determine the landed cost.
- 3.9 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.
- 3.10 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.



**NOTES TO THE FINANCIAL STATEMENTS**

Al Rammahi Auditing of Accounts, Dubai

	31-03-2021	31-03-2020
<b>4. <u>INVESTMENT IN SUBSIDIARIES/GROUP COMPANIES</u></b>		
This item consists of the following :		
1. 990 Shares in M/s. Balaxi Healthcare Guatemala, Sociedad Anonima	15,000	-
2. 99 Shares in M/s. Balaxi Health Care Dominica SRL	14,564	-
3. 49% Shares in M/s. Balaxi Healthcare Angola LDA	468,000	-
Total	<b>497,564</b>	<b>-</b>
<b>5. <u>ACCOUNTS RECEIVABLES &amp; PREPAYMENTS</u></b>		
This item consists of the following :		
a) This item consists of the following :		
Trade Debtors - Note 5(b)	5,927,006	274,120
Total	<b>5,927,006</b>	<b>274,120</b>
b) <u>Trade Debtors</u>		
(i) <u>Ageing of Trade Debtors :</u>		
Due for less than 90 days	5,784,761	274,120
Due for more than 90 days	142,245	-
Total - Note 5 (a)	<b>5,927,006</b>	<b>274,120</b>
(ii) No. of trade debtors at the year end	5	19
(iii) Due from subsidiaries	576,364	-
<b>6. <u>BANK BALANCES</u></b>		
This item consists of the following :		
Cash at a bank - Current account	50,985	57,577
Total	<b>50,985</b>	<b>57,577</b>
<b>7. <u>OTHER CURRENT ASSETS</u></b>		
This item consists of the following :		
Prepayments	2,480	3,049
Deposits	1,635	1,635
Other advances	11	146
Total	<b>4,126</b>	<b>4,830</b>





**NOTES TO THE FINANCIAL STATEMENTS**

Al Rammahi Auditing of Accounts, Dubai

	<u>31-03-2021</u>	<u>31-03-2020</u>
<b>8. <u>CURRENT LOAN</u></b>		
This item consists of the following :		
Due from related parties	41,029	-
Total	<u>41,029</u>	<u>-</u>
<b>9. <u>ACCOUNTS PAYABLE &amp; ACCRUALS</u></b>		
This item consists of the following :		
Trade creditors	272,613	-
Advance from customer	-	200,000
Total	<u>272,613</u>	<u>200,000</u>
<b>10. <u>CURRENT LOANS</u></b>		
This item consists of the following :		
Loan from the manager	20,986	14,955
Total	<u>20,986</u>	<u>14,955</u>
<b>11. <u>OTHER CURRENT LIABILITIES</u></b>		
This item consists of the following :		
Accrued expenses	149,961	51,177
Total	<u>149,961</u>	<u>51,177</u>
<b>12. <u>ADMINISTRATION AND SELLING EXPENSES</u></b>		
This item consists of the following :		
Rent	5,450	3,179
Legal & professional fees	9,556	4,087
Bank charges	2,868	117
Visa expenses	2,579	2,228
Travelling & accommodation expenses	92,765	-
Vehicle expenses	8,021	-
Telephone & electricity charges	27,400	-
Miscellaneous expenses	62,546	13
Total	<u>211,185</u>	<u>9,624</u>



**NOTES TO THE FINANCIAL STATEMENTS**

**31-03-2021**      **31-03-2020**

**13. CASH AND CASH EQUIVALENTS**

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

Bank Balances	50,985	57,577
Total	<u>50,985</u>	<u>57,577</u>

**14. 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	14,955
<u>Due from related parties</u>		
Balaxi Healthcare Centrafrique	14,113	-
Balaxi Healthcare El Salvador, S.A.	15,216	-
Balaxi Healthcare Honduras	11,700	-
Sales of goods to related parties	1,152,679	-
Purchase of goods from related parties	240,501	-
Salary to the manager	188,650	-

**15. 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 2021 were as follows:

Financial assets in foreign currencies

Bank balance	28,913	55,759
Debtors	<u>2,467,265</u>	<u>274,120</u>

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.

**16. COMMITMENTS**

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

**17. COMPARATIVE FIGURES**

Comparatives figures have been regrouped/reclassified wherever necessary to confirm to current years figures and are for a period of eighteen months as against twelve months for the current year and hence are not strictly comparable.

For BALAXI GLOBAL DMCC

MANAGER







**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 2021**, 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 15.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 March 2021 and its financial performance and cash flows for the year ended 31 March 2021, 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.



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*Independent Auditor's Report (Contd...)*  
*M/s. Balaxi Global DMCC, Dubai & its subsidiaries*  
*Year Ended 31 March 2021*

***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.



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*Independent Auditor's Report (Contd...)*  
M/s. Balaxi Global DMCC, Dubai & its subsidiaries  
Year Ended 31 March 2021

**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: 17 May 2021



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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 March 2021

	<u>Notes</u>	<u>31-03-2021</u>	<u>(in US Dollars)</u> <u>31-03-2020</u>
<b><u>ASSETS EMPLOYED</u></b>			
<b><u>Non-Current Assets</u></b>			
Plant, property & equipments		64,836	-
Goodwill		175,222	-
Investment	4	468,000	-
Income Tax Assets		3,127	-
<b>Total non-current assets</b>		<b>711,185</b>	<b>-</b>
<b><u>Current Assets</u></b>			
Inventories		2,418,827	-
Accounts receivables	5	6,677,936	274,120
Bank balances	6	163,267	57,577
Other current assets	7	188,697	15,777
Current Loan	8	41,029	-
<b>Total current assets</b>		<b>9,489,756</b>	<b>347,474</b>
<b>Total assets</b>		<b>10,200,941</b>	<b>347,474</b>
<b><u>SHAREHOLDERS' FUNDS AND LIABILITIES</u></b>			
<b><u>Shareholders' funds</u></b>			
Share Capital		1,498,638	13,624
Retained earnings/(losses)		3,610,738	(53,535)
Other equity		1,099,363	121,253
<b>Total shareholders' funds</b>		<b>6,208,739</b>	<b>81,342</b>
<b><u>Current liabilities</u></b>			
Accounts payable and accruals	9	3,704,058	200,000
Current loans	10	20,986	14,955
Other current liabilities	11	267,159	51,177
<b>Total current liabilities</b>		<b>3,992,202</b>	<b>266,132</b>
<b>Total liabilities</b>		<b>3,992,202</b>	<b>266,132</b>
<b>Total shareholders' funds and liabilities</b>		<b>10,200,941</b>	<b>347,474</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 2021

	<u>Notes</u>	<u>(in US Dollars)</u>	
		<u>For the year/period</u>	
		<u>31-03-2021</u>	<u>31-03-2020</u>
Sales		23,664,601	-
Less: cost of sales		18,300,163	-
Gross Profit		5,364,437	-
Other income		56,421	-
Gross income		5,420,858	-
<b><u>Operating Expenses</u></b>			
Salaries & benefits		881,313	43,911
Administration and selling	12	752,486	9,624
Amortisation of preliminary expenses		3,649	-
Taxes		98,458	-
Depreciation		28,634	-
		<u>1,764,540</u>	<u>53,535</u>
<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		7,955	-
<b>NET PROFIT/(LOSS) FOR THE YEAR/PERIOD</b>		<b><u>3,664,273</u></b>	<b><u>(53,535)</u></b>

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

For BALAXI GLOBAL DMCC

MANAGER




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

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 March 2021

	<u>Notes</u>	<u>31-03-2021</u>	<u>(in US Dollars)</u> <u>31-03-2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit/(loss) for the year/period		3,664,273	(53,535)
Depreciation		28,634	
Amortisation of preliminary expenses		3,649	
Operating profit/(loss) before working capital		3,696,556	(53,535)
<b>Changes in working capital</b>			
Accounts receivable		(6,403,816)	(274,120)
Inventories		(2,418,827)	-
Other current assets		(172,920)	(15,777)
Current Loan		(41,029)	-
Income Tax Assets		(3,127)	-
Accounts payable		3,504,058	200,000
Current loans		6,031	14,955
Other current liabilities		215,982	51,177
Net Cash (used in) operating activities	(A)	<u>(1,617,092)</u>	<u>(77,300)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment in subsidiaries		(468,000)	-
Preliminary expenses		(3,649)	-
Purchase of Goodwill		(175,222)	-
Purchase of fixed assets		(93,470)	-
Net Cash (used in) investing activities	(B)	<u>(740,341)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Share capital introduced		1,485,014	13,624
Share capital pending allotment		978,110	121,253
Net Cash received from financing activities	(C)	<u>2,463,124</u>	<u>134,877</u>
Net increase in Cash and cash equivalents	(A+B+C)	105,690	57,577
Cash and cash equivalents - beginning of the year		57,577	-
Cash and cash equivalents - end of the year	13	<u>163,267</u>	<u>57,577</u>

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 2021

(in US Dollars)

	Share Capital	Retained (Losses)/Earnings	Other Equity	Total
Share capital issued/allotment	13,624	-	121,253	134,877
Net (loss) for the period	-	(53,535)	-	(53,535)
<b>Balance as on 31 March 2020</b>	<b>13,624</b>	<b>(53,535)</b>	<b>121,253</b>	<b>81,342</b>
Introduced during the year	1,485,014	-	-	1,485,014
Net profit for the year	-	3,664,273	-	3,664,273
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>3,610,738</b>	<b>1,099,363</b>	<b>6,208,739</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 2021

