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Alkaloida Sweden AB  
Indian Format Financial Statements  
FY 2016 – 2017  
1 April 2016 – 31 March 2017

**VALIA & TIMBADIA**  
CHARTERED ACCOUNTANTS

**ARVIND P. VALIA**  
B.COM. (Hons.), F.C.A.  
**HITEN C. TIMBADIA**  
B.COM. L.L.B. (GEN), F.C.A.

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ALKOLOIDA SWEDEN AB

#### Report on the Financial Statements

We have audited the accompanying Ind AS Financial Statements of **ALKOLOIDA SWEDEN AB** (the "Company"), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss (including other Comprehensive income), the statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Management of the Company is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards and Accounting Principles generally accepted in India. The responsibility includes the design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management of the Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion these financial statements.

<b>VALIA &amp; TIMBADIA</b> CHARTERED ACCOUNTANTS	Tel: Off: 2269 2624 / 2269 9664/40040216 E-mail: <a href="mailto:valtim09@gmail.com">valtim09@gmail.com</a> 32, Trinity Chambers, 117, Bora Bazar Street, Fort, Mumbai – 400 001.
<b>ARVIND P. VALIA</b> B.COM. (Hons.), F.C.A. <b>HITEN C. TIMBADIA</b> B.COM. L.L.B. (GEN), F.C.A.	

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**FOR VALIA AND TIMBADIA**  
CHARTERED ACCOUNTANTS  
(Firm Registration No. 112241W)

**HITEN C. TIMBADIA**  
Partner  
Membership No. 038429.

PLACE: MUMBAI  
DATED: 10<sup>TH</sup> May, 2017

ALKALOIDA SWEDEN AB  
BALANCE SHEET AS AT MARCH 31, 2017

in SEK

	Notes	As at 31-mrt-17	As at 31-mrt-16	As at 1-apr-15
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1	74.313	75.415	99.953
Total non-current assets		74.313	75.415	99.953
<b>Current assets</b>				
Inventories	2	20.323.789	39.961.131	
<b>Financial assets</b>				
Trade receivables	3	18.517.565	22.446.643	89.260
Cash and cash equivalents	4	1.953.413	2.869.574	143.012
Other current assets	5	259.995	217.689	608.019
Total current assets		41.054.762	65.495.037	840.291
<b>TOTAL ASSETS</b>		<b>41.129.075</b>	<b>65.570.452</b>	<b>940.244</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	6	7.133.445	7.133.445	7.133.445
Other equity		(4.381.784)	(5.698.288)	(7.083.445)
Total equity		2.751.661	1.435.157	50.000
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	7	3.023.720	2.874.110	
Total non-current liabilities		3.023.720	2.874.110	-
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	8	33.764.848	57.744.134	326.622
Provisions	9	329.845	173.033	322.388
Other current liabilities	10	1.259.001	3.344.018	241.235
Total current liabilities		35.353.694	61.261.185	890.245
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41.129.075</b>	<b>65.570.452</b>	<b>940.245</b>
		0	-	(1)

See accompanying notes to the financial statements

In terms of our report of even date attached

**For Valia & Timbadia**  
*Chartered Accountants*

**Hiten C Timbadia**  
Partner

Date: 10th of may 2017  
Place: Mumbai, India

**For and on behalf of the Board**

**Prashant Savla**  
*Director*

Date: 8th of may 2017  
Place: Hoofddorp, The Netherlands

ALKALOIDA SWEDEN AB  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

in SEK

	Notes	Year ended 31-mrt-17	Year ended 31-mrt-16
Revenue from operations	11	103.018.288	46.367.873
<b>Total income</b>		103.018.288	46.367.873
<b>Expenses</b>			
Cost of material consumed	12	85.053.549	32.852.012
Employee benefits expense	13	2.968.320	3.909.650
Finance costs	14	149.610	44.866
Depreciation and amortisation expense	1	27.350	24.540
Other expenses	15	13.502.955	8.151.648
<b>Total expenses</b>		101.701.784	44.982.716
<b>Profit before exceptionals item and tax</b>		1.316.504	1.385.157
<b>Profit before tax</b>		1.316.504	1.385.157
<b>Profit for the year</b>		1.316.504	1.385.157
<b>Total comprehensive profit for the year</b>		<b>1.316.504</b>	1.385.157
<b>Earnings per equity share (face value per equity shares - ` 1)</b>		1.316.504	1.385.157
Basic (in `)			
Diluted (in `)			
See accompanying notes to the financial statements			
In terms of our report of even date attached			
<b>For Valia &amp; Timbadia</b>	<b>For and on behalf of the Board</b>		
<i>Chartered Accountants</i>			
<b>Hiten C Timbadia</b>	<b>Prashant Savla</b>		
Partner	Director		
Date: 10th of may 2017	Date: 8th of may 2017		
Place: Mumbai	Place: Hoofddorp		

ALKALOIDA SWEDEN AB  
STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED MARCH 31, 2017

in SEK

	Share application money pending allotment	Share suspense account	Reserve and surplus							Retained earnings (Surplus in profit and loss)	Other comprehensive income (OCI) through OCI	Effective portion of cash flow hedge	Total
			Capital reserve	Securities premium reserve	Debt redemption reserve	Share option outstanding account	Amalgamation reserve	Capital redemption reserve	General reserve				
<b>Balance as at April 1, 2015</b>													
Loss for the year													(7,083,445)
Other comprehensive income for the year, net of income tax													1,385,157
<b>Total comprehensive income for the year</b>													<b>1,385,157</b>
Payment of dividend													
Corporate dividend tax													
Scheme of amalgamation													
Transfer of capital redemption reserve													
Transfer of debt redemption reserve													
Issue of share capital													
Buy-back of equity shares													
Exercise of share option													
Transfer to General Reserve													
Share-based payments (amortisation)													
<b>Balance as at March 31, 2016</b>													
Loss for the year													
Other comprehensive income for the year, net of income tax													
<b>Total comprehensive income for the year</b>													
Payment of dividend													
Corporate dividend tax													
Transfer to revaluation													
Transfer of capital redemption reserve													
Issue of share capital													
Buy-back of equity shares													
Exercise of share option													
Transfer to General Reserve													
Share-based payments (amortisation)													
<b>Balance as at March 31, 2017</b>													

In terms of our report of even date attached  
**For Valia & Timbadia**  
Chartered Accountants

For and on behalf of the Board

**Hiten C Timbadia**  
Partner

Date: 10th of may 2017  
Place: Mumbai, India

**Prashant Savia**  
Director

Date: 8th of may 2017  
Place: Hoofddorp, The Netherlands

**ALKALOIDA SWEDEN AB**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

PARTICULARS	FOR THE YEAR ENDED 31.03.2017 Amount in SEK		FOR THE YEAR ENDED 31.03.2016 Amount in SEK	
<b>A) Cash flow From Operating Activities</b>				
Net Profit Before Tax		1.316.504		1.385.157
<u>Adjustments for</u>				
Profit on sale of Investment				
Other Income (Interest and investment income)				
Interest Expenses	149.610		44.866	
<b>Operating (Loss) / Profit before Working Capital change</b>		149.610		44.866
<b>Changes in working capital</b>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Decrease / (Increase) in Inventory	19.637.342		(39.961.131)	
Decrease / (Increase) in Sundry Debtors	3.929.078		(22.357.383)	
Decrease / (Increase) in Loans and Advances				
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
(Decrease) / Increase - Trade & Other payables	(25.949.797)		60.761.270	
Income Tax paid				
<b>Net Cash Flows from Operating Activities</b>		(2.383.377)		(1.557.244)
<b>B) Cash Flow from Investing Activities</b>				
Decrease / (Increase) in Non-Current Investments				
Decrease / (Increase) in Current Investments	1.102		24.538	
Interest and investment income				
Decrease / (Increase) in Other Receivables				
Other Non-Operating Income				
<b>Net Cash Flows from Investing Activities</b>		1.102		24.538
<b>C) Cash Flow from Financing Activities</b>				
Decrease / (Increase) in Loans and Advances			2.829.245	
Proceeds from issue of Equity Shares				
Interest Income				
Increase / (Decrease) in Long Term Borrowings				
Interest Expenses				
Increase / (Decrease) in Short Term Borrowings				
<b>Net Cash Flows from Financing Activities</b>		-		2.829.245
<b>Net Increase / (Decrease) in Cash &amp; Cash equivalents</b>		(916.161)		2.726.562
Cash & Cash Equivalents at Beginning of the year	2.869.574		143.012	
<b>Cash &amp; Cash Equivalents at the End of the Year</b>	1.953.413		2.869.574	

Note : Cash & Cash Equivalents Consist of the cash /cheque in hand & bank balance in current Account.

In terms of our report of even date attached  
**For Valia & Timbadia**  
Chartered Accountants

**For and on behalf of the Board**

**Hiten C Timbadia**  
Partner

**Prashant Savla**  
Director

Date: 10th of may 2017

Date: 8th of may 2017

Place: Mumbai, India

Place: Hoofddorp, The Netherlands

ALKALOIDA SWEDEN AB  
 NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31,

NOTE : 1  
 PROPERTY, PLANT AND EQUIPMENT

in SEK

	Office equipment	Furniture and fixtures	Total
<b>At cost / deemed cost</b>			
<b>As at April 1, 2015</b>	79.673	43.028	122.701
Additions			
Disposals			
Transfers			
<b>As at March 31, 2016</b>	79.673	43.028	122.701
Additions		26.250	26.250
Disposals			
Transfers			
<b>As at March 31, 2017</b>	79.673	69.278	148.951
<b>Accumulated depreciation and impairment</b>			
<b>As at April 1, 2015</b>			
Depreciation expense	23.096	24.191	47.287
Impairment loss			
Disposals			
<b>As at March 31, 2016</b>	23.096	24.191	47.287
Depreciation expense	18.747	8.604	27.351
Impairment loss			
Disposals			
<b>As at March 31, 2017</b>	41.843	32.795	74.638
<b>Carrying value</b>			
<b>As at April 1, 2015</b>	79.673	43.028	99.953
<b>As at March 31, 2016</b>	56.577	18.837	75.415
<b>As at March 31, 2017</b>	37.830	36.483	74.313



ALKALOIDA SWEDEN AB  
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE : 2  
INVENTORIES

	in SEK		
	As at 31-mrt-17	As at 31-mrt-16	As at 1-apr-15
<b>Lower of cost and net realisable value</b>			
Stock-in-trade	20.323.789	39.961.131	-
Goods in transit			
	<b>20.323.789</b>	39.961.131	-
	<b>20.323.789</b>	39.961.131	-

NOTE : 3  
TRADE RECEIVABLES

	in SEK		
	As at 31-mrt-17	As at 31-mrt-16	As at 1-apr-15
<b>Current</b>			
Unsecured considered good	18.209.491	22.446.643	
Unsecured considered good - from related parties	308.074		89.260
	<b>18.517.565</b>	22.446.643	89.260

NOTE : 4  
CASH AND CASH EQUIVALENTS

	in SEK		
	As at 31-mrt-17	As at 31-mrt-16	As at 1-apr-15
Balances with banks			
In current accounts	1.953.413	2.869.574	143.012
	<b>1.953.413</b>	2.869.574	143.012

NOTE : 5  
OTHER CURRENT ASSETS

	in SEK		
	As at 31-mrt-17	As at 31-mrt-16	As at 1-apr-15
<b>Unsecured considered good unless stated otherwise</b>			
Prepaid expenses	259.995	217.689	608.019
	<b>259.995</b>	217.689	608.019

NOTE : 6  
EQUITY SHARE CAPITAL

	As at 31-mrt-17		As at 31-mrt-16		As at 1-apr-15	
	No. of shares	in SEK	No. of shares	in SEK	No. of shares	in SEK
<b>Authorised</b>						
Equity shares of ` 1 each						
Cumulative preference shares of ` 100 each						
	0	0	0	0	0	0
<b>Issued, subscribed and fully paid up</b>						
Equity Shares of ` 1 each	1	50.000		50.000		50.000
Conditional Shareholders Contribution		7.083.445		7.083.445		7.083.445
	1	7.133.445		7.133.445		7.133.445
<b>Reconciliation of fully paid equity shares</b>						
Opening balance						
Add : shares allotted during the year pursuant to the scheme of amalgamation						
Add : shares allotted to employees on exercise of employee stock option (excluding shares held by ESOP trust)						
Less : buy back of shares						
Closing balance	0	0	0	0		0

ALKALOIDA SWEDEN AB  
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Details of shareholders holding more than 5% in the Company	As at 31-mrt-17		As at 31-mrt-16		As at 1-apr-15	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
	Equity shares Alkaloida Chemical Company Zrt.	1	100	1	100	1

NOTE : 7

NON CURRENT BORROWINGS

	As at 31-mrt-17	As at 31-mrt-16	in SEK As at 1-apr-15
<b>Secured</b>			
At amortised cost			
Term loan from department of biotechnology	3.023.720,0	2.874.110,0	-
	<b>3.023.720,0</b>	<b>2.874.110,0</b>	<b>-</b>

NOTE : 8

TRADE PAYABLES

	As at 31-mrt-17	As at 31-mrt-16	in SEK As at 1-apr-15
Trade payables to related parties			0
Others	33.764.848	57.744.134	326.622
	<b>33.764.848</b>	<b>57.744.134</b>	<b>326.622</b>

NOTE : 9

SHORT TERM PROVISIONS

	As at 31-mrt-17	As at 31-mrt-16	in SEK As at 1-apr-15
Employee Benefits	329.845	173.033	322.388
	<b>329.845</b>	<b>173.033</b>	<b>322.388</b>

NOTE : 10

OTHER CURRENT LIABILITIES

	As at 31-mrt-17	As at 31-mrt-16	in SEK As at 1-apr-15
Statutory remittances	1.259.001	3.344.018	241.235
	<b>1.259.001</b>	<b>3.344.018</b>	<b>241.235</b>

NOTE : 11

REVENUE FROM OPERATIONS

	Year ended 31-mrt-17	Year ended 31-mrt-16	in SEK
Sale of products (including excise duty)	103.018.288	46.367.873	
	<b>103.018.288</b>	<b>46.367.873</b>	

NOTE : 12

COST OF MATERIAL CONSUMED

	Year ended 31-mrt-17	Year ended 31-mrt-16	in SEK
<b>Raw and packing materials</b>			
Inventories at the beginning of the year	39.961.131		
Purchases during the year	65.416.207	72.813.143	
Inventories at the end of the year	(20.323.789)	(39.961.131)	
	<b>85.053.549</b>	<b>32.852.012</b>	

ALKALOIDA SWEDEN AB  
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE : 13  
EMPLOYEE BENEFITS EXPENSE

	in SEK	
	Year ended 31-mrt-17	Year ended 31-mrt-16
Salaries and wages	1.942.149	2.224.137
Contribution to provident and other funds	875.818	1.570.682
Staff welfare expenses	150.353	114.831
Effective interest cost on loans to employee measured at amortised cost		
	<b>2.968.320</b>	<b>3.909.650</b>

NOTE : 14  
FINANCