

SUN PHARMA MIDDLE EAST FZ - LLC

Financial Statements

31 March 2025

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SUN PHARMA MIDDLE EAST FZ - LLC

Directors' Report

The Directors submit their report, together with the audited financial statements of **SUN PHARMA MIDDLE EAST FZ - LLC** (the “company”), for the period ended 31 March 2025.

Results and appropriations

The results of the company and the appropriations made for the period ended 31 March 2025 are set out on pages 5 and 6 of the financial statements.

In our opinion, the financial statements set out on pages 4 to 21 are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2025, and the financial performance, changes in equity and cash flows of the company for the period then ended in accordance with the International Financial Reporting Standards and in compliance with the applicable provisions of Dubai Development Authority.

At the date of the statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Review of the business

During the period, the company has acquired the second brand marketing authorizations and commercialization rights of the pharmaceutical products from the local pharmaceutical companies in the territory of U.A.E.

Events since end of the period

There were no important events which have occurred since the period-end that materially affect the company.

Directors

The directors of the company who served during the period, appointed by the parent company, were as follows:

Mr. Soumya Sinha Roy
Mr. Kavan Bhaskarkumar Modi

Shareholder and its interest

As at 31 March 2025, Sun Pharma (Netherlands) B.V., incorporated in Netherlands, is the sole shareholder of the company holding 250 shares of AED 1,000 each amounting to AED 250,000.

Independent auditor

A resolution to appoint the auditor and fix the remuneration will be put to the board at the annual general meeting.

Soumya Sinha Roy
DIRECTOR

Kavan Bhaskarkumar Modi
DIRECTOR

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SUN PHARMA MIDDLE EAST FZ - LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SUN PHARMA MIDDLE EAST FZ - LLC** (the “company”), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 March 2025, and its financial performance and its cash flows for the period 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 Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (the “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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and implementing regulations of 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 are responsible for overseeing the company's financial reporting process.

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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
SUN PHARMA MIDDLE EAST FZ – LLC***Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

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 those charged with governance 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 further confirm that the financial statements have been properly prepared in accordance with Dubai Development Authority Companies Regulations.

Signed by:
C. D. Shah
Partner
Registration No. 677
Shah & Alshamali Associates Chartered Accountants
12 May 2025
Dubai, United Arab Emirates

SUN PHARMA MIDDLE EAST FZ - LLC

Statement of Financial Position
as at 31 March 2025

	<i>Notes</i>	<i>2025 AED</i>
ASSETS		
Non-current assets		
Property, plant and equipment	5	324,126
Intangible assets	6	329,936
Right of use asset	7	385,852
Capital advance	8	243,738
Deferred tax asset	19	26,331
		<u>1,309,983</u>
Current assets		
Trade receivables	9	3,334,297
Other receivables	10	174,504
Prepayments		23,137
Cash and cash equivalents	11	655,280
		<u>4,187,218</u>
Total assets		<u>5,497,201</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	12	250,000
Accumulated loss		<u>(266,234)</u>
Equity deficit		<u>(16,234)</u>
Liabilities		
Non-current liabilities		
Loan from parent shareholder company	13	4,485,731
Lease liability	14	243,016
Staff end of service gratuity		<u>33,652</u>
		<u>4,762,399</u>
Current liabilities		
Lease liability	14	145,783
Accruals and other payables	15	<u>605,253</u>
		<u>751,036</u>
Total liabilities		<u>5,513,435</u>
Total equity and liabilities		<u>5,497,201</u>

The notes on pages 8 to 21 form an integral part of these financial statements.

Soumya Sinha Roy
DIRECTOR

Kavan Bhaskarkumar Modi
DIRECTOR

SUN PHARMA MIDDLE EAST FZ - LLC**Statement of Profit or Loss and Other Comprehensive Income
for the period ended 31 March 2025**

	<i>Notes</i>	<i>14 months period ended 31 March 2025 AED</i>
Revenue from contract with customers	16	3,334,297
Cost of sales		<u>(1,097,425)</u>
Gross profit		2,236,872
Expenditure		
Rent		(137,994)
License fees		(15,413)
General, administrative and selling expenses	17	(2,167,698)
Depreciation on property, plant and equipment	5	(55,969)
Amortization	6	(17,115)
Depreciation on right of use asset	7	(35,078)
Finance costs	18	<u>(100,170)</u>
Total expenditure		<u>(2,529,437)</u>
Loss for the period before tax		(292,565)
Income tax benefit	19	<u>26,331</u>
Loss for the period		(266,234)
Other comprehensive income/(loss)		<u>-</u>
Total comprehensive loss for the period, net of tax		<u>(266,234)</u>

The notes on pages 8 to 21 form an integral part of these financial statements.

