

**CONSOLIDATED FINANCIAL
STATEMENTS OF
BALAXI GLOBAL DMCC
DUBAI - U.A.E.
FOR THE YEAR ENDED
31 MARCH 2024**

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated 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 2024**, 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 2024 and its financial performance and cash flows for the year ended 31 March 2024, 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 2024

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 2024

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 consolidated financial statements are in agreement with the Company's financial records. The inventory has been valued in accordance with proper accounting principles.

**For AL RAMMAHI AUDITING OF ACCOUNTS
CHARTERED ACCOUNTANTS
DUBAI**

Al Rammahi Auditing

**MR. MOHAMADALLY ISMAIL LADHA
PARTNER**
Registration No.615
Date: 22 May 2024



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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<u>Notes</u>	<u>31.03.2024</u>	<u>(In US Dollars)</u> <u>31.03.2023</u>
<u>ASSETS EMPLOYED</u>			
<u>Non-Current Assets</u>			
Plant, property & equipments	4	921,637	629,953
Brands and patents		-	378,997
Goodwill		3,070,049	3,070,049
Income Tax Assets		337,044	179,626
Total non-current assets		4,328,730	4,258,625
<u>Current Assets</u>			
Inventories		10,780,743	14,187,573
Accounts receivables	5	6,683,275	6,359,385
Cash and bank balances	6	2,186,757	1,258,502
Other current assets	7	836,024	632,638
Current Loan	8	264,752	174,003
Total current assets		20,751,551	22,612,101
Total assets		25,080,281	26,870,726
<u>SHAREHOLDERS' FUNDS AND LIABILITIES</u>			
<u>Shareholders' funds</u>			
Share Capital		2,598,001	2,598,001
Retained earnings		10,389,202	12,414,726
Other equity		-	-
Total shareholders' funds		12,987,203	15,012,727
<u>Current liabilities</u>			
Accounts payable and accruals	9	11,417,339	11,625,152
Current loans	10	444,496	105,858
Other current liabilities	11	231,243	126,989
Total current liabilities		12,093,078	11,857,999
Total liabilities		12,093,078	11,857,999
Total shareholders' funds and liabilities		25,080,281	26,870,726

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 2024

	<u>Notes</u>	<u>(in US Dollars)</u>	
		<u>For the year ended</u> <u>31.03.2024</u>	<u>31.03.2023</u>
Sales		29,141,526	41,760,230
Less: cost of sales		17,740,902	27,727,772
Gross Profit		<u>11,400,624</u>	<u>14,032,458</u>
<u>Operating Expenses</u>			
Salaries & benefits		2,773,319	3,092,343
Administration and selling	12	9,350,372	5,872,677
Amortisation of preliminary expenses		-	7,041
Finance cost		16,408	5,085
Taxes		298,246	587,288
Depreciation		191,758	146,515
		<u>12,630,103</u>	<u>9,710,949</u>
<u>Other comprehensive income</u>			
A (i) Items that will not be reclassified to profit or loss in subsequent period			
Exchange differences on translation of foreign operations		(796,045)	(220,655)
NET (LOSS)/PROFIT FOR THE YEAR		<u>(2,025,524)</u>	<u>4,100,854</u>

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 2024

	<u>Notes</u>	<u>31.03.2024</u>	<u>(In US Dollars)</u> <u>31.03.2023</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Net (loss)/profit for the year		(2,025,524)	4,100,854
Depreciation		191,758	146,515
Amortisation of preliminary expenses		-	7,041
Operating (loss)/profit before working capital		<u>(1,833,766)</u>	<u>4,254,410</u>
<u>Changes in working capital</u>			
(Increase) in accounts receivable		(323,890)	(2,728,468)
Decrease/(increase) in inventories		3,406,830	(134,362)
(Increase)/decrease in other current assets		(203,386)	144,884
(Decrease) in current loan		(90,749)	(104,366)
(Decrease) in income tax assets		(157,418)	(90,068)
(Decrease)/increase in accounts payable		(207,813)	135,871
Increase/(decrease) in current loans		338,638	(119,181)
Increase/(decrease) in other current liabilities		104,254	(202,751)
Net Cash received from operating activities	(A)	<u>1,032,700</u>	<u>1,155,969</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Preliminary expenses		-	(7,041)
Purchase of fixed assets & brands		(104,445)	(726,854)
Net Cash (used in) investing activities	(B)	<u>(104,445)</u>	<u>(733,895)</u>
Net increase in Cash and cash equivalents	(A+B)	928,255	422,074
Cash and cash equivalents - beginning of the year		1,258,502	836,428
Cash and cash equivalents - end of the year	13	<u>2,186,757</u>	<u>1,258,502</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 2024

(In US Dollars)

	Share Capital	Retained Earnings	Other Equity	Total
Balance as on 1 April 2022	1,498,638	8,313,872	1,099,363	10,911,873
Net profit for the year	-	4,100,854	-	4,100,854
Transferred during the year	1,099,363	-	(1,099,363)	-
Balance as on 31 March 2023	2,598,001	12,414,726	-	15,012,727
Net (loss) for the year	-	(2,025,524)	-	(2,025,524)
Balance as on 31 March 2024	2,598,001	10,389,202	-	12,987,203

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 2024

(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 & 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** have been prepared on the basis of audited financials of Balaxi Global DMCC and limited review reports of the subsidiaries which 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.