(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%

#### 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.

##### 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.



## NOTES TO THE FINANCIAL STATEMENTS

### 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.

**31-03-2021**

## 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 31 March 2021	66,495	8,855	12,451	5,669	93,470
<b><u>Less: Depreciation</u></b>					
Upto 31 March 2021	15,417	8,855	2,969	1,393	28,634
<b><u>Net Book Value</u></b>					
As on 31 March 2021	51,079	-	9,482	4,276	64,836



	31-03-2021	31-03-2020
<b>5. INVESTMENT</b>		
This item consists of the following :		
49% Shares in M/s. Balaxi Healthcare Angola LDA	468,000	-
Total	<u>468,000</u>	<u>-</u>
<b>6. ACCOUNTS RECEIVABLES &amp; PREPAYMENTS</b>		
This item consists of the following :		
a) This item consists of the following :		
Trade Debtors - Note 6(b)	6,677,936	274,120
Total	<u>6,677,936</u>	<u>274,120</u>
b) <u>Trade Debtors</u>		
Ageing of Trade Debtors :		
Due for less than 90 days	6,535,691	274,120
Due for more than 90 days	142,245	-
Total - Note 6 (a)	<u>6,677,936</u>	<u>274,120</u>
<b>7. BANK BALANCES</b>		
This item consists of the following :		
Cash on hand	7,164	-
Cash at a bank - Current account	156,103	57,577
Total	<u>163,267</u>	<u>57,577</u>
<b>8. OTHER CURRENT ASSETS</b>		
This item consists of the following :		
Prepayments	9,069	3,049
Deposits	15,523	1,635
Staff advance	643	-
Tax refund receivables	95,715	-
Other advances	60,449	146
Preliminary expenses	7,298	10,947
Total	<u>188,697</u>	<u>15,777</u>



	<u>31-03-2021</u>	<u>31-03-2020</u>
<b>9. <u>CURRENT LOAN</u></b>		
This item consists of the following :		
Due from related parties	41,029	-
Total	<u>41,029</u>	<u>-</u>
 <b>9. <u>ACCOUNTS PAYABLE &amp; ACCRUALS</u></b>		
This item consists of the following :		
Trade creditors	3,689,590	-
Accrued expenses	6,633	-
Other payables	7,834	-
Advance from customer	-	200,000
Total	<u>3,704,058</u>	<u>200,000</u>
 <b>10. <u>CURRENT LOANS</u></b>		
This item consists of the following :		
Loan from the manager	20,986	14,955
Total	<u>20,986</u>	<u>14,955</u>
 <b>11. <u>OTHER CURRENT LIABILITIES</u></b>		
This item consists of the following :		
Accrued expenses	179,733	51,177
Taxes payable	87,426	-
Total	<u>267,159</u>	<u>51,177</u>



12. <u>ADMINISTRATION AND SELLING EXPENSES</u>	For the year/period	
	31-03-2021	31-03-2020
This item consists of the following :		
Rent	116,264	3,179
Legal & professional fees	133,443	4,087
Bank charges	16,699	117
Visa expenses	2,579	2,228
Travelling & accommodation expenses	111,844	-
Vehicle expenses	28,948	-
Telephone & electricity charges	42,925	-
Insurance Charges	3,900	-
Security expenses	19,330	-
Business promotion expenses	17,373	-
Printing & Stationery	2,814	-
Transportation and courier expenses	20,554	-
Miscellaneous expenses	235,813	13
Total	<u>752,486</u>	<u>9,624</u>

### 13. CASH AND CASH EQUIVALENTS

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

Bank Balances	163,267	57,577
Total	<u>163,267</u>	<u>57,577</u>

### 14. 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	<u>20,986</u>	<u>14,955</u>
<u>Due from related parties</u>		
Balaxi Healthcare Centrafrique	14,113	-
Balaxi Healthcare El Salvador, S.A.	15,216	-
Balaxi Healthcare Honduras	<u>11,700</u>	<u>-</u>





	<u>31-03-2021</u>	<u>31-03-2020</u>
<b><u>Transactions with related parties (Cont'd)</u></b>		
Purchase of goods from related parties	5,335,192	-
Balaxi Pharmaceuticals Limited to Balaxi Global DMCC	240,501	-
Balaxi Pharmaceuticals Limited to Balaxi Healthcare Dominicana	2,792,174	-
Balaxi Pharmaceuticals Limited to Balaxi Healthcare Guatemala	1,149,838	-
Salary to the manager	188,650	-

## 15. 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 2021 were as follows:

### Financial assets in foreign currencies

Bank balance	44,165	55,759
Debtors	4,316,489	-

### 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.

## 16. COMMITMENTS

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



**17. COMPARATIVE FIGURES**

Comparatives figures have been regrouped/reclassified wherever necessary to confirm to current years figures and are for a period of eighteen months as against twelve months for the current year and hence are not strictly comparable. Further the comparative figures do not include the figures for the subsidiaries as they become subsidiaries in the current year only.

For BALAXI GLOBAL DMCC

MANAGER



Al Rammahi Auditing of Accounts, Dubai