SUN PHARMA MIDDLE EAST FZ - LLC**Statement of Changes in Equity**
for the period ended 31 March 2025

	<i>Share capital <u>AED</u></i>	<i>Accumulated loss <u>AED</u></i>	<i>Total <u>AED</u></i>
Contributed during the period	250,000	-	250,000
Loss during the period	<u>-</u>	<u>(266,234)</u>	<u>(266,234)</u>
As at 31 March 2025	<u>250,000</u>	<u>(266,234)</u>	<u>(16,234)</u>

The notes on pages 8 to 21 form an integral part of these financial statements.

SUN PHARMA MIDDLE EAST FZ - LLC

Statement of Cash Flows
for the period ended 31 March 2025

	<i>Notes</i>	<i>14 months period ended 31 March 2025 AED</i>
<u>Cash flows from operating activities</u>		
Loss for the period before tax		(292,565)
Adjustments for:		
Depreciation on property, plant and equipment	5	55,969
Amortization of intangible assets	6	17,115
Depreciation on right of use asset	7	35,078
Provision for staff end of service gratuity		33,652
Interest on lease liability	14	4,163
Interest on loan from parent shareholder company	18	96,007
Operating loss before working capital		(50,581)
Trade and other receivables and prepayments		(3,531,938)
Other payables and accruals		509,246
Net cash from/ (used in) operating activities		<u>(3,073,273)</u>
<u>Cash flows from investing activities</u>		
Payment for purchase of property, plant and equipment	5	(380,095)
Payment for purchase of intangible assets	6	(590,789)
Net cash from/ (used in) investing activities		<u>(970,884)</u>
<u>Cash flows from financing activities</u>		
Share capital introduced	12	250,000
Payment of lease liability	14	(36,294)
Proceeds from loan advanced by parent shareholder company	13	4,485,731
Net cash from/ (used in) financing activities		<u>4,699,437</u>
Cash and cash equivalents at the end of period		<u>655,280</u>

The notes on pages 8 to 21 form an integral part of these financial statements.

SUN PHARMA MIDDLE EAST FZ - LLC**Notes to the Financial Statements
for the period ended 31 March 2025****1. Legal status and activities**

SUN PHARMA MIDDLE EAST FZ - LLC (the “company”) is a free zone limited liability company incorporated in Dubai Science Park, in the Emirate of Dubai under the provisions of Dubai Development Authority. The address of the company’s registered office is Premises No. 907S, Ninth Floor, Dubai Science Park (DSP) Towers – South, Dubai Science Park, Dubai, United Arab Emirates (U.A.E.).

The company is a wholly owned subsidiary of **SUN PHARMA (NETHERLANDS) B.V.**, Netherlands. The ultimate parent company is **SUN PHARMACEUTICAL INDUSTRIES LIMITED**, India.

The company is operating under commercial license number 104322 issued by the Dubai Development Authority, with therapeutics import and re-export, marketing and sales promotion, storage and support service as its licensed activities.

2. Basis of preparation

These financial statements are prepared for the period covering from 2 February 2024, being date of issuance of license, to 31 March 2025, the first financial period end.

Statement of compliance

The financial statements have been prepared under accrual basis of accounting and on the basis that the company will continue as a going concern in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable requirements of Dubai Development Authority.

Basis of measurement

The financial statements have been prepared on historical cost basis.

Functional and presentation currency

The financial statements are presented in U.A.E. Dirhams (AED), being the functional and presentation currency of the company.

Use of estimates and judgments

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenue, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about the several factors and actual results may differ from reported amounts. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in note 4.

SUN PHARMA MIDDLE EAST FZ - LLC**Notes to the Financial Statements
for the period ended 31 March 2025****Basis of preparation (cont'd)*****Adoption of new and revised International Financial Reporting Standards (IFRSs)***

The company has adopted all applicable accounting standards and amendments which are effective for annual periods beginning on or after 2 February 2024. The company has not early adopted any other standards, interpretation or amendment that has been issued but are not yet effective.

