

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

**INDEPENDENT AUDITOR'S REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2024**

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

**INDEPENDENT AUDITOR'S REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2024**

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**Biocon FZ-LLC**

Dubai Development Authority  
Dubai, United Arab Emirates

**General Information**

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Principal Office Address: DSP- HQ Complex- 707N, Dubai Science Park,  
Dubai – United Arab Emirates

Website : [www.biocon.com](http://www.biocon.com)

The Shareholder	: Name	Nationality
	M/s. Biocon Limited	India

The Auditor : M&M Al Menhali Auditing  
Dubai – United Arab Emirates

The Bank : Citi Bank N.A.  
Bank of Baroda

## Directors' Report

The Directors present the annual report and the audited financial statements for the year ended March 31, 2024.

### Legal Aspect

**Biocon FZ-LLC**, ("the Company") is registered with Dubai Development Authority (earlier known as Dubai Creative Clusters Authority) as a Free Zone Company with Limited Liability and operates under the License No. 93004 originally issued on June 16, 2015.

The company is licensed by Dubai Development Authority to engage in marketing & sales promotion, import and re-export and storage of pharmaceuticals including providing support service.

Authorised, issued and paid-up capital of the Company is AED 150,000 divided into 150 shares of AED 1,000 each fully paid and held by the shareholder,

Name of the Shareholder	Nominal Value	No of shares	Value in AED	Nationality
Biocon Limited	1,000	150	150,000	India (Corporate)
<b>Total</b>	<b>1,000</b>	<b>150</b>	<b>150,000</b>	

### Financial performance

During the year under review, the Company's summary of financial performance is as follows:

	March 31, 2024	March 31, 2023
Revenue	<b>9,070,130</b>	9,300,072
Gross profit	<b>3,715,856</b>	964,688
Gross profit margin	<b>41%</b>	10%
Net Profit for the year	<b>2,330,245</b>	529,081

### Changes in accounting policies

Accounting policies have been consistently applied during the year. There have been no significant changes in accounting policies.

### Going Concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. There are no material events affecting the continuation of **Biocon FZ-LLC** and its ability to continue its operations during the next financial year.

### Auditors

M & M Al Menhali Auditing (Member of network firm MGI worldwide), the auditors of the Company, have indicated their willingness to continue in office.

**Statement of Director's responsibility**

The management is responsible to ensure that the financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the requirements of Dubai Development Authority and the Company's Memorandum and Articles of Association which might have materially affected the financial position of the Company or its financial performance.

**Approved by the Board and Signed on its behalf by:**

Sd/-  
Director,  
May 10, 2024

Sd/-  
Director,  
May 10, 2024



A L M E N H A L I

A U D I T I N G (DMCC BRANCH)

REGISTERED AND LICENSED AS A FREE ZONE COMPANY  
UNDER THE RULES & REGULATIONS OF DMCCA



المنهالي

لتدقيق الحسابات (فروع د.م.س.)

مسجلة ومرخصة كشركة منطقة حرة

طبقاً للقوانين وأنظمة سلطة مركز دبي للسلع المتعددة

## INDEPENDENT AUDITOR'S REPORT

To

The Shareholders,  
**Biocon FZ-LLC**,  
Dubai, U.A.E.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Biocon FZ-LLC**, which is registered under Dubai Development Authority as a Free Zone Limited Liability Company.

### **What we have audited**

The Company's financial statements comprising,

- The statement of financial position
- The statement of income
- The statement of changes in equity
- The statement of cash flows
- The notes to the financial statements, which include a summary of significant accounting policies,

### **Our opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Biocon FZ-LLC** (the "Company") as of **March 31, 2024** and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### **Basis for opinion**

We conducted our audit in accordance with the 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Company 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 of the Company in U.A.E, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other information**

Management is responsible for other information. The other information comprises Director's report set up on page 1 and 2. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standard, the rules and regulations of Dubai Development Authority and to implement and monitor such internal control as management determines it 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 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.
- 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.

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REGD OFFICE: P.O Box: 43711, Dubai, U.A.E.

M&M Al Menhali Auditing is a member firm of mgjworldwide



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- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

Further, as required by the rules and regulations of Dubai Development Authority, we report that:

- i. We have obtained all the information we considered necessary for the purposes of our audit;
- ii. The financial statements have been prepared and complied in all material respects, with applicable provisions of the rules and regulations of Dubai Development Authority;
- iii. The Company has maintained proper books of account;
- iv. The financial information included in the report of the Director is consistent with the books of account of the Company;
- v. The investments or purchase of shares, if any, are disclosed in the financial statement during the year March 31, 2024;
- vi. The material related party transactions and the terms under which they were conducted are disclosed in the financial statements.
- vii. Nothing has come to our attention which causes us to believe that the Company has contravened, during the financial year ended March 31, 2024 any of the applicable provisions of the rules and regulations of Dubai Development Authority or in respect of the Company, its Articles of Association and minutes of the Board of Directors which would materially affect its activities or its financial position as at March 31, 2024.

#### M&M Al Menhali Auditing,

DocuSigned by:

**M&M Al Menhali Auditing**

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*M&M Al Menhali Auditing*



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

**May 10, 2024**

2307, LIWA HEIGHTS, Jumeirah Lakes Towers,  
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**BIOCON FZ- LLC**  
**DUBAI, U.A.E**  
**Statement of Financial Position**  
**As at March 31, 2024**  
*(In Arab Emirates Dirhams)*

	<i>Notes</i>	March 31,	
		2024	2023
<b>Assets</b>			
<b>Non-current assets</b>			
Right of use	7	130,809	135,051
<b>Total non current assets</b>		<b>130,809</b>	<b>135,051</b>
<b>Current assets</b>			
Trade and Other receivables	8	7,466,063	7,224,998
Inventories	9	403,484	521,922
Cash and cash equivalents	10	12,403,371	17,004,834
<b>Total current assets</b>		<b>20,272,918</b>	<b>24,751,754</b>
<b>Total Assets</b>		<b>20,403,727</b>	<b>24,886,805</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital		150,000	150,000
Retained earnings/(Accumulated losses)		6,575,884	4,245,639
<b>Total Equity</b>		<b>6,725,884</b>	<b>4,395,639</b>
<b>Non Current liabilities</b>			
Lease liability	7	-	36,148
Provision for Employees' end of service benefits	11	225,825	174,699
<b>Total non current liabilities</b>		<b>225,825</b>	<b>210,847</b>
<b>Current liabilities</b>			
Lease liability	7	44,097	109,252
Trade and other payables	12	13,407,921	20,171,068
<b>Total current liabilities</b>		<b>13,452,018</b>	<b>20,280,319</b>
<b>Total Liabilities</b>		<b>13,677,843</b>	<b>20,491,166</b>
<b>Total Equity and Liabilities</b>		<b>20,403,727</b>	<b>24,886,805</b>

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

Auditor's Report dated May 10, 2024 is set out on page 4 to 6.

The financial statements and notes on were approved by the Board on May 10, 2024 and signed on its behalf by:

Sd/-

*Director*

Sd/-

*Director*



**BIOCON FZ- LLC**  
**DUBAI, U.A.E**

**Statement of Income**  
**For the year ended March 31, 2024**  
*(In Arab Emirates Dirhams)*

	<i>Notes</i>	<b>For the year ended March 31,</b>	
		<b>2024</b>	<b>2023</b>
<b>Revenue</b>	<i>14</i>	<b>9,070,130</b>	9,300,072
Cost of revenue	<i>15</i>	<b>(5,354,274)</b>	(8,335,384)
<b>Gross Profit</b>		<b>3,715,856</b>	964,688
Amortization	<i>7</i>	<b>(101,289)</b>	(101,290)
General and administrative expenses	<i>16</i>	<b>(2,403,325)</b>	(1,918,776)
<b>Total Operating Expenses</b>		<b>(2,504,614)</b>	(2,020,066)
<b>(Loss) from operating activities</b>		<b>1,211,242</b>	(1,055,378)
Finance charges	<i>17</i>	<b>(5,336)</b>	(2,612)
Other Income	<i>18</i>	<b>1,124,339</b>	1,587,071
<b>Net profit for the year</b>		<b>2,330,245</b>	529,081

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

Auditor's Report dated May 10, 2024 is set out on page 4 to 6.

The financial statements and notes on were approved by the Board on May 10, 2024 and signed on its behalf by:

Sd/-  
**Director**

Sd/-  
**Director**



**BIOCON FZ- LLC**  
**DUBAI, U.A.E**

**Statement of Changes in Equity**  
**For the year ended March 31, 2024**

*(In Arab Emirates Dirhams)*

	Share capital	Retained earnings	Total
Balance at March 31, 2022	150,000	3,716,558	3,866,558
Net profit for the year	-	529,081	529,081
Balance at March 31, 2023	150,000	4,245,639	4,395,639
Net profit for the year	-	2,330,245	2,330,245
<b>Balance at March 31, 2024</b>	<b>150,000</b>	<b>6,575,884</b>	<b>6,725,884</b>

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

Auditor's Report dated May 10, 2024 is set out on page 4 to 6.

The financial statements and notes on were approved by the Board on May 10, 2024 and signed on its behalf by:

Sd/-  
 Director



Sd/-  
 Director

BIOCON FZ- LLC  
DUBAI, U.A.E

**Statement of Cash Flows**  
**For the year ended March 31, 2024**  
*(In Arab Emirates Dirhams)*

	For the year ended March 31,	
	2024	2023
<b>Cash flows from/(used in) operating activities:</b>		
Net profit for the year	2,330,245	529,081
Provision for employess' service end benefit	51,126	38,058
Amortization on right of use	101,289	101,290
Interest accrual	-	-
Decrease/(Increase) in trade and other receivables	(241,065)	5,046,615
Decrease/(Increase) in inventories	118,438	(521,922)
(Decrease)/Increase in trade and other payables	(6,763,147)	(3,864,014)
<b>Net Cash flows from/(used in) operating activities</b>	<b>(4,403,113)</b>	<b>1,329,108</b>
<b>Cash flows from/(used in) investing activities:</b>		
Net movement in right of use of asset	(97,047)	-
<b>Net Cash flows (used in) investing activities</b>	<b>(97,047)</b>	<b>-</b>
<b>Cash flows from/(used in) financing activities:</b>		
Repayment of lease liability	(101,303)	(100,411)
<b>Net cash flows from/(used in) financing activities</b>	<b>(101,303)</b>	<b>(100,411)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(4,601,463)</b>	<b>1,228,697</b>
Cash and cash equivalents, beginning of the year	17,004,834	15,776,137
<b>Cash and cash equivalents, end of the year</b>	<b>12,403,371</b>	<b>17,004,834</b>
<b>Represented by:</b>		
Bank Balances	12,403,371	17,004,834
	<b>12,403,371</b>	<b>17,004,834</b>

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

Auditor's Report dated May 10, 2024 is set out on page 4 to 6.

The financial statements and notes on were approved by the Board on May 10, 2024 and signed on its behalf by:



Sd/-

Director

Sd/-

Director

**BIOCON FZ-LLC**  
**DUBAI, U.A.E**

**Notes to the Financial Statements**  
**For the year ended March 31, 2024**

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**1. LEGAL STATUS & ACTIVITIES:**

- a) **Biocon FZ-LLC** (“the Company”) is registered with Dubai Development Authority (earlier known as Dubai Creative Clusters Authority) as a Free Zone Company with Limited Liability and operates under the License No. 93004 originally issued on June 16, 2015 (current issue date is August 01, 2021).
- b) The Company is licensed by Dubai Development Authority to engage in marketing & sales promotion, import and re-export and storage of pharmaceuticals including providing support service.
- c) The reporting date of Biocon FZ-LLC is March 31, 2024.
- d) The registered office is in Premises: DSP- HQ Complex -707 N, Dubai Science Park, Dubai, UAE.
- e) Authorised, issued and paid-up capital of the Company is AED 150,000 divided in to 150 shares of AED 1,000 each fully paid and held by the shareholder,

Name of the Shareholders	Nominal Value	No of shares	Value in AED	Nationality
Biocon Limited	1,000	150	150,000	Corporate (India)
<b>Total</b>	<b>1,000</b>	<b>150</b>	<b>150,000</b>	

**2. BASIS OF PREPARATION**

**2.1 Basis of accounting**

The financial statements of the entity are prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), and comply, the requirements of the rules and regulations of Dubai Development Authority. The requirements of the standards applied have been satisfied in full, and the financial statements therefore provide a true and fair view of the company’s net assets, financial position and results of operations.

The financial statements consist of Statement of financial position, statement of income, statement of changes on equity, statement of cash flows and notes comprising accounting policies and other information. In order to improve the clarity of presentation, various items in the statement of financial position and in the income statement have been combined. These items are disclosed and explained separately in the Notes.

The financial statements are prepared using accrual basis of accounting. The income statement has been classified in accordance with the nature of expense method. Cash flow has been presented under indirect method. The financial statements are prepared under the historical cost convention modified to incorporate the movements on carrying values of assets and liabilities except those assets and liabilities which are recognized at fair value as required under the relevant accounting policy.

**BIOCON FZ-LLC  
DUBAI, U.A.E**

## **Notes to the Financial Statements For the year ended March 31, 2024**

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### **2.2 Application of new and revised International Financial Reporting Standards (IFRS)**

#### ***Amendments to IAS 1: Classification of Liabilities as Current or Non-current***

On 23 January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

What is meant by a right to defer settlement.

- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

#### ***Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use***

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

#### **Annual Improvements to IFRS Standards 2018-2020 cycles**

The following is the summary of the amendments from the 2018-2020 annual improvements cycle:

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company / Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

#### ***Definition of Accounting Estimates - Amendments to IAS 8***

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of accounting estimates. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

**BIOCON FZ-LLC**  
**DUBAI, U.A.E**

## **Notes to the Financial Statements**

### **For the year ended March 31, 2024**

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The amendments are effective for annual reporting periods beginning on or after January 01, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

#### ***Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2***

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

#### **2.3 Authorization date**

Authorization date is that on which the financial statements are authorized and approved by the management. The authorization date of Biocon FZ-LLC is May 10, 2024.

#### **2.4 Currency**

The financial statements are presented in United Arab Emirates Dirhams ("AED") which is the functional currency of the company.

### **3. Accounting estimates and judgements**

In the preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) management has made a number of judgements, estimates and assumptions in the application of certain accounting policies that affect the reported assets, liabilities, income and expenses (IAS 8). These estimates and assumptions are reviewed on an ongoing basis and are based on historical experiences and other factors, including expectations of future events that are assumed to be reasonable under the current conditions.

When an IFRS specifically applies to a transaction, other event or condition, the accounting policy or policies applied to that item is determined by applying the relevant IAS/IFRS.

In the absence of an IAS/IFRS that specifically applies to a transaction, management has used judgement in developing and applying an accounting policy that results in information that is relevant to the economic decision made by the users and reliable to the financial statements. Therefore, for each transaction, management has considered the requirement under IAS/IFRS and recognition, measurement concepts for assets, liabilities, income and expense in the conceptual framework.

The entity shall change an accounting policy only if the change is required by an IFRS or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows. **A change in accounting policy will be applied retrospectively.**

The change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. **Changes in accounting estimates are as a result of new information or new developments and, accordingly, are not corrections of errors.**

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## **Notes to the Financial Statements**

### **For the year ended March 31, 2024**

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#### **3.1 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets include in particular cash and cash equivalents, trade receivables, originated loans and receivables, and derivative financial assets held for trading. Financial liabilities include contractual obligations to deliver cash or another financial asset to another entity. These mainly comprise trade payables, liabilities to banks, liabilities arising from bonds and finance leases, and derivative financial liabilities.

##### **A. Financial Instruments – Recognition and measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets include in particular cash and cash equivalents, trade receivables or any other assets that gives the rights.

