

**BIOCON FZ-LLC
DUBAI DEVELOPMENT AUTHORITY,
DUBAI, UNITED ARAB EMIRATES**

**INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026**

**BIOCON FZ-LLC
DUBAI DEVELOPMENT AUTHORITY,
DUBAI, UNITED ARAB EMIRATES**

**INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026**

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INDEPENDENT AUDITOR'S REPORT

The Shareholder
Biocon FZ-LLC
Dubai
United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Biocon FZ-LLC (the "Company"), which comprise the statement of financial position as at March 31, 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2026, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and in compliance with applicable provisions of the Articles of Association of the Company and the rules and regulations of the Dubai Development Authority, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance is responsible for overseeing the Company's financial reporting

Auditor's Responsibilities for the Audit of the Financial Statements

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 misstatement 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 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.

We communicate with the Director 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 Legal and Regulatory Requirements

We also confirm that, in our opinion, the financial statements of the Company have been properly prepared, in all material respects, in accordance with the applicable provisions of the rules and regulations of the Dubai Development Authority and, based on the information that has been made available to us during our audit of the financial statements of the Company for the year ended March 31, 2026, nothing has come to our attention that causes us to believe that the activities undertaken by the Company and as disclosed in note 1 to these financial statements, are not significantly different from the activities mentioned in the license issued to the Company by Dubai Development Authority.

M & M Al Menhali Auditing,



sd/-

Mr. Mabkhoot Al Menhali
Auditors' Registration No: 262
Dubai, United Arab Emirates.

May 7, 2026

BIOCON FZ- LLC

DUBAI, U.A.E

Statement of financial position

As at March 31, 2026

(In Arab Emirates Dirhams)

	<i>Notes</i>	March 31,	
		2026	2025
Assets			
Non-current assets			
Property, plant and equipment	8	14,648	-
Right of use	9	158,580	277,514
Advance against intangible asset		193,934	193,934
Total non current assets		367,162	471,448
Current assets			
Trade and other receivables	10	11,694,246	12,059,862
Inventories	11	91,656	330,668
Cash and cash equivalents	12	5,382,354	4,409,757
Total current assets		17,168,256	16,800,287
Total assets		17,535,418	17,271,735
Equity and liabilities			
Equity			
Share capital		150,000	150,000
Retained earnings		10,649,572	10,417,875
Total equity		10,799,572	10,567,875
Non current liabilities			
Lease liability	9	37,385	153,805
Provision for employees' end of service benefits	13	981,208	416,766
Total non current liabilities		1,018,593	570,571
Current liabilities			
Lease liability	9	116,418	119,412
Trade and other payables	14	5,600,835	6,013,877
Total current liabilities		5,717,253	6,133,289
Total liabilities		6,735,846	6,703,860
Total equity and liabilities		17,535,418	17,271,735

The accompanying notes form an integral part of these financial statements.

Auditor's Report dated May 7, 2026 is set out on page 2 to 4.

The financial statements were approved and authorized for issue by the board of directors on May 7, 2026 and were signed on its behalf by:

sd/-

Director

Director

BIOCON FZ- LLC
DUBAI, U.A.E

Statement of profit or loss and other comprehensive income

For the year ended March 31, 2026

(In Arab Emirates Dirhams)

		For the year ended March 31,	
	<u>Notes</u>	2026	2025
Revenue	16	13,451,902	12,064,740
Cost of revenue	17	(6,938,220)	(5,714,302)
Gross profit		6,513,682	6,350,438
General and administrative expenses	18	(7,490,473)	(3,071,788)
Depreciation	8	(1,922)	-
Amortization	9	(118,934)	(102,425)
Total operating expenses		(7,611,329)	(3,174,213)
Profit from operating activities		(1,097,647)	3,176,225
Finance charges	19	(12,240)	(6,859)
Exceptional items		(260,000)	-
Other income	20	1,601,584	1,052,603
Profit for the year before tax		231,697	4,221,969
Tax expense	21	-	(379,977)
Profit after tax		231,697	3,841,992
Other comprehensive income		-	-
Total comprehensive income for the year		231,697	3,841,992