3. Material accounting policy information

The accounting policies adopted in dealing with items that are considered material in relation to the financial statements are as follows:

Current versus non-current classification

The company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The company classifies all other liabilities as non-current.

Property, plant and equipment

Property, plant and equipment are recorded at cost together with any related expenses of acquisition, less accumulated depreciation and impairment if any. The cost of property, plant and equipment is depreciated using straight-line method over their estimated useful lives as follows:

Leasehold improvements	5 years
Furniture and fixtures	5 years
Office equipment	3 - 6 years

The carrying amounts are reviewed at each statement of financial position date to assess whether they are recorded in excess of recoverable amount. Where carrying amount exceeds the recoverable amount, property, plant and equipment are written down to their recoverable amount. Depreciation on additions and disposals during the period is charged on a proportionate basis for the period of use. Any gain or loss on derecognition of asset is included in the statement of profit or loss and other comprehensive income in the year the asset is derecognized.

SUN PHARMA MIDDLE EAST FZ - LLC**Notes to the Financial Statements**
*for the period ended 31 March 2025***Material accounting policy information (cont'd)****Intangible assets**

Intangible assets, representing license fees with probable economic benefits beyond one year, are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any). The useful lives of intangible assets are assessed to be either finite or indefinite. Intangibles assets with finite lives are amortized on a straight-line basis over their estimated useful life of 5 years. No amortization is charged on capital advances.

Right-of-use asset

The company recognizes right-of-use asset at the commencement date of the lease. Right of use asset are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use asset includes the amount of the lease liability recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use asset are depreciated on a straight-line basis over the shorter of its estimated useful life and lease term and are subject to impairment.

Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

Financial asset

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss on the basis of the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The company's financial assets include financial assets measured at amortized cost, comprising trade receivables, refundable deposits and cash and cash equivalents.

Trade receivables

Trade receivables are stated at original amount less a provision for any uncollectible amounts. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents

Cash and cash equivalents represent bank balance in current account that is readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities

The company's financial liabilities comprise of loan from parent shareholder company, lease liability, accruals and other payables.

SUN PHARMA MIDDLE EAST FZ - LLC**Notes to the Financial Statements
for the period ended 31 March 2025****Material accounting policy information (cont'd)****Financial liabilities (cont'd)***Other payables*

Liabilities are recognized for amount to be paid in future for goods or services received, whether invoiced by the supplier or not.

Lease liability

At the commencement date of the lease, the company recognizes lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Staff end of service gratuity

Provision is made for the full amount of end of service gratuity in accordance with U.A.E. Labor Law, for their period of service up to the end of the reporting period. The provision relating to end of service gratuity is classified as a non-current liability.

Income taxes

The tax expense or credit for the period comprises current and deferred tax.

Current Tax

The company recognizes income tax expense based on taxable profit for the period. Taxable profit differs from accounting profit due to temporary differences between the accounting treatment of income and expenses and their respective tax bases. The company is subject to Corporate Tax in accordance with the provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the "U.A.E. Corporate Tax Law") and related regulations.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases. Deferred tax assets and liabilities are measured using the tax rates expected to apply when the temporary differences reverse. The company recognizes deferred tax assets only to the extent that it is probable that taxable profits will be available against which these temporary differences can be utilized, in line with the IFRSs and relevant provisions of the U.A.E. Corporate Tax Law.

Top-up Tax

On 2 October 2023, the U.A.E. Ministry of Finance ("MOF") issued Federal Decree Law No 60 of 2023 amending certain provisions of the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law"), to implement a new Top-up Tax on Multinational Enterprises ("MNE") in the U.A.E.

Generally, Multinational Enterprises will be subject to a Top-up Tax at an effective rate of 15%. All cases, provisions, conditions, rules, controls, and procedures for imposing the Top-up Tax and the exemptions therefrom are yet to be determined by a Cabinet Decision.

SUN PHARMA MIDDLE EAST FZ - LLC**Notes to the Financial Statements
for the period ended 31 March 2025****Material accounting policy information (cont'd)****Top-up Tax (cont'd)**

MOF launched a public consultation on the 14th of March 2024 in relation to the Global Anti-Base Erosion Model (“GloBe rules”) aiming at assessing interactions with the U.A.E.'s corporate tax system, ways to minimize compliance costs, while exploring the policy options for potential implementation of the Income Inclusion Rule (“IIR”), Undertaxed Profits Rule (“UTPR”) and a Domestic Minimum Top-up Tax (“DMTT”).

The company is monitoring any upcoming regulation in relation to the GloBe rules in the different jurisdictions where it is present and is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities.

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 Federal Tax Authority (FTA), in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

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

Revenue recognition

The company recognizes revenue from contracts with customers based on the five-step model set out in IFRS 15:

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

The company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the company's performance as and when the company performs; or
- The company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognized at the point in time at which performance obligation is satisfied.

SUN PHARMA MIDDLE EAST FZ - LLC**Notes to the Financial Statements
for the period ended 31 March 2025****Revenue recognition (cont'd)***Sale of goods*

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally when the goods are delivered, have been accepted by the customer and collectability of the related receivable is reasonably assured. Revenue is measured at the fair value of consideration received or receivable net of VAT.

Foreign currency transactions

Transactions in foreign currencies are converted into U.A.E. Dirhams and recorded at rates of exchange at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the date of statement of financial position. Gains or losses resulting from foreign currency transactions are taken to the statement of profit or loss and other comprehensive income.

4. Significant judgments employed in applying accounting policies and key sources of estimation uncertainty**4.1 Significant judgments employed**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Impairment of non-financial assets

The company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. If any of such indication exists, the company estimates the asset's recoverable amount which is the higher of fair value less costs to sell and value in use. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Determination of lease term of contracts with renewal options

The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

4.2 Key sources of estimation uncertainty

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

SUN PHARMA MIDDLE EAST FZ - LLC**Notes to the Financial Statements**
*for the period ended 31 March 2025***Key sources of estimation uncertainty (cont'd)****Useful lives of property, plant and equipment**

The management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The management periodically reviews estimated useful lives and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Impairment of intangible asset

The company assesses at each financial position date whether there is any indication that an asset may be impaired. An intangible asset that is amortized over a year of exceeding five years from the date when the asset is available for use is tested for impairment each financial year even if there is no indication that the asset is impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Valuation of lease liability and right of use asset

The application of IFRS 16 requires the company to make judgements that affect the valuation of the lease liability and the valuation of right-of-use asset. These include determining contracts in scope of IFRS 16, determining the contract term and determining the interest rate used for discounting of future cash flows. The lease term determined by the company include noncancellable period of lease contracts, periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option.

The present value of the lease payment is determined using the discount rate representing the rate of interest rate swap applicable for currency of the lease contract and for similar tenor.

Impairment of trade and other receivables

The loss allowance for trade and other receivables are based on assumptions about risk of default and expected credit loss rates. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Any difference between the amounts actually collected in the future period and the amounts expected, will be recognized in the company's statement of profit or loss in that period.

As at date of statement of financial position, management believes that the recoverability of its trade and other receivables are certain, accordingly, no provision provided in financial statements.

Staff end of service gratuity

The company computes provision for the liability to staff end of service gratuity assuming that all employees were to leave as of the reporting date. 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 likely to have approximately equal and opposite effects.

SUN PHARMA MIDDLE EAST FZ - LLC

Notes to the Financial Statements
for the period ended 31 March 2025

5. Property, plant and equipment

	<i>Leasehold improvements AED</i>	<i>Furniture and fixtures AED</i>	<i>Office equipment AED</i>	<i>Total AED</i>
Cost				
Purchased during the period	<u>248,030</u>	<u>74,585</u>	<u>57,480</u>	<u>380,095</u>
As at 31.03.2025	<u>248,030</u>	<u>74,585</u>	<u>57,480</u>	<u>380,095</u>
Accumulated depreciation				
Charge for the period	<u>37,238</u>	<u>11,198</u>	<u>7,533</u>	<u>55,969</u>
As at 31.03.2025	<u>37,238</u>	<u>11,198</u>	<u>7,533</u>	<u>55,969</u>
Net book value				
As at 31.03.2025	<u>210,792</u>	<u>63,387</u>	<u>49,947</u>	<u>324,126</u>

6. Intangible assets

	<i>License fee* AED</i>
Cost	
Purchased during the period	<u>347,051</u>
As at 31.03.2025	<u>347,051</u>
Accumulated amortization	
Charge for the period	<u>17,115</u>
As at 31.03.2025	<u>17,115</u>
Net book value	
As at 31.03.2025	<u>329,936</u>

* This represents amount paid to a local pharmaceutical company for obtaining the second brand marketing authorizations and commercialization rights of the pharmaceutical products in U.A.E.

