SUN LABORATORIES FZE

Financial Statements

31 March 2026

SUN LABORATORIES FZE

Financial Statements
31 March 2026

CONTENTS | ***PAGES***

SUN LABORATORIES FZE
Directors' Report

The Directors submit their report, together with the audited financial statements of **SUN LABORATORIES FZE** (the "establishment"), for the year ended 31 March 2026.

Results and appropriations

The results of the establishment and the appropriations made for the year ended 31 March 2026 are set out on pages 5 and 6 of the financial statements.

In our opinion, the financial statements set out on page 4 to 25 are drawn up so as to give a true and fair view of the financial position of the establishment as at 31 March 2026, and the financial performance, changes in equity and cash flows of the establishment for the year then ended in accordance with the International Financial Reporting Standards and applicable requirements of the Sharjah Airport International Free Zone Authority. At the date of the financial statement, there are reasonable grounds to believe that the establishment will be able to pay its debts as and when they fall due.

Review of the business

During the year, the establishment has carried out the activity of distribution and marketing of pharmaceutical products manufactured by the ultimate parent company and supplying to the emerging market.

Events since the end of the year

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

Directors

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

Mr. Surendra Manishanker Joshi
Mr. Kavan Bhaskarkumar Modi
Mr. Shailesh Simon Parmar

Shareholder and its interest

The shareholder as at 31 March 2026 and its interest as at that date in the share capital of the establishment was as under:

	Country of incorporation	***No. of shares***	***AED***	***USD***
Sun Pharma Holdings	Mauritius	**300**	**45,000,000**	**12,251,565**

Independent auditor

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

On behalf of the board:

Kavan Bhaskarkumar Modi
DIRECTOR

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SUN LABORATORIES FZE

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of **SUN LABORATORIES FZE** (the "establishment"), which comprise the statement of financial position as at 31 March 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 financial statements including material accounting policy information.

In our opinion, the accompanying the financial statements present fairly, in all material respects, the financial position of the establishment as at 31 March 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 establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("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 the financial statements in accordance with IFRSs and implementing regulations of Sharjah Airport International Free Zone 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 establishment 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 establishment or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the establishment'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 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 scepticism 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SUN LABORATORIES FZE

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 establishment'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 establishment'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 establishment 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

Also, in our opinion, the establishment has maintained proper books of accounts, and the financial statements are in agreement with the books of account. We obtained all the information which we considered necessary for our audit. According to the information available to us, there were no contraventions during the year of the regulation issued by the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995 or the Articles of Association of the establishment which might have materially affected the financial position of the establishment or its financial performance.

Signed by:
C. D. Shah
Partner
Registration No: 677
Shah & Alshamali Associates Chartered Accountants
4 May 2026
Dubai, United Arab Emirates

SUN LABORATORIES FZE

Statement of Financial Position
as at 31 March 2026

	Notes	2026 USD	2025 USD
ASSETS			
Non-current assets			
Property, plant and equipment	5	5	346
Financial assets at fair value through OCI	6	10	10
Long term loans	7	-	-
		15	**356**
Current assets			
Trade receivables	8	21,043,748	40,368,578
Advances, deposits and other receivables	9	80,789	335,617
Prepayments		13,688	23,406
Cash and bank balances	10	13,131,606	15,125,258
		34,269,831	**55,852,859**
Total assets		**34,269,846**	**55,853,215**
EQUITY AND LIABILITIES			
Equity			
Share capital	11	12,251,565	12,251,565
Retained earnings		9,910,892	8,622,676
Total equity funds		**22,162,457**	**20,874,241**
Liabilities			
Non-current liabilities			
Staff end of service gratuity	12	1,568	59,629
Long term loan	13	-	15,000,000
		1,568	**15,059,629**
Current liabilities			
Trade payables	14	10,198,607	18,006,433
Income tax payable	20	227,332	-
Other payables, provisions and accruals	15	1,679,882	1,912,912
		12,105,821	**19,919,345**
Total liabilities		**12,107,389**	**34,978,974**
Total equity and liabilities		**34,269,846**	**55,853,215**

The notes on pages 8 to 25 form an integral part of these financial statements.

On behalf of the board:

Kavan Bhaskarkumar Modi
DIRECTOR

SUN LABORATORIES FZE

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2026

	Notes	*2026 USD*	*2025 USD*
Sales	16	**38,629,122**	**144,786,428**
Cost of sales	17	(35,392,563)	(109,459,937)
Gross profit		**3,236,559**	**35,326,491**
Other income	18	350,585	3,316,598
Expenses			
Directors' remuneration and expenses		(113,635)	(200,554)
Staff salaries and benefits		(44,933)	-
Selling, promotional and other expenses	19	(2,290,243)	(4,045,881)
Net foreign exchange gain		449,849	75,642
Provision for expected credit losses	8	-	(40,884)
Depreciation	5	(341)	(1,011)
Finance costs		(72,293)	(3,335,253)
Total expenses		**(2,071,596)**	**(7,547,941)**
Profit for the year before tax		**1,515,548**	**31,095,148**
Income tax expense	20	(227,332)	-
Profit for the year		**1,288,216**	**31,095,148**
Other comprehensive income / (loss):			
Items that will be reclassified subsequently to profit or loss		-	702,746
Items that will not be reclassified subsequently to profit or loss		-	(160,775)
Total comprehensive income for the year		**1,288,216**	**31,637,119**

The notes on pages 8 to 25 form an integral part of these financial statements.

On behalf of the board:

Kavan Bhaskarkumar Modi
DIRECTOR

SUN LABORATORIES FZE

Statement of Changes in Equity
for the year ended 31 March 2026

	Share capital *USD*	*(Accumulated losses) / retained earnings* *USD*	*Cumulative changes in fair value through OCI* *USD*	*Total* *USD*
As at 31 March 2024	**12,251,565**	**(23,813,696)**	**799,253**	**(10,762,878)**
Transfer to retained earnings	-	1,341,224	(1,341,224)	-
Profit for the year		31,095,148	-	31,095,148
Other comprehensive income	-	-	541,971	541,971
As at 31 March 2025	**12,251,565**	**8,622,676**	**-**	**20,874,241**
Profit for the year	-	1,288,216	-	1,288,216
As at 31 March 2026	**12,251,565**	**9,910,892**	**-**	**22,162,457**

The notes on pages 8 to 25 form an integral part of these financial statements.

On behalf of the board:

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Kavan Bhaskarkumar Modi
DIRECTOR

SUN LABORATORIES FZE

Statement of Cash Flows
for the year ended 31 March 2026

	Notes	2026 USD	2025 USD
Cash flows from operating activities			
Profit for the year before tax		1,515,548	31,095,148
Adjustments for:			
Finance costs		72,293	3,335,253
Interest income	18	(336,326)	(2,231,608)
Gain on sale of debt instruments		-	(1,061,141)
Provision for staff end of service gratuity	12	7,979	11,557
Provision for expected credit losses	8	-	40,884
Depreciation	5	341	1,011
Amortisation		-	14,256,282
Operating profit before working capital changes		**1,259,835**	**45,447,386**
(Increase) / decrease in trade, other receivables and prepayments		19,589,376	16,662,407
Increase / (decrease) in trade and other payables, provisions and accruals		(8,040,856)	(26,300,104)
Cash generated from / (used in) operations		**12,808,355**	**35,809,689**
Staff end of service gratuity paid	12	(66,040)	(23,746)
Net cash from / (used in) operating activities		**12,742,315**	**35,785,943**
Cash flows from investing activities			
Interest income received		336,326	2,942,654
Proceeds from redemption of debt instruments		-	46,254,000
Proceeds from sale of equity instruments		-	7,239,311
Net cash from / (used in) investing activities		**336,326**	**56,435,965**
Cash flows from financing activities			
Receipt / (repayment) of long-term loan		(15,000,000)	(36,500,000)
Finance cost paid		(72,293)	(4,765,330)
Term loan repaid (net)		-	(62,500,000)
Net cash from/ (used in) financing activities		**(15,072,293)**	**(103,765,330)**
Net increase / (decrease) in cash and cash equivalents		**(1,993,652)**	**(11,543,422)**
Cash and cash equivalents at the beginning of the year		**15,125,258**	**26,668,680**
Cash and cash equivalents at the end of the year	10	**13,131,606**	**15,125,258**

The notes on pages 8 to 25 form an integral part of these financial statements.

