

**FINANCIAL STATEMENTS OF
BALAXI GLOBAL DMCC
DUBAI - U.A.E.
FOR THE YEAR ENDED
31 MARCH 2025**

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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 financial statements ("the financial statements") of **M/s. BALAXI GLOBAL DMCC**, Dubai (the "Company") which comprise the statement of financial position as at **31st March 2025**, and the statement of profit and loss, 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 2025 and its financial performance and cash flows for the year ended 31 March 2025, 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 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 2025

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 2025

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.

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

Al Rammahi Auditing

**MR. MOHAMADALLY ISMAIL LADHA
PARTNER**

Registration No.615

Date: 15 May 2025



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

STATEMENT OF FINANCIAL POSITION
As at 31 March 2025

ASSETS EMPLOYED	Notes	31.03.2025	(in US Dollars) 31.03.2024
Non-Current Assets			
Tangible fixed assets	4	3,636	2,634
Investment in subsidiaries/group companies	5	1,659,153	1,662,789
Total non-current assets		1,662,789	1,665,423
Current Assets			
Accounts receivables	6	19,641,943	16,417,150
Bank balances	7	35,327	195,561
Other current assets	8	8,295	10,020
Current loans	9	951,686	1,113,517
Total current assets		20,637,251	17,736,248
Total assets		22,300,040	19,401,671
SHAREHOLDERS' FUNDS AND LIABILITIES			
Shareholders' funds			
Share Capital		3,196,612	2,598,001
Retained earnings		11,635,918	11,532,104
Total shareholders' funds		14,832,530	14,130,105
Current liabilities			
Accounts payable and accruals	10	4,981,296	4,838,522
Current loans	11	139	433,044
Total current liabilities		4,981,435	5,271,566
Non current liabilities			
Unsecured loans		2,486,075	-
Total non current liabilities		2,486,075	-
Total liabilities		7,467,510	5,271,566
Total shareholders' funds and liabilities		22,300,040	19,401,671

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 2025

Notes

(in US Dollars)

		For the year ended 31.03.2025	For the year ended 31.03.2024
Sales		11,415,834	12,469,056
Less: cost of sales		9,384,061	10,195,174
Gross Profit		2,031,773	2,273,882
<u>Operating Expenses</u>			
Salaries & benefits		907,077	827,709
Finance cost		100,581	10,801
Administration and selling	12	430,771	492,795
Loss on sale of investment		3,636	-
Bad debts and advances written off		484,076	-
Depreciation		1,818	1,505
		1,927,959	1,332,810
NET PROFIT FOR THE YEAR		103,814	941,072

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 2025

	Notes	31.03.2025	(in US Dollars) 31.03.2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year		103,814	941,072
Adjustments for			
Depreciation		1,818	1,505
Prior year adjustments		-	2,490
Operating profit before working capital		105,632	945,067
Changes in working capital			
(Increase)/decrease in accounts receivable		(3,224,793)	775,387
Decrease in other current assets		1,725	6,017
Decrease/(increase) in current loan		161,831	(78,956)
Increase/(decrease) in accounts payable and accruals		142,774	(1,952,138)
(Decrease)/increase in current loans		(432,905)	433,044
Net Cash (used in)/received from operating activities	(A)	(3,245,736)	128,421
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of fixed assets		(2,820)	-
Proceeds on sale of investments		3,636	-
Net Cash received from investing activities	(B)	816	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Share capital introduced		598,611	-
Unsecured loan received		2,486,075	-
Net Cash received from financing activities	(C)	3,084,686	-
Net (decrease)/increase in Cash and cash equivalents	(A+B+C)	(160,234)	128,421
Cash and cash equivalents - beginning of the year		195,561	67,140
Cash and cash equivalents - end of the year	13	35,327	195,561

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 2025

(in US Dollars)

	Share Capital	Retained Earnings	Total
Balance as on 1 April 2023	2,598,001	10,588,542	13,186,543
Net profit for the year	-	941,072	941,072
Prior year adjustments	-	2,490	2,490
Balance as on 31 March 2024	2,598,001	11,532,104	14,130,105
Introduced during the year	598,611	-	598,611
Net profit for the year	-	103,814	103,814
Balance as on 31 March 2025	3,196,612	11,635,918	14,832,530

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 2025

(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.

Name of the shareholder	Nationality	Share in Capital/Profit & Losses
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.

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 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Cost is depreciated on straight line basis over a period of four 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.

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.



NOTES TO THE FINANCIAL STATEMENTS

	<u>31.03.2025</u>	<u>31.03.2024</u>
4. TANGIBLE FIXED ASSETS		
This item consists of the following :		
<u>Furniture & equipments</u>		
<u>Cost</u>		
As at 1 April 2024	4,515	4,515
Additions during the year	2,820	-
As at 31 March 2025	<u>7,335</u>	<u>4,515</u>
<u>Less: Depreciation</u>		
Upto 31 March 2024	1,881	376
For the year	1,818	1,505
Upto 31 March 2025	<u>3,699</u>	<u>1,881</u>
<u>Net Book Value</u>		
As at 31 March 2025	<u>3,636</u>	<u>2,634</u>
As at 31 March 2024	<u>2,634</u>	<u>4,139</u>
5. INVESTMENT IN SUBSIDIARIES/GROUP COMPANIES		
This item consists of the following :		
1. 990 Shares in M/s. Balaxi Healthcare Guatemala, Sociedad Anonima	515,000	515,000
2. 99 Shares in M/s. Balaxi Health Care Dominica SRL	14,564	14,564
3. 99% Shares in M/s. Balaxi Healthcare Angola LDA	1,117,589	1,117,589
4. 99% Shares in M/s. Balaxi Healthcare Centrafrique SARL	-	3,636
5. 99% Shares in M/s. Balaxi Healthcare El Salvador SA DE	2,000	2,000
6. 99% Shares in M/s. Balaxi Healthcare Honduras S DE R L DE C V	10,000	10,000
Total	<u>1,659,153</u>	<u>1,662,789</u>



NOTES TO THE FINANCIAL STATEMENTS**6. ACCOUNTS RECEIVABLES & PREPAYMENTS**

This item consists of the following :

	<u>31.03.2025</u>	<u>31.03.2024</u>
a) This item consists of the following :		
Trade Debtors - Note 5(b)	19,641,943	16,417,150
Total	<u>19,641,943</u>	<u>16,417,150</u>
b) Trade Debtors		
(i) Ageing of Trade Debtors :		
Due for less than 90 days	6,030,624	4,480,923
Due for more than 90 days	13,611,319	11,936,227
Total - Note 5 (a)	<u>19,641,943</u>	<u>16,417,150</u>
(ii) No. of trade debtors at the year end	<u>6</u>	<u>6</u>
(iii) Due from subsidiaries	<u>17,192,537</u>	<u>16,417,150</u>

7. BANK BALANCES

This item consists of the following :

Cash at a bank - Current account	35,327	195,561
Total	<u>35,327</u>	<u>195,561</u>

8. OTHER CURRENT ASSETS

This item consists of the following :

Prepayments	8,295	10,020
Total	<u>8,295</u>	<u>10,020</u>

9. CURRENT LOAN

This item consists of the following :

Due from related parties	798,438	1,003,029
Due from others	153,248	110,488
Total	<u>951,686</u>	<u>1,113,517</u>



NOTES TO THE FINANCIAL STATEMENTS

	<u>31.03.2025</u>	<u>31.03.2024</u>
10. ACCOUNTS PAYABLE & ACCRUALS		
This item consists of the following :		
Trade creditors	4,881,041	4,756,543
Accrued expenses	100,255	81,979
Total	<u>4,981,296</u>	<u>4,838,522</u>
11. CURRENT LOANS		
This item consists of the following :		
Advance against Letter of credits	-	433,044
Loan from manager	139	-
Total	<u>139</u>	<u>433,044</u>
	For the year	
12. ADMINISTRATION AND SELLING EXPENSES	<u>31.03.2025</u>	<u>31.03.2024</u>
This item consists of the following :		
Rent	30,507	16,341
Legal & professional fees	99,927	108,736
Bank charges	4,869	8,599
Visa expenses	32,610	32,365
Travelling & accommodation expenses	156,399	183,299
Vehicle expenses	9,482	11,226
Telephone & electricity charges	10,806	18,874
Miscellaneous expenses	86,171	113,355
Total	<u>430,771</u>	<u>492,795</u>
	<u>31.03.2025</u>	<u>31.03.2024</u>
13. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the Statement of Cash Flows comprises of the following		
Bank Balances	35,327	195,561
Total	<u>35,327</u>	<u>195,561</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:		
Due from related parties		
Balaxi Healthcare Centrafrique	260,856	289,416
Balaxi Healthcare El Salvador, S.A.	314,552	353,502
Balaxi Healthcare Honduras	<u>340,136</u>	<u>340,136</u>



NOTES TO THE FINANCIAL STATEMENTS

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<u>Transactions with related parties (Cont'd)</u>	<u>31.03.2025</u>	<u>31.03.2024</u>
Due from subsidiaries for sale of goods	<u>17,192,537</u>	<u>16,417,150</u>
Sales of goods to related parties	<u>11,415,834</u>	<u>12,469,056</u>
Purchase of goods from related parties	<u>9,384,061</u>	<u>10,195,174</u>
Salary to the manager	<u>218,077</u>	<u>238,910</u>

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 2025 were as follows:

Financial assets in foreign currencies

Bank balance	<u>4,498</u>	<u>108,584</u>
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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