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sd/-

Director

Director



BIOCON FZ- LLC
DUBAI, U.A.E

Statement of changes in equity
For the year ended March 31, 2026

(In Arab Emirates Dirhams)

	Share capital	Retained earnings	Total
Balance at March 31, 2024	150,000	6,575,884	6,725,884
a. Profit for the year	-	3,841,992	3,841,992
Balance at March 31, 2025	150,000	10,417,875	10,567,875
a. Profit for the year	-	231,697	231,697
Balance at March 31, 2026	150,000	10,649,572	10,799,572

The accompanying notes form an integral part of these financial statements.

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sd/-

Director

Director



BIOCON FZ- LLC

DUBAI, U.A.E

Statement of cash flows

For the year ended March 31, 2026

(In Arab Emirates Dirhams)

		For the year ended March 31,	
		2026	2025
Cash flows from/(used in) operating activities:	<i>Notes</i>		
Profit for the year before tax		231,697	4,221,969
Provision for employees' service end benefit	13	564,442	190,941
Provision for corporate tax		-	(379,978)
Depreciation	8	1,922	-
Amortization on right of use	9	118,934	113,053
Interest accrual		12,240	6,859
Operating cash flows before movements in working capital		929,235	4,152,844
Changes in working capital			
(Increase) in trade and other receivables		365,616	(4,593,799)
Decrease in inventories		239,012	72,816
(Decrease) in trade and other payables		(413,042)	(7,394,044)
Net Cash flows from/(used in) operating activities		1,120,821	(7,762,183)
Cash flows from/(used in) investing activities:			
Purchase of Property, plant and equipment		(16,570)	-
Acquisition of right of use asset		-	-
Advance against intangible asset		-	(96,887)
Net Cash flows (used in) investing activities		(16,570)	(96,887)
Cash flows from/(used in) financing activities:			
Repayment of lease liability		(131,654)	(134,544)
Net cash flows from/(used in) financing activities		(131,654)	(134,544)
Net Increase/(Decrease) in cash and cash equivalents		972,597	(7,993,614)
Cash and cash equivalents, beginning of the year		4,409,757	12,403,371
Cash and cash equivalents, end of the year	12	5,382,354	4,409,757
Represented by:			
Bank Balances		5,382,354	4,409,757
		5,382,354	4,409,757

The accompanying notes form an integral part of these financial statements.

Auditor's Report dated May 7, 2026 is set out on page 2 to 4.

The financial statements were approved and authorized for issue by the board of directors on May 7, 2026 and were signed on its behalf by:

sd/-

Director

Director



Notes to the financial statements
For the year ended March 31, 2026

1. LEGAL STATUS & ACTIVITIES:

- a) **Biocon FZ-LLC** ("the Company") is registered with Dubai Development Authority (earlier known as Dubai Creative Clusters Authority) as a Free Zone Company with Limited Liability and operates under the License No. 93004 originally issued on June 16, 2015 (current issue date is August 01, 2021).
- b) The Company is engaged in marketing & sales promotion, representative office including providing support service.
- c) The reporting date of Biocon FZ-LLC is March 31, 2026.
- d) The registered office is in Premises: DSP- HQ Complex -707 N, Dubai Science Park, Dubai, U.A.E.
- e) Authorised, issued and paid-up capital of the Company is AED 150,000 divided in to 150 shares of AED 1,000 each fully paid and held by the shareholder,

Name of the Shareholders	Nominal Value	No of shares	Value in AED	Incorporation
Biocon Limited	1,000	150	150,000	India
Total	1,000	150	150,000	

2. BASIS OF PREPARATION

2.1 Basis of accounting

The financial statements of the entity are prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), and comply, the requirements of rules and regulations of Dubai Development Authority.

The financial statements have been prepared under the historical cost convention, except for derivative financial instruments that have been measured at fair value.

2.2 Authorization date

Authorization date is that on which the financial statements are authorized and approved by the management. The authorization date of Biocon FZ-LLC is May 7, 2026.