On behalf of the board:

Kavan Bhaskarkumar Modi
DIRECTOR

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

1. Legal status and activity

SUN LABORATORIES FZE (the "establishment") is a limited liability free zone establishment incorporated on 13 March 2011 in Sharjah Airport International Free Zone, Sharjah, United Arab Emirates pursuant to Emiri Decree No. 2 of 1995 and in accordance with the implementation procedures of the free zone establishment. The registered address of the establishment is SAIF Office R5 – 30/B, P. O. Box 7818, Sharjah, United Arab Emirates.

The establishment is a wholly owned subsidiary of **SUN PHARMA HOLDINGS**, Mauritius. The ultimate parent company is **SUN PHARMACEUTICAL INDUSTRIES LIMITED**, India.

The establishment is operating under commercial license number 09137 with general trading as its licensed activity. However, the establishment is engaged in distribution and marketing of pharmaceutical products to the overseas customers in the designated territories. The establishment has engaged services of marketing executives overseas to distribute and market the products in the designated territories.

2. Basis of preparation

Statement of compliance
The financial statements have been prepared under accrual basis of accounting and on the basis that the establishment will continue as a going concern in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable requirements of Sharjah Airport International Free Zone Authority.

Basis of measurement
The financial statements have been prepared on the historical cost basis, except for certain financial and non-financial instruments that are measured at fair values at the end of each reporting period.

Functional and presentation currency
The financial statements have been presented in US Dollars (USD), being the functional and presentation currency of the establishment.

Use of estimates and judgements
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.

Application of new and revised International Financial Reporting Standards (IFRSs)

New and amended standards adopted by the establishment
The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 April 2025, have been adopted in these financial statements.

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

***Application of new and revised International Financial Reporting Standards (IFRSs)* (cont'd)**

The application of these revised IFRSs, except where stated, have not had any material impact on the amounts reported for the current and prior years.

	Effective for annual periods beginning on or after
Amendments to IAS 21 - Lack of Exchangeability	1 January 2025

New standards, amendments and interpretations not yet adopted

	Effective for annual periods beginning on or after
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18, 'Presentation and Disclosure in Financial Statements'	1 January 2027
Translation to a Hyperinflationary Presentation Currency - Amendments to IAS 21	1 January 2027
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	1 January 2027

The establishment is currently assessing the impact of these standards and amendments on future financial statements and intends to adopt these, as applicable, when they become effective.

3. Material accounting policy information

The accounting policies, which are consistent with those used in the previous year, in dealing with items that are considered material in relation to the financial statements are as follows:

Current versus non-current classification

The establishment 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

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

Material accounting policy information (cont'd)

Current versus non-current classification (cont'd)

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 establishment classifies all other liabilities as non-current.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual value using straight-line method over their estimated useful lives of 3 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 amounts exceeds the recoverable amount, property, plant and equipment are written down to their recoverable amount.

Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the establishment becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when, and only 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 assets

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 establishment'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.

a. Financial assets at amortized cost

Financial assets at amortized cost are those financial assets for which:

- the establishment's business model is to hold them in order to collect contractual cash flows and;
- the contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. These are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. The establishment's financial assets at amortized cost comprise long-term loans, trade and other receivables and cash and bank balances.

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

Material accounting policy information (cont'd)

Financial assets at amortized cost (cont'd)

Loans receivable
Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, loans receivable is subsequently measured at amortized cost using the effective interest method, less any impairment.

Trade receivables
Trade receivables are stated at original invoice amount less a provision for any uncollectible amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable and provided for in the accounts. Bad debts are written off when there is no possibility of recovery.

Other current financial assets
Other current financial assets represent advances, accrued interest and refundable deposit.

Cash and bank balances
Cash and bank balances comprise bank balance in current accounts and short-term deposit with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

b. Financial assets at fair value through OCI

Debt instruments
The establishment measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to the profit or loss. The establishment classified its investment in bonds as financial assets at fair value through OCI.

Equity instruments
Upon initial recognition, the establishment can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IFRS 9 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss.

Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the establishment benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Impairment losses and any reversal of impairment losses on equity investments measured at fair value through OCI are not reported separately from other changes in fair value.

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

Material accounting policy information (cont'd)

Financial assets at fair value through OCI (cont'd)

Equity instruments (cont'd)
The establishment designated all its equity instruments under financial assets at fair value through OCI classification.

Impairment of financial assets

The establishment recognizes an allowance for expected credit losses (ECLs) on its financial assets. ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, which 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.

- Lifetime ECL, which represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

For trade receivables, the establishment applies a simplified approach in calculating ECLs. Therefore, the establishment doesn't track changes in credit risk, but instead recognizes a loss allowance based on Lifetime ECLs at each reporting date. Loss allowance is based on the establishment's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment of financial assets (cont'd)

For quoted debt investment, the establishment applies the low credit risk simplification. At every reporting date, the establishment evaluates whether the debt investment is considered to have low credit risk using all reasonable and supportable information that is available. In making that evaluation, the establishment reassess the internal credit rating of the debt investment.

Fair value measurement

For investments traded in organized financial markets, fair value is determined by reference to stock exchange quoted prices at the close of business on the statement of financial position date.

Equity instruments that are not traded in an active market and whose fair value cannot be reliably measured are accounted for at cost less any identified impairment losses at the end of each reporting period. Impairment loss has been recognized in the statement of profit or loss and other comprehensive income for equity investments during the year.

For all other financial assets, the establishment recognizes Lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial assets has not increased significantly since initial recognition, the establishment measures the loss allowance for that financial asset at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of evidence of a financial asset being credit-impaired at the end of the reporting period or an actual default occurring.

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

Material accounting policy information (cont'd)

Financial liabilities

The establishment's financial liabilities comprise long term loan, and trade and other payables.

Trade and other payables
Trade and other payables represent liabilities for goods and services that have been received by the establishment as of the reporting date. Liabilities are recognized when the establishment obtains the related goods or services and has a present obligation to pay the supplier.

Trade and other payables comprise two categories:

- Trade payable — amounts invoiced by suppliers for goods and services received but not yet paid.
- Accrued expenses — amounts relating to goods and services received for which invoices have not yet been received. These are measured based on the best estimate of the obligation at the reporting date, with reference to contractual terms, purchase orders, and historical billing patterns.

Offsetting

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Employee benefits

A provision is made for the estimated liability for employees' entitlements to annual leave and related benefits as a result of services rendered by employees up to the statement of financial position date. Provision is also made for the end of service gratuity due to employees in accordance with the U.A.E. Labour Law, for their period of service up to the statement of financial position date. The provision related to annual leave and related benefits is disclosed as a current liability, while that related to end of service gratuity is disclosed as a non-current liability.

Provisions, contingent liabilities and contingent assets

Provisions are recognised only when there is a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for:

(i) Possible obligations which will be confirmed only by future events not wholly within the control of the establishment; or

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements.

Income taxes

The income tax expense represents the sum of current and deferred income tax expense.

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

Material accounting policy information (cont'd)

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The establishment's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgment of tax professionals within the establishment supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination or for transactions that give rise to equal taxable and deductible temporary differences) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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, 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 Federal Tax Authority is included as part of receivables or payables in the statement of financial position.

Revenue recognition

The establishment 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 establishment satisfies a performance obligation

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

Material accounting policy information (cont'd)

Revenue recognition (cont'd)

The establishment 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 establishment's performance as and when the establishment performs; or
- The establishment's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The establishment's performance does not create an asset with an alternative use to the establishment and the establishment 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.

Sale of products
Revenue from sale of products is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the establishment expects to be entitled in exchange for those goods or services. Revenue is stated net of returns, chargebacks, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts.

Interest income
Revenue from interest income is recognized on a time-proportion basis using the effective interest method.

Other income
Other income is recognized as per the contractual agreement.

Foreign currency transactions

Transactions in currencies other than US Dollars are converted into US Dollars at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in other than US Dollars are translated into USD at the rate of exchange ruling at the statement of financial position date. Resulting gain or loss is 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 uncertainties

4.1 Significant judgments employed

The significant judgements 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 establishment assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. If any of such indication exists, the establishment estimates the asset's recoverable amount which is the higher of fair value less costs to sell and value in use.

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

Significant judgments employed (cont'd)

Impairment of non-financial assets (cont'd)

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.

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the establishment takes into account qualitative and quantitative reasonable and supportable forward-looking information. As at the date of statement of financial position, management believes that the recoverability of its trade receivables are certain, and no provision is required in the accounts.

4.2 Key sources of estimation uncertainties

Key assumptions made concerning the future and other key sources of estimation uncertainties 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:

Useful lives of assets

The useful lives of the establishment's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of establishment's intangible assets are reviewed periodically and are updated if expectations differ from previous estimates due to technical or commercial obsolescence and legal or other limits on the use of the establishment's assets.

In addition, the estimation of the useful lives is based on the establishment's collective assessment of industry practice, internal technical evaluation and experience with similar assets.

Impairment of loans and receivables

Management regularly undertakes a review of the amounts of loans and receivables owed to the establishment and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debt, historic recovery rates and assessed credit worthiness of the receivable.

Staff end of service gratuity

The establishment computes provision for the liability to staff end of service gratuity assuming that all employees were to leave as of the reporting date.

Income taxes

The establishment's current tax provision of USD 227,332 *(previous year USD Nil)* relates to management's assessment of tax liabilities on open positions, based on current interpretations of CT Law and applicable guidance.

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

5. Property, plant and equipment

	Computers USD
Cost	
As at 01.04.2025	3,033
As at 31.03.2026	**3,033**
Accumulated depreciation	
As at 01.04.2025	2,687
Charge for the year	341
As at 31.03.2026	**3,028**
Net book value	
As at 31.03.2026	**5**
As at 31.03.2025	**346**

6. Financial assets at fair value through OCI

	2026 USD	***2025 USD***
Equity instruments		
Quoted shares		
Amneal Pharmaceuticals Inc., United States of America # *1,221,138 ordinary shares (previous year 2,868,623 ordinary shares)*	-	-
Unquoted shares		
Ranbaxy (Thailand) Co. Ltd, Thailand *(3 ordinary shares of Baht 100 each)*	10	10
Debt instruments		
*Investment in bonds: **		
Vedanta Resources Plc – 13.875% *(previously 6.125%)* Regd. Notes maturing 9 December 2028 *(previously 9 August 2025)*	-	-
ONGC Videsh Ltd – 4.625% Regd. Notes maturing 15 July 2025	-	-
NTPC Ltd – 4.375% Regd. Euro Medium- Term Notes maturing 26 November 2025	-	-
State Bank of India – 4.875% Regd. Notes maturing 17 April 2025	-	-
	10	**10**

The financial assets at fair value through OCI as of the statement of the financial position date have been classified as follows:

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

Financial assets at fair value through OCI (cont'd)

	Current	Non-current
Equity instruments		
Ranbaxy (Thailand) Co. Ltd, Thailand	-	10
	-	10

 # A reconciliation of the carrying amount of investment in Amneal Pharmaceuticals Inc is set out below:

	2026 USD	2025 USD
As at 1 April	-	7,400,096
Sold during the year	-	(7,400,096)
Changes in fair value	-	-
As at 31 March	-	-

** A reconciliation of the carrying amount of investment in bonds is set out below:*

As at 1 April	-	44,490,103
Redemption during the year	-	(44,490,103)
Changes in fair value	-	-
As at 31 March	-	-

	2026 USD	2025 USD
7. Long term loans		
Long term loans	1,167,135	1,167,135
Less: provision for doubtful advances	1,167,135	1,167,135
	-	-

8. Trade receivables

Trade receivables*	21,043,748	40,409,462
Less: provision for expected credit losses^	-	(40,884)
	21,043,748	40,368,578

**This includes USD Nil (previous year USD 15,504,715) due from a related party on trade dealings. The establishment's credit period ranges between 0 - 240 days after which trade receivables are past due. As at 31 March, the aging of trade receivables was as follows:*

	Total USD	Not due USD	0-30 Days USD	31-90 Days USD	91-180 Days USD	181-240 Days USD	241-365 Days USD	> 365 Days USD
2026	**21,043,748**	17,778,001	1,370,455	1,735,390	55,622	31,999	72,281	-

^ The movements in the provision for expected credit losses were as follows:

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

Trade receivables (cont'd)

	2026 USD	2025 USD
Provision as at beginning of the year	*40,884*	*-*
Provision made during the year	*-*	*40,884*
Provision utilized during the year	*(40,884)*	*-*
Provision as at the end of the year	*-*	*40,884*

9. Advances, deposits and other receivables

Marketing authorization income receivable – ultimate parent company	-	248,135
Advances to staff and others	27,910	13,487
Deposits	4,627	8,573
VAT receivable	48,252	45,653
Accrued interest income	-	19,769
	80,789	**335,617**

10. Cash and bank balances

Bank balance in current accounts	13,131,606	14,521,171
Term deposit	-	604,087
	13,131,606	**15,125,258**

11. Share capital

Authorised, issued and paid-up:		
300 shares of AED 150,000 each *(converted @ 3.673)*	**12,251,565**	**12,251,565**

12. Staff end of service gratuity

As at 1 April	59,629	71,818
Provision made during the year	7,979	11,557
Payment made during the year	(66,040)	(23,746)
As at 31 March *	**1,568**	**59,629**

**Includes USD Nil (previous year USD 59,629) payable to a KMP.*

13. Long-term loan

This represents an unsecured and interest-bearing long-term loan from a fellow subsidiary which has been repaid during the year.

14. Trade payables

	2026 USD	2025 USD
Related party	7,634,998	14,995,616
Non-related parties	2,563,609	3,010,817
	10,198,607	**18,006,433**

The establishment avails credit terms of 0 - 180 days from the ultimate parent company. However, extended credit facility is availed during the year.

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

	2026 USD	2025 USD
15. Other payables, provisions and accruals		
Interest payable on loan – related parties	-	360,078
Provisions @	1,679,882	1,552,834
	1,679,882	**1,912,912**

@Includes USD Nil (previous year USD 16,070) payable to a KMP.

16. Sales

It comprises of sales to the customers of emerging markets. Sales are stated net of returns and provision for chargebacks, price variation, stock adjustments and other sales deductions.

17. Cost of sales

It comprises of purchases mainly from ultimate parent company which are stated net of returns and provision for chargebacks, price variation, stock adjustments, other deductions.

	2026 USD	2025 USD
18. Other income		
Interest income from debt instruments (bonds)	-	1,963,782
Interest income from bank	334,804	265,926
Interest income – others	1,522	1,900
Sundry balances written back	14,259	-
Gain on redemption of debt instruments	-	1,061,141
Consent fees on redemption of debt instruments	-	23,849
	350,585	**3,316,598**
19. Selling, promotional and other expenses		
Commission on sales	218,037	354,917
Business promotion expenses	625,557	2,430,158
Freight charges	149,037	101,000
Consultancy charges	1,223,960	1,084,635
Professional fees	11,169	10,410
Lease and license fee	8,168	8,168
Insurance expenses	7,521	2,287
Other miscellaneous expenses	46,794	54,306
	2,290,243	**4,045,881**

20. Income tax expense

On 9 December 2022, the United Arab Emirates (“U.A.E.”) Ministry of Finance (“MoF”) issued Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (“Corporate Tax Law” or “CT Law”), establishing a new corporate tax (“CT”) regime in the U.A.E. The CT regime became effective for financial years beginning on or after 1 June 2023. Taxable entities in the U.A.E. are subject to CT at a standard rate of 9%.

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

Income tax expense (cont'd)

In accordance with Cabinet Decision No. 142 of 2024 on the Imposition of Top-up Tax on Multinational Enterprises ("Pillar Two" legislation), the Establishment adopted the U.A.E. domestic minimum top-up tax with effect from 1 January 2025. Entities within the scope of Pillar Two are subject to a global minimum effective tax rate of 15%.

The overall minimum effective tax rate applicable to U.A.E. profits and other in-scope profits is 15%.

Amendments to IAS 12 – Income Taxes introduced a temporary mandatory relief from recognising deferred taxes arising from legislation implementing the Pillar Two framework. The Establishment has applied this exception and has therefore not recognised or disclosed deferred tax assets and liabilities related to Pillar Two income taxes.

The income tax charge for the year ended 31 March 2026 amounts to USD 227,332 *(previous year USD Nil)*, representing the establishment's effective tax rate of 8.39% *(previous year 0%)*. The component of income tax expense in the statement of profit or loss and other comprehensive income:

	2026 USD	***2025 USD***
Current income tax expense		
Corporate tax charge (excluding Pillar Two charge)	127,209	-
Pillar Two tax charge	100,123	-
	227,332	-
Deferred tax		
Deferred income tax expense / benefit relating to origination and reversal of temporary differences	-	-
Income tax expense reported in the statement of profit or loss and other comprehensive income	**227,332**	-

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

	2026 USD	***2025 USD***
Accounting profit for the year before tax	1,515,548	31,095,148
Income tax at U.A.E. statutory rate of 9%	136,399	2,798,563
Tax effect of amounts which are taxable at 0%:		
Qualifying income of the qualifying free zone*	-	(2,798,563)
Adjustments for income up to USD 102,110^	(9,190)	-
Income tax expense/(benefit)	**127,209**	-
Effective tax rate	**8.39%**	**0%**

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

Income tax expense (cont'd)

** As per Article 18 of the CT Law, a qualifying free zone person is a free zone person that satisfies all of the following conditions:*

a) Maintains adequate substance in the State.
b) Derives Qualifying Income as specified in a decision issued by the Cabinet at the suggestion of the Minister.
c) Has not elected to be subject to Corporate Tax under Article 19 of this Decree-Law.
d) Complies with Articles 34 and 55 of this Decree-Law.
e) Meets any other conditions as may be prescribed by the Minister.

Corporate tax shall be imposed on qualifying free zone person at the following rates:

a) 0% on qualifying income; and
b) 9% on taxable income that is not qualifying income.

The de minimis requirement in U.A.E. Corporate Tax allows qualifying free zone persons to pay 0% tax if their non-qualifying income does not exceed the lower of 5% of total revenue or AED 5 million.

^ As per the U.A.E. CT Law, corporate tax rate of 0% shall be imposed on the portion of taxable income not exceeding AED 375,000 (USD 102,110).

In determining the income tax expense for the year, the establishment's accounting profit has been adjusted in accordance with applicable tax legislation. Such adjustments encompass items relating to both income and expenditure and are based on the Establishment's current interpretation of the tax laws, regulations, and administrative practices in force. The establishment has not identified any material tax risks or uncertainties in its structure and will continue to monitor legislative and regulatory developments that may affect its tax position.

21. Related party transactions and balances

The establishment enters into transactions with 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 establishment has transactions and balances during the year are as follows:

Ultimate parent company and its branch
- Sun Pharmaceutical Industries Ltd., India
- Sun Pharmaceutical Industries, U.A.E branch

Parent company
- Sun Pharma Holdings, Mauritius

Fellow subsidiaries
- Sun Pharmaceutical Industries Inc, USA
- Sun Pharma (Netherlands) B.V., Netherlands
- Alkaloida Chemical Company Zrt., Hungary
- Ranbaxy (Thailand) Co. Ltd, Thailand
- Ranbaxy (Malaysia) Sdn. Bhd., Malaysia

Key management personnel (KMP)
- Mr. Kavan Bhaskarkumar Modi

Significant transactions during the year with related parties and the amounts involved are as follows:

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

Related party transactions and balances (cont'd)

Figures in ('000)

	Ultimate parent company USD Dr / (Cr)	*Fellow subsidiaries USD Dr / (Cr)*	*KMP USD Dr / (Cr)*	*Total 2026 USD Dr / (Cr)*	*Total 2025 USD Dr / (Cr)*
Sales	(2,860)	(94)	-	(2,954)	(86,054)
Purchases	35,154	-	-	35,154	95,082
Director's remuneration and expenses	-	-	113	113	111
Interest expense	-	72	-	72	3,335

Transactions between the establishment and its related parties are made on terms equivalent to those that prevail in arm's length transactions. The year-end related parties' balances are disclosed in notes 8, 9, 12, 13, 14 and 15.

22. Capital risk management

The establishment manages its capital to ensure that the establishment will be able to continue as a going concern while maximizing the return to the shareholder company. The capital structure of the establishment comprises net debt (comprising interest bearing borrowings and trade and other payables offset by cash and bank balances) and equity (comprising share capital and retained earnings).

23. 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 establishment to concentrations of credit risk comprise principally of bank balance and trade and other receivables. The establishment's bank balance in current and term deposits accounts are placed with high credit quality financial institutions.

The establishment has derived 93% *(previous year 84%)* of its revenue from four *(previous year three)* customers based overseas which includes 7% *(previous year 47%)* from a related party.

At 31 March 2026, the establishment had significant concentration of credit risk with 3 overseas customers accounting for 93% *(previous year 81% with 4 overseas customers)* of the trade receivables. Management believes that this concentration of credit risk is mitigated as these customers have long standing relationships with related parties.

The establishment also seeks to limit its credit risk with respect to customers by monitoring outstanding receivables and the terms of realization with the customers being letter of credit where available. In this way, the customer balances are secured and considered good and recoverable by the management. There are no significant concentrations of credit risk from receivables outside the industry in which the establishment operates.

Liquidity risk

Liquidity risk is the risk that the establishment will not be able to meet financial obligations as they fall due.

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

Liquidity risk (cont'd)

The liquidity requirements are monitored on a regular basis by the parent company and the management who ensure that sufficient funds are made available to the establishment to meet 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 establishment'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. Loans from related parties are at fixed rate of interest. Term deposit is at a 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. Except for the below, there is no significant currency risk as substantially all financial assets and financial liabilities are denominated in the US Dollars or UAE Dirhams to which the US Dollars rate is fixed:

	2026 Equivalent USD	***2025 Equivalent USD***
Foreign currency financial assets:		
Trade receivables		
Euro (EUR)	7,556,787	5,973,149
Bank balance		
Euro (EUR)	1,124,714	4,244,527
Foreign currency financial liability:		
Trade payables		
Euro (EUR)	2,695,315	3,480,862

24. Financial instruments: Fair values

The fair values of the establishment's financial assets, comprising trade and other receivables and bank balances and financial liabilities comprising long-term loan and trade and other payables, approximate to their carrying values.

25. Uncertain tax position

The establishment determines its taxable profit (or loss), tax bases, unused tax losses, and tax credits in accordance with applicable tax laws and regulations. However, in some cases, the tax treatment of certain transactions, reliefs or exemptions may be uncertain due to likelihood of different interpretations of tax laws. The management believes that the provisions recognized reflect the best estimate of potential tax liabilities.

SUN LABORATORIES FZE

Notes to the Financial Statements
for the year ended 31 March 2026

Uncertain tax position (cont'd)

These provisions are based on the most likely outcome of the uncertain tax treatments, considering the potential outcomes of discussions with tax authorities and the application of relevant tax laws. However, the final outcome may differ from these estimates, and adjustments may be required in future periods.

26. Contingent liabilities and capital commitments

There were no contingent liabilities and capital commitments outstanding at the date of statement of financial position.

27. Comparative figures

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year. Such reclassifications do not affect the previously reported profit, net assets or equity of the establishment.

28. 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 establishment as of, and for the year ended 31 March 2026.

The financial statements were approved by the board of directors on 4 May 2026 and authorized Mr. Kavan Bhaskarkumar Modi to sign on behalf of the Board.

On behalf of the board:

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Kavan Bhaskarkumar Modi
DIRECTOR