Financial liabilities include contractual obligations to deliver cash or another financial asset to another entity. These mainly comprise trade payables, liabilities to banks in case if any or liabilities arising from related party transactions.

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The Company determines its business model at the level best reflects how it manages company of financial assets to achieve its business objective and in order to generate contractual cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets.

If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of business model and measured at FVTPL. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

As on date all the financial assets fall under the category of business model test.

##### **Trade receivables**

Trade receivables are amounts due from customers for the sale of goods or provision of services in the ordinary course of business. A receivable is recognised at the undiscounted amount of cash receivable from that entity, which is normally the invoice price.

At the end of each reporting period, an assessment is made whether there is an objective evidence of impairment. Estimates of the collectible amount of trade receivable are made when collection of the full amount is no longer probable. This estimation is performed on an individual basis. Amount which are not individually insignificant, but which are past due, are assessed collectively and an allowance applied accordingly to the length of time past due, based on historical recovery rates. Impairment loss is recognised through statement of income. **Refer Note: 8.**

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of customers over a period of 12 month before each balance sheet date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on



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### **For the year ended March 31, 2024**

macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The credit loss allowance for trade receivables is determined according to the provision matrix presented in the table below. The provision matrix is based on the number of days that an asset is past due.

	<i>In % of gross value</i>		<i>(in Arab Emirates Dirhams)</i>	
	<b>Loss Rate %</b>	<b>Gross carrying amount</b>	<b>Lifetime ECL</b>	<b>Net Carrying value</b>
Not Due	-	5,541,945	-	5,541,945
Less than 180 days	6%	1,962,042	(139,363)	1,822,679
More than 180 days	100%	2,427,094	(2,427,094)	0
<b>Total</b>	-	<b>9,931,081</b>	<b>2,566,457</b>	<b>7,364,624</b>

#### **Impairment of financial assets**

IFRS 9 requires the Company to provide for expected credit losses for financial assets measured at amortized cost.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). However, no ECLs are provided for the year ended March 31, 2024.

#### **Other receivables**

Other receivables are considered as current assets if they mature not more than 12 months after the balance sheet date; otherwise, they are recognised as non-current asset. It is initially recognised at fair value including transaction costs and carried at amortised cost using the effective interest method.

A prepaid expense is a type of asset that arises on balance sheet as a result of the entity making payments for goods or services to be received in the near future. While prepaid expenses are initially recorded as asset, their value is expensed over time as the benefit is received.

Deposits consist of cash deposited as security for electricity, visa fee etc. **Refer Note: 8.**

#### **Cash and cash equivalents**

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in value.

They are held to meet short-term cash commitments instead of for investment or other purposes. They are carried at their principal amount. **Refer Note: 10.**

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## **Notes to the Financial Statements**

### **For the year ended March 31, 2024**

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#### **B. Financial liabilities**

IFRS 9 recognises two classes of financial liabilities: Financial liabilities at fair value through profit or loss and other financial liabilities measured at amortised cost using effective interest method.

On initial recognition, financial liabilities are carried at fair value less transaction costs. The price determined on a price-efficient and liquid market or a fair value.

In subsequent periods the financial liabilities are measured at amortised cost. Any differences between the amount received and the amount repayable are recognised in income over the term of the loan using the effective interest method.

#### **Trade and other payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method.

An accrued expense is an accounting expense recognized in the books before it is paid for. It is a liability and is usually current. These expenses are typically periodic and documented on a company's balance sheet due to the high probability that they will be collected. **Refer Note: 12.**

#### **C. Derecognizing financial instruments**

##### **Derecognition of financial asset**

An entity shall derecognize financial asset only when the contractual right to the cash flow expires or settled or when the risk and reward is transferred in such case the entity shall derecognize the asset and recognize any rights and obligations retained.

##### **Derecognition of financial liability**

An entity shall derecognize financial liability only when it is extinguished i.e., when the obligation specified in contract is discharged, cancelled or expired. An entity shall recognize in profit or loss the difference in the carrying amount and consideration paid.