7. Right of use asset

	<i>Leased commercial premise * AED</i>
Cost	
Recognized during the period	<u>420,930</u>
As at 31.03.2025	<u>420,930</u>
Accumulated depreciation	
Charge for the period	<u>35,078</u>
As at 31.03.2025	<u>35,078</u>
Net book value	
As at 31.03.2025	<u>385,852</u>

* This represents the leased office premise in Dubai Science Park, for a period of 3 years ending on 31 December 2027.

SUN PHARMA MIDDLE EAST FZ - LLC**Notes to the Financial Statements**
for the period ended 31 March 2025**8. Capital advance**

This represents advance paid to a local pharmaceutical company for obtaining the second brand marketing authorizations and commercialization rights of the pharmaceutical products in U.A.E.

9. Trade receivables

The company's average credit period is 0 to 90 days after which trade receivables are considered to be past due. As at 31 March 2025, trade receivables are not due as its within the credit period.

2025
AED

10. Other receivables

VAT receivable	58,645
Advance to suppliers and others	87,925
Deposits	<u>27,934</u>
	<u>174,504</u>

11. Cash and cash equivalents

This represents bank balance in current account with a bank.

2025
AED

12. Share capital

Authorized, issued and paid-up:	
250 shares of AED 1,000 each	<u>250,000</u>

13. Loan from parent shareholder company

This represents unsecured and interest-bearing loan received from parent company repayable in 3 years from 25 June 2024.

2025
AED

14. Lease liability

Recognized using incremental borrowing rate	420,930
Interest for the period	4,163
Payments made during the period	<u>(36,294)</u>
As at 31.03.2025	<u>388,799</u>
<i>Non-current portion</i>	<i>243,016</i>
<i>Current portion</i>	<i><u>145,783</u></i>
	<u>388,799</u>

15. Accruals and other payables

Interest payable – <i>related party</i>	96,007
Accruals	123,281
Commission payable	333,405
Other payables	<u>52,560</u>
	<u>605,253</u>

SUN PHARMA MIDDLE EAST FZ - LLC**Notes to the Financial Statements
for the period ended 31 March 2025****16. Revenue from contracts with customers**

This represents sales of pharmaceutical products to local customers during the period.

**14 Months
period ended
31 March
2025
AED**

17. General, administrative and selling expenses

Director's remuneration	260,058
Staff salaries and benefits	1,185,131
Commission on sales	333,405
Promotional and marketing expenses	120,706
Legal and professional fees	71,549
Travelling and conveyance expenses	10,551
Foreign exchange loss	4,279
Other administrative expenses	182,019
	<u>2,167,698</u>

18. Finance costs

Interest on loan – <i>related party</i>	96,007
Interest on lease liability	4,163
	<u>100,170</u>

19. Income tax expense and deferred tax

On 9 December 2022, the U.A.E. 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 U.A.E. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the company's accounting year ends on 31 March, the first tax period will be the period from 02 February 2024 to 31 March 2025, with the respective tax return to be filed on or before 31 December 2025.

The taxable income of the company that are in scope for U.A.E. CT purposes will be subject to the rate of 9% Corporate Tax.

The tax charge for the period ended 31 March 2025 is AED Nil, representing an Effective Tax Rate ("ETR") of 0%.