2.3 Currency

The financial statements are presented in Arab Emirates Dirham ("AED"), which is the functional and presentation currency of the Company.

2.4 Application of new and revised International Financial Reporting Standards (IFRS)

The following new and revised IFRS, which became effective for annual periods beginning on or after January 01, 2025, have been adopted in these financial statements.

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangement

Notes to the financial statements

For the year ended March 31, 2026

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants Amendments to IAS 1

The application of these revised IFRSs has no material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

New and amended IFRS standards in issue but not yet effective and not early adopted

Classification and Measurement of Financial Instruments- Amendments to IFRS 9 and IFRS 7 (The amendments will be effective for annual reporting periods beginning on or after 1 January 2026.

Gain or Loss on Derecognition- IFRS 7 Financial Instruments: Disclosures (The amendments will be effective for annual reporting periods beginning on or after 1 January 2026.

Transaction Price- IFRS 9 Financial Instruments (The amendments will be effective for annual reporting periods beginning on or after 1 January 2026

IFRS 18 Presentation and Disclosure in Financial Statements (The amendments will be effective for annual reporting periods beginning on or after 1 January 2027.

Management anticipates that these new standards and amendments will be adopted in Company's financial statements as and when they are applicable and adoption of these new standards and amendments, may have no material impact on the financial statements of the Company in the period of initial application.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Revenue from contracts with customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company is in the business of marketing & sales promotion, import and re-export and storage of pharmaceuticals including providing support service as described in note 1 of the financial statements. The products are generally sold on their own in separately identified contracts with customers.

Notes to the financial statements

For the year ended March 31, 2026

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amounts of replaced parts are derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method and the cost or revalued amount is allocated to its residual value using its estimated useful life as follows:

Computers	3 years
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within profit or loss.

3.3 Inventories

Inventories are assets held for sale in ordinary course of business, in the process of production for sale or in the form of materials or supplies.

Inventories are measured at lower of the cost or net realisable value (NRV), after making due allowance for any obsolete or slow moving items. Cost is determined on weighted average cost basis and it consists of the aggregate of purchase price and other related expenses incurred to bring the inventories to their present location and condition. Net realisable value is based on estimated selling price less any further costs expected to incur on disposal. For those inventories sold the carrying value is expensed.

Inventories are impaired if damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. Inventories are written down to net realizable value item by item.

3.4 Leases

The Company assesses whether contracts are or contain a lease, as inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Notes to the financial statements

For the year ended March 31, 2026

Lease payments included in the measurement of the lease liability comprise.

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are amortised over the shorter period of lease term and useful life of the underlying asset. The amortisation starts at the commencement date of the lease.

The term of the lease of office premise is 3 years from contract dated August 01, 2024.

The right-of-use of assets are presented as a separate line in the statement of financial position. The Company applies IAS36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the statement of profit or loss.

As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

Notes to the financial statements

For the year ended March 31, 2026

3.5 Provision for employees' end of service benefit

The Company provides end-of service benefits to its employees on the basis prescribed under the United Arab Emirates (UAE) labour laws.

The end of service entitlement is usually depended on the employees' final basic salary and the length of service subject to the completion of the minimum service period. The expected costs of these benefits are accrued over the period of employment and the benefits are paid to employees on termination or completion of their term of employment.

In practice, IAS 19 Employee Benefits is not applied to certain end-of-service benefits because of the costs and lack of actuarial data and resources. While this practice is not consistent with IAS 19, the treatment is accepted in practice because the effect is not material.

Provision is also made for the estimated liability for employees' unused entitlements to annual leave as a result of services rendered by eligible employees up to the reporting date.

The provision relating to annual leave is disclosed as a current liability, while that relating to end of service benefits is disclosed as a non-current liability.

The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are unlikely to have significant impacts.

3.6 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

3.7 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined

Notes to the financial statements

For the year ended March 31, 2026

had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.8 Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

A. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Amortised cost

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, cash and bank balances, due from a related party and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Notes to the financial statements

For the year ended March 31, 2026

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Company employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Notes to the financial statements

For the year ended March 31, 2026

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

B. Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.9 Value-added Tax (VAT)

Expenses, and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or
- When receivables and payables, amounts are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Notes to the financial statements

For the year ended March 31, 2026

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant impact on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

4.1 Critical accounting judgments

Revenue from contracts with customers

The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

**Identifying performance obligation*

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. The Company has concluded that its performance obligations are limited to the business of marketing & sales promotion, import and re-export and storage of pharmaceuticals including providing support service for which each of the performance obligation is separately identified in each contract with the respective agreed prices.

**Determining the timing of satisfaction of sale of goods*

Revenue from deliveries of goods to customers is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of products.

**Determining the timing of service income*

The Company recognises revenue from the service income at the time of completion of the performance of such services and acceptance by the customer.

**Allocation of transaction to separate performance obligations*

The Company allocates the transaction price to separate performance obligations as per the input costs of each performance obligation as at the date of the contract to the overall costs of provisioning the goods and services to the customer. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, i.e. the impact of price and volume based discounts to be provided to the customers.

**Consideration of significant financing component in a contract*

The Company has concluded that there is no element of financing deemed to be present in its contract with the customers as the goods are sold on credit terms of 60 days, which is consistent with the market practice. All the performance obligations are satisfied within the normal operating cycle of the Company.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Notes to the financial statements

For the year ended March 31, 2026

Geopolitical Risk Assessment

During March 2026, regional geopolitical tensions escalated following military actions in certain parts of the Middle East. Management assessed the potential impact of these developments on the Company's operations, supply chain, and asset values. Based on information available as of March 31, 2026, no indicators of impairment, provisions, or other adjustments to the financial statements were identified. Management continues to monitor developments closely.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). For calculation of IBR, the Company has taken the borrowing rate as on the transition date and the rate is adjusted for Company's specific risk, term risk and underlying asset risk.

Calculation of loss allowance

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Useful life of property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on estimates for expected usage of the asset and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

Impairment of property, plant and equipment

The Company reviews its property, plant and equipment to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be recorded in the statement of profit or loss and other comprehensive income the Company makes judgment as to whether there is any observable data indicating that there is a reduction in the carrying value of property, plant and equipment. Accordingly, provision for impairment is made when there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property, plant and equipment.

5. FINANCIAL STATEMENTS – RISK MANAGEMENT

Generally, the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Foreign currency risk management

Notes to the financial statements

For the year ended March 31, 2026

- Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company's Manager has overall responsibility and oversight of the Company's risk management framework. The Company's risk management framework is a combination of formally documented policies in certain areas and informal approach to risk management in others.

The Company's approach to risk management is established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and its activities:

a. Credit risk management

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations; it arises principally from the Company's receivables from customers, other receivables and balances with bank. The Company has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counter-parties, and continually assessing the creditworthiness of such non-related counter-parties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the Central Bank of the U.A.E.

Concentration of credit risk arise when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. At March 31, 2026, there are two customers accounted for outstanding trade receivables. All the balances with banks represent balances deposited at local commercial banks.

The amount that best represents its maximum credit risk exposure at the end of their reporting period, in the event counter parties fail to perform their obligations under financial instruments generally approximates their carrying value. Trade and other receivables and balances with banks are not secured by any collateral.

b. Foreign currency risk management

The Group's currency risk exposure relates to the exposure to the fluctuations in the foreign currency rates. There is no significant impact on USD as the UAE Dirham is pegged to the USD.

c. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk mainly relates to payables to suppliers.

The Company approaches to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risks through, banking facilities and borrowing facilities, by continuously forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Notes to the financial statements

For the year ended March 31, 2026

The Company currently has sufficient asset to meet expected operational expenses, including the servicing of financial obligations.

As at the reporting period, the contract maturity of financial liabilities are as follows:

2025-26		
Financial Liabilities	Less than 180 days	More than 180 days
Trade and other payables	5,600,835	-
Total Financial Liabilities	5,600,835	-
2024-25		
Financial Liabilities	Less than 180 days	More than 180 days
Trade and other payables	6,013,877	-
Total Financial Liabilities	6,013,877	-

6. CAPITAL MANAGEMENT POLICIES

The primary objective of capital management is to ensure that the Company maintains a healthy capital ratio in order to support its business and maximise shareholder's value. The Company manages its capital structure and makes adjustments to it, in light of changes in business conditions. No changes were made to the objectives, policies or processes during the years ended March 31, 2026 and March 31, 2025. Capital comprises share capital and retained earnings and total equity is measured at AED 10,779,572 as on March 31, 2026 (2024-25: AED 10,567,875).

7. CORPORATION TAX

On December 09, 2022, the UAE Ministry of Finance ("MOF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No.116/2022 effective from January 2023, has confirmed the threshold of income over which the 9% tax rate would apply, and the Law is considered to be substantively enacted.

A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

As highlighted by Ministry of Finance in UAE, the Companies established within the UAE's Free Zones will be subject to new CT regime; however, CT regime should honour CT holiday/ 0% taxation offered to free zone companies, provided that they comply with all conditions set out in Article 18 of Corporate Tax (CT Law).

BIOCON FZ- LLC

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Notes to the financial statements

For the year ended March 31, 2026

(In Arab Emirates Dirhams)

8 Property, plant and equipment

	<u>Computers</u>	<u>Total</u>
Cost:		
At April 01, 2025	-	-
Additions during the year	16,570	16,570
At March 31, 2026	<u>16,570</u>	<u>16,570</u>
Accumulated Depreciation:		
At April 01, 2025	-	-
Depreciation for the year	1,922	1,922
At March 31, 2026	<u>1,922</u>	<u>1,922</u>
Net book value:		
At March 31, 2026	<u>14,648</u>	<u>14,648</u>

BIOCON FZ- LLC

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Notes to the financial statements

For the year ended March 31, 2026

(In Arab Emirates Dirhams)

9 Right of use asset and lease liabilities

	March 31,	
	2026	2025
Right of use asset		
Cost:		
At beginning of the year	660,672	303,867
Additions during the year	-	356,805
At the end of the year	660,672	660,672
Amortisation:		
At beginning of the year	383,158	270,105
Depreciation for the year	118,934	113,053
At the end of the year	502,092	383,158
Net book value:		
At the end of the year	158,580	277,514
Lease liabilities		
At beginning of the year	273,217	44,097
Interest expenses	12,240	6,859
Additions	-	356,805
Payments	(131,654)	(134,544)
At the end of the year	153,803	273,217
Current	116,418	119,412
Non current	37,385	153,805

10 Trade and other receivables

	March 31,	
	2026	2025
Trade receivables	11,052,924	11,830,401
Provision for doubtful debts	(3,550)	(3,550)
Prepayments	188,966	101,851
Deposits	144,984	131,160
Advance to suppliers	310,922	
	11,694,246	12,059,862

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

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Notes to the financial statements

For the year ended March 31, 2026

(In Arab Emirates Dirhams)

Ageing Analysis

	March 31,	
	2026	2025
Neither due nor impaired	6,973,091	8,780,138
Less than 180 days	1,649,236	1,748,878
More than 180 days	2,430,597	1,301,385
Less: Provision for doubtful debts	(3,550)	(3,550)
	11,049,374	11,826,851

11 Inventories

	March 31,	
	2026	2025
Inventories	91,656	330,668
	91,656	330,668

12 Cash and cash equivalents

	March 31,	
	2026	2025
Bank balances	5,382,354	4,409,757
	5,382,354	4,409,757

The carrying value of bank balances approximates fair value. The Company's bank accounts are placed with high credit quality financial institutions.

13 Provision for employees' end of service benefits

	March 31,	
	2026	2025
Balance at beginning of the year	416,766	225,825
Add: Provision for the year	564,442	190,941
	981,208	416,766

14 Trade and other payables

	March 31,	
	2026	2025
Trade payable	4,798,540	5,189,586
Staff payables	705,992	394,625
Provision for Tax	32,222	379,977
Accruals	64,081	49,689
	5,600,835	6,013,877

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

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Notes to the financial statements

For the year ended March 31, 2026

(In Arab Emirates Dirhams)

15 Transactions with related parties

Amount due from related parties- included in trade receivables

	March 31,	
	2026	2025
Biocon Pharma Limited	94,976	-
Biocon Biologics FZ LLC	18,475	18,475
Biocon Limited	2,648,353	2,120,943
	2,761,804	2,139,418
Due within 1 year	2,761,804	2,139,418
Due after 1 year		

Amount due to related parties- included in trade payables

	March 31,	
	2026	2025
NeoBiocon FZ- (L.L.C)	282,743	1,352,533
Biocon SDN BHD	1,115,336	403,891
Biocon Limited	145,869	948
Biocon Pharma Limited	-	209,445
	1,543,948	1,966,817
Due within 1 year	1,543,948	1,966,817
Due after 1 year		

Transactions during the year are as follows:

Purchases & Expenses

NeoBiocon FZ- (L.L.C)	77,700	10,392
Biocon SDN BHD	1,115,336	403,819
Biocon Limited	145,869	955
Biocon Pharma Limited	-	227,151

Service income & others

NeoBiocon FZ- (L.L.C)	-	783,889
Biocon Pharma Limited	3,916	13,596
Biocon Biologics Limited	-	17,795
Biocon Limited	1,597,668	1,048,574

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Notes to the financial statements

For the year ended March 31, 2026

(In Arab Emirates Dirhams)

16 Revenue	For the year ended March 31,	
	2026	2025
Sales	13,451,902	12,064,740
	13,451,902	12,064,740

Set out below is the disaggregation of the Company's revenue on the basis of products :

	For the year ended March 31,	
	2026	2025
Type of products		
Pharmacies medicines	13,451,902	12,064,740
	13,451,902	12,064,740

Geographical markets

United Arab Emirates	13,451,902	12,064,740
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17 Cost of revenue	For the year ended March 31,	
	2026	2025
Purchases during the year	6,938,220	5,714,302
	6,938,220	5,714,302

18 General and administrative expenses	For the year ended March 31,	
	2026	2025
Salary and other related benefits	5,808,274	1,515,608
Sales promotion expenses	1,194,729	1,153,781
Rates and fees	127,485	211,823
Transportation Expenses	141,517	127,287
Legal and professional charges	46,346	18,000
Communication expense	116,581	15,570
Bank charges	21,835	13,165
Office Expenses	11,126	4,362
Forex loss	22,580	12,192
	7,490,473	3,071,788

BIOCON FZ- LLC

DUBAI, U.A.E

Notes to the financial statements

For the year ended March 31, 2026

(In Arab Emirates Dirhams)

19 Finance charges

	For the year ended March 31,	
	2026	2025
Interest on Lease liability	12,240	6,859
	12,240	6,859

20 Other income

	For the year ended March 31,	
	2026	2025
Service income	1,601,584	1,052,603
	1,601,584	1,052,603

21 Tax expense

Company calculates the corporate tax expense using the tax rate that would be applicable to the total earnings. The major components of corporate tax expense in the statement of profit or loss and other comprehensive income are :

	For the year ended March 31,	
	2026	2025
Corporate taxes:		
Current corporate tax expense		379,977
		379,977

Reconciliation of Company's tax on profit based on accounting and profit as per tax law is as follows:

	For the year ended March 31,	
	2026	2025
Net profit before tax	231,697	4,221,969
Effect of corporate tax @ 9%	20,853	379,977
Tax effects of :		
Expense non-deductible for tax purpose		
Effect of standard exemption	(20,853)	
Corporate tax expense		379,977

The accompanying notes form an integral part of these financial statements.

Auditor's Report dated May 7, 2026 is set out on page 2 to 4.

The financial statements were approved and authorized for issue by the board of directors on May 7, 2026 and were signed on its behalf by:

sd/-

Director

Director