31.03.2024

4. PLANT, PROPERTY AND EQUIPMENT

This item consists of the following :

	<u>Vehicles</u>	<u>Improvement to Premises</u>	<u>Furniture, Computers & Equipment</u>	<u>Trade Marks</u>	<u>Total</u>
<u>Cost</u>					
As on 1 April 2023	690,824	18,522	80,352	71,250	860,948
Additions	361,972	-	23,280	71,250	456,502
Adjustments	25,133	(299)	2,106	-	26,940
As at 31 March 2024	<u>1,077,929</u>	<u>18,223</u>	<u>105,738</u>	<u>142,500</u>	<u>1,344,390</u>
<u>Less: Depreciation</u>					
Upto 31 March 2023	182,963	14,451	29,377	4,204	230,995
For the year	141,711	3,256	15,928	4,204	165,099
Adjustments	24,520	(179)	2,318	-	26,659
Upto 31 March 2024	<u>349,194</u>	<u>17,528</u>	<u>47,623</u>	<u>8,408</u>	<u>422,753</u>
<u>Net Book Value</u>					
As at 31 March 2024	<u>728,735</u>	<u>695</u>	<u>58,115</u>	<u>134,092</u>	<u>921,637</u>
As on 31 March 2023	<u>507,861</u>	<u>4,071.00</u>	<u>50,975</u>	<u>67,046</u>	<u>629,953</u>

	<u>31.03.2024</u>	<u>31.03.2023</u>
5. <u>ACCOUNTS RECEIVABLES & PREPAYMENTS</u>		
This item consists of the following :		
a) This item consists of the following :		
Trade Debtors - Note 5(b)	6,683,275	6,359,385
Total	<u>6,683,275</u>	<u>6,359,385</u>
b) <u>Trade Debtors</u>		
<u>Ageing of Trade Debtors :</u>		
Due for less than 90 days	4,238,529	4,992,117
Due for more than 90 days	2,444,746	1,367,268
Total - Note 5 (a)	<u>6,683,275</u>	<u>6,359,385</u>
6. <u>CASH & BANK BALANCES</u>		
This item consists of the following :		
Cash on hand	213,757	118,703
Cash at a bank - Current account	1,973,000	1,139,799
Total	<u>2,186,757</u>	<u>1,258,502</u>
7. <u>OTHER CURRENT ASSETS</u>		
This item consists of the following :		
Prepayments	236,122	459,688
Deposits	33,740	30,182
Staff advance	7,655	4,908
Tax refund receivables	111,022	81,729
Other advances	447,485	56,131
Total	<u>836,024</u>	<u>632,638</u>
8. <u>CURRENT LOAN</u>		
This item consists of the following :		
Due from others	264,752	174,003
Total	<u>264,752</u>	<u>174,003</u>

	<u>31.03.2024</u>	<u>31.03.2023</u>
9. <u>ACCOUNTS PAYABLE & ACCRUALS</u>		
This item consists of the following :		
Trade creditors	11,146,953	11,335,005
Accrued expenses	270,386	290,147
Total	<u>11,417,339</u>	<u>11,625,152</u>
10. <u>CURRENT LOANS</u>		
This item consists of the following :		
Loan from related party	1,769	-
Loan from others	442,727	105,858
Total	<u>444,496</u>	<u>105,858</u>
11. <u>OTHER CURRENT LIABILITES</u>		
This item consists of the following :		
Accrued expenses	61,691	-
Taxes payable	169,552	126,989
Total	<u>231,243</u>	<u>126,989</u>

	For the year	
	31.03.2024	31.03.2023
12. ADMINISTRATION AND SELLING EXPENSES		
This item consists of the following :		
Rent	952,412	1,229,950
Legal & professional fees	411,059	360,933
Bank charges	117,294	102,927
Visa expenses	32,365	29,647
Travelling & accommodation expenses	231,065	277,933
Vehicle expenses	190,201	381,733
Telephone & electricity charges	46,528	43,659
Insurance Charges	35,960	20,936
Security expenses	108,782	176,292
Business promotion expenses	62,982	78,366
Printing & Stationery	75,978	81,363
Transportation and courier expenses	519,195	1,208,880
Foreign exchange losses	5,234,176	492,431
Miscellaneous expenses	1,332,375	1,387,627
Total	<u>9,350,372</u>	<u>5,872,677</u>

	31.03.2024	31.03.2023
13. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the Statement of Cash Flows comprises of the following balance		
Cash & bank Balances	2,186,757	1,258,502
Total	<u>2,186,757</u>	<u>1,258,502</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:

Salary to the manager	<u>238,910</u>	<u>218,077</u>
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31.03.202431.03.2023**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 2024 were as follows:

Financial assets in foreign currencies

Trade debtors	-	6,359,384
Cash & bank balance	<u>108,584</u>	<u>1,254,004</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.

For BALAXI GLOBAL DMCC


MANAGER