The component of income tax expense in the statement of profit or loss and other comprehensive income:

**14 Months
period ended
31 March
2025
AED**

Income tax expense
Current income tax expense

-

SUN PHARMA MIDDLE EAST FZ - LLC**Notes to the Financial Statements
for the period ended 31 March 2025****Income tax expense (cont'd)**

*14 Months
period ended
31 March
2025
AED*

Deferred tax

Deferred income tax expense relating to origination and reversal of temporary differences

(26,331)

Income tax expense reported in the statement of profit or loss and other comprehensive income

(26,331)

The reconciliation of current income tax expense and accounting loss is as follows:

*14 Months
period ended
31 March
2025
AED*

Accounting loss for the period before tax

(292,565)

Income tax at U.A.E. statutory rate of 9%

(26,331)

Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:

Tax loss carried forward as deferred tax asset

26,331

Income tax expense/(benefit)

-

Effective Tax Rate

0%

The deferred tax asset/liability comprises of the following temporary differences:

*2025
AED*

Deferred tax

Tax loss carried forward

26,331

Net deferred tax asset / (liability)

26,331

As per IAS 12 and in accordance with U.A.E. CT Law, the company has recognized a deferred tax asset arising from tax loss carryforwards that can be utilized to offset future taxable profits. These tax losses can be carried forward indefinitely and used to offset up to 75% of the taxable income in future periods.

Based on management's assessment, it is probable that the company will generate sufficient future taxable profits to utilize the deferred tax asset.

Consequently, a deferred tax asset of AED 26,331 has been recognized in the financial statements.

SUN PHARMA MIDDLE EAST FZ - LLC**Notes to the Financial Statements
for the period ended 31 March 2025****Income tax expense (cont'd)**

The company will continue to assess the recoverability of the deferred tax asset at each reporting date and make necessary adjustments based on future taxable profits and any changes in ownership or business operations.

The company has not identified any material risks or uncertainties in the structure from a Corporate Tax perspective and will continuously monitor further developments that could impact the tax profile of the company.

20. Related party transactions and balances

The company enters into transactions with other parties that fall within the definition of a related party as contained in International Accounting Standard 24: *Related Party Disclosures*. Related parties with which the company has transactions and balances during the period are as follows:

Parent shareholder company

- Sun Pharma (Netherlands) B.V., Netherlands

Fellow subsidiary

- Sun Laboratories F.Z.E., U.A.E.

Key management personnel

- Soumya Sinha Roy - Director

During the period, significant transactions with related parties and the amounts involved were as follows:

	<i>14 months period ended 31 March 2025 AED Dr./((Cr.))</i>
Parent shareholder company	
Loan received	4,485,731
Interest expense	96,007
Key management personnel	
Remuneration	260,058

The company also receives interest bearing / free funds from related parties as and when required to meet with fund requirement. The period-end related parties' balances are as under:

	<i>2025 AED Dr./((Cr.))</i>
Parent shareholder company	
Loan payable	(4,485,731)
Interest payable	(96,007)

SUN PHARMA MIDDLE EAST FZ - LLC**Notes to the Financial Statements**
*for the period ended 31 March 2025*2025
AED
Dr./Cr.**Key management personnel**

Staff end of service gratuity

(9,179)

21. Financial instruments: Credit, liquidity and market risk exposures**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially expose the company to concentrations of credit risk comprise principally of trade receivables and bank balance in current account.

The company's bank balance in current account is placed with high credit quality financial institution. The company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. There are no significant concentrations of credit risk from receivables outside the industry in which the company operates.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the parent shareholder company who ensures that sufficient funds are made available to the company to meet the commitments as they fall due.

Market risk

Market risk is the risk that changes in market prices, such as interest rate risk and currency risk, will affect the company's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Loan from parent shareholder company is at fixed rate of interest.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in U.A.E dirhams or US Dollars to which U.A.E. Dirham rate is fixed.

22. Financial instruments: Fair values

The fair values of the company's financial assets, comprising trade receivables, refundable deposits and bank balance in current account and financial liabilities comprising loan from parent shareholder company, lease liability and other payables are approximate to their carrying values.

SUN PHARMA MIDDLE EAST FZ - LLC**Notes to the Financial Statements
for the period ended 31 March 2025****2025
AED****23. Capital commitment**

Contracted but not provided for towards licensing fee

160,237**24. Contingent liabilities**

There were no contingent liabilities outstanding as at the date of statement of financial position.

25. Comparative figures

This being the first period of the company's operations, there are no comparative figures.

26. Approval of the financial statements

To the best of the knowledge of the management and those charged with governance, the financial statements fairly present, in all material respects, the financial position, financial performance and cash flows of the company as of, and for the period ended 31 March 2025.

The financial statements were approved by the board of directors on 12 May 2025 and authorized Mr. Soumya Sinha Roy and Mr. Kavan Bhaskarkumar Modi to sign.