#### **3.2 Inventories**

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

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

Inventories are impaired if damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. Inventories are written down to net realizable value item by item. **Refer Note: 9.**

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## **Notes to the Financial Statements**

### **For the year ended March 31, 2024**

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#### **3.3 Provision for employees' end of service benefits**

*Short-term employee benefits* are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

*Post-employment benefits* are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

*Other long-term employee benefits* are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

#### **Employees' end of service benefit**

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

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

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

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

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

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

#### **Share based payments**

The company provide share-based incentives to its employees. The parent company has constituted ESOP trust in order to provide shares to eligible employees accordingly, the employees of the company are eligible for share-based payments. **Refer Note: 11.**

#### **3.4 Leases**

The company has adopted IFRS 16- Lease to its long-term contract with Tecom for the office premises on which the Company conducts its operating activities.

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

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

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## **Notes to the Financial Statements**

### **For the year ended March 31, 2024**

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

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

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

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

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

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

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

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

**The term of the lease is 3 years.**

The right-of-use of assets are presented as a separate line in the statement of financial position.

The Company applies IAS36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property and equipment' policy.

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

As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. **Refer Note: 7.**

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## **Notes to the Financial Statements**

### **For the year ended March 31, 2024**

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#### **3.5 Transactions with related parties**

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 Related party. A related party comprises of companies and entities under common ownership and/or common management and control; their parents and key management personnel.

Additionally, if the Company is able to directly or indirectly control or exercise significant influence over a party in making financial and operating decisions, or vice versa are considered to be related to the entity.

The Company believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties. IAS 24 also requires the disclosure of key management personnel.

Common types of related party transactions for the company are as follows:

- Transactions with its principal owners
- Transactions between entity under common control or has significant influence. **(Ref schedule 13 for detail)**

#### **3.6 Corporate tax law**

On December 09, 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE.

The new CT regime will become effective for accounting periods beginning on or after June 01, 2023. As the Company's accounting year ends on March 31, accordingly the effective implementation date for the Company will start from April 01, 2023 to March 31, 2024, with the first return to be filed on or before December 31, 2025. The CT Law confirms the rate of 9% to be applied to taxable income exceeding AED 375,000.

Therefore, pending such important decisions by the Cabinet, the Company has determined that the Law is not applicable to the financial year ended March 31, 2024. The Company is currently assessing the impact of these laws and regulations to determine their tax status and also the application of IAS 12 - Income Taxes and will apply the requirements as they come into effect.

#### **3.7 Revenue Recognition**

Revenue is recognised to the extent that it is probable that any economic benefits associated with that revenue item will flow to the entity and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment excluding discounts.

The Company recognizes revenue from contracts with customers based on five step approach as set out in IFRS 15;

- **Identify contract(s) with a customer:** A contract is identified as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

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### **For the year ended March 31, 2024**

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- **Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- **Determine the transaction price:** The transaction price is the amount of consideration the Company expects to be entitled to in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- **Allocates transaction price to the performance obligation in a contract:** For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled to in exchange for satisfying each performance obligation.
- **Recognise revenue:** Recognize revenue when (or as) the Company satisfies a performance obligation. **Refer Note: 14.**

#### **3.8 Cost of revenue**

Costs of sale are the direct costs attributable to the production of the goods sold by the company. This amount includes the cost of the materials used in creating the good along with the direct labour costs used to produce the good and factory overheads. **Refer Note: 15.**

#### **4. FAIR VALUE DETERMINATION AND ANALYSIS**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The standard for fair value measurement applies on initial recognition and subsequent measurement when it required or permitted by other sections of IFRS for SMEs. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement is applied under the presumption that the transaction to sell the asset or transfer a liability takes place either in the principal market for that asset or liability or the most advantageous market for that asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, the levels of fair value hierarchy are defined as follows:

Level 1: Measurement is made by using quoted prices (unadjusted) from an active market.

Level 2: Measurement is made by means of valuation methods with parameters derived directly or indirectly from observable market data.

Level 3: Measurement is made by means of valuation methods with parameters not based exclusively on observable market data.

For financial assets and liabilities reported, there are no major difference between the carrying amount and fair value.

#### **5. RISK PROFILE AND ANALYSIS**

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

- Credit risk
- Liquidity risk

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## **Notes to the Financial Statements**

### **For the year ended March 31, 2024**

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- Market risk

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

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

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

#### **Credit risk analysis**

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations; it arises principally from the Company's receivables from customers, other receivables, balances with bank and amounts due from related parties.

The company monitors defaults of customers or counterparties, identified collectively and incorporates the information into its credit risk controls, where available at reasonable cost, external credit ratings and/or reports on customers and counterparties are obtained and used. The company's policy is to deal with creditworthy counterparties. The Company has policy of providing provision for those which management think they cannot collect. The provision is also determined by reference to past default experience. The Company's cash is placed with banks of good repute. 1% customer constitutes 100% total receivables.

#### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk mainly relates to payables to suppliers and the repayment of bank borrowings and amounts due to related parties.

The Company approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risks through, banking facilities and borrowing facilities, by continuously forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company currently has sufficient asset to meet expected operational expenses, including the servicing of financial obligations.

As at the reporting period, the contract maturity of financial assets and liability are as follows:

<b>Financial Assets</b>	<b>Less than 180 days</b>
Trade and other receivables	7,364,623
Cash and cash equivalents	12,403,371
<b>Total</b>	<b>19,767,994</b>
<b>Financial Liabilities</b>	<b>Less than 180 days</b>
Trade and other payables	13,407,921
<b>Total</b>	<b>13,407,921</b>

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**Notes to the Financial Statements**  
**For the year ended March 31, 2024**

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***Market risk***

Market risk is the risk that changes in market prices, such as foreign currency exchange rates, interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

- ***Currency risk***

Currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. Generally, the Company is exposed to currency risk mainly on purchases and sales that are denominated in a currency other than the functional currency of the Company. Most of the transactions are denominated in the same currency as functional currency and for those foreign currency transactions, exchange rates prevailing at the date of transaction is used. Foreign exchange gains or losses resulting from any such transactions are recognized in the income statement. Hence currency risk is minimal.

**6. CAPITAL MANAGEMENT POLICIES**

The Company's capital management objectives are,

- To improve Shareholder's wealth
- To ensure the Company's ability to continue as a going concern

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company adjusts the amount of returns to members, increase capital from the members, or sell assets to reduce debt.

	<b>2023-24</b>	2022-23
Total Liabilities	<b>14,678,905</b>	20,491,166
Less: Cash & Cash equivalents	<b>(12,403,371)</b>	(17,004,834)
<b>Net Debt</b>	<b>2,275,534</b>	3,486,332
Net Equity	<b>6,725,884</b>	4,395,639



**BIOCON FZ- LLC****DUBAI, U.A.E****Notes to the Financial Statements****For the year ended March 31, 2024***(In Arab Emirates Dirhams)***7 Right of use asset and lease liabilities**

	March 31,	
	2024	2023
<b>Right of use asset</b>		
<b>Cost:</b>		
At beginning of the year	303,867	303,867
Additions during the year	97,047	-
<b>At the end of the year</b>	<b>400,914</b>	<b>303,867</b>
<b>Amortisation:</b>		
At beginning of the year	168,816	67,526
Depreciation for the year	101,289	101,290
<b>At the end of the year</b>	<b>270,105</b>	<b>168,816</b>
<b>Net book value:</b>		
<b>At the end of the year</b>	<b>130,809</b>	<b>135,051</b>
<b>Lease liabilities</b>		
At beginning of the year	145,400	245,811
Interest expenses	-	-
Payments	(101,303)	(100,411)
<b>At the end of the year</b>	<b>44,097</b>	<b>145,400</b>
Current	44,097	109,252
Non current	-	36,148

**8 Trade and Other receivables**

	March 31,	
	2024	2023
Trade receivables	9,931,080	7,172,780
Provision for doubtful debts	(2,566,457)	-
Prepayments	46,708	44,208
Deposits	54,732	8,011
	<b>7,466,063</b>	<b>7,224,999</b>

**BIOCON FZ- LLC****DUBAI, U.A.E****Notes to the Financial Statements****For the year ended March 31, 2024***(In Arab Emirates Dirhams)*Ageing analysis

	March 31,	
	2024	2023
Neither due nor impaired	5,541,945	1,187,315
Less than 180 days	1,962,042	5,681,548
More than 180 days	2,427,094	303,917
Less: Provision for doubtful debts	(2,566,458)	-
	<u>7,364,623</u>	<u>7,172,780</u>

**9 Inventories**

	March 31,	
	2024	2023
Inventories	403,484	521,922
	<u>403,484</u>	<u>521,922</u>

**10 Cash and cash equivalents**

	March 31,	
	2024	2023
Bank balances	12,403,371	17,004,834
	<u>12,403,371</u>	<u>17,004,834</u>

**11 Provision for Employees' end of service benefits**

	March 31,	
	2024	2023
Balance at beginning of the year	174,699	136,641
Paid during the year	-	-
Less: Reversal on provision	-	-
Add: Provision for the year	51,126	38,058
	<u>225,825</u>	<u>174,699</u>

**12 Trade and other payables**

	March 31,	
	2024	2023
Trade payable	13,132,025	19,144,750
Staff payables	239,544	196,053
Accruals	36,352	830,264
	<u>13,407,921</u>	<u>20,171,067</u>

**BIOCON FZ- LLC****DUBAI, U.A.E****Notes to the Financial Statements****For the year ended March 31, 2024***(In Arab Emirates Dirhams)***13 Transactions with related party****Amount due from related parties- Included in Other receivables**

	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
Biocon Limited	-	654,602
	-	654,602
Due within 1 year	-	654,602

**Amount due to related parties- Included in Trade payables**

	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
NeoBiocon FZ- (L.L.C)	13,240,178	18,368,739
Biocon Limited	-	2 38,200
Biocon Pharma Limited	67,110	1 00,363
	13,307,288	18,368,739
Due within 1 year	13,307,288	18,368,739
Due after 1 year		

Transactions during the year are as follows:

***Purchases & Expenses***

NeoBiocon FZ- (L.L.C)	2,257,256	8,145,017
Biocon Limited		490,828
Biocon Pharma Limited	67,110	100,363

***Service income & others***

NeoBiocon FZ- (L.L.C)	847,780	1,800,432
Biocon biologics Limited	26,346	27,761
Biocon Limited	1,029,126	

**14 Revenue**

	<b>For the year ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Sales	9,070,130	9,300,072
	9,070,130	9,300,072

**15 Cost of revenue**

	<b>For the year ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Purchases during the year	5,354,274	8,335,384
	5,354,274	8,335,384

BIOCON FZ- LLC

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**Notes to the Financial Statements****For the year ended March 31, 2024***(In Arab Emirates Dirhams)***16 General and administrative expenses**

	For the year ended March 31,	
	2024	2023
Salary and other related benefits	949,493	1,191,349
Sales promotion expenses	828,715	361,284
Rates and fees	273,318	269,563
Bad debts	238,200	-
Transportation Expenses	66,066	48,391
Legal and professional charges	14,000	28,000
Communication expense	12,043	9,032
Bank charges	12,136	8,384
Office Expenses	5,050	2,633
Forex loss	4,304	140
Rent	-	-
	<b>2,403,325</b>	<b>1,918,776</b>

**17 Finance charges**

	For the year ended March 31,	
	2024	2023
Interest on Lease liability	5,336	2,612
	<b>5,336</b>	<b>2,612</b>

**18 Other Income**

	For the year ended March 31,	
	2024	2023
Service income	1,124,339	1,587,071
	<b>1,124,339</b>	<b>1,587,071</b>

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

Auditor's Report dated May 10, 2024 is set out on page 4 to 6.

The financial statements and notes on were approved by the Board on May 10, 2024 and signed on its behalf by:

Sd/-  
Director

Sd/-  
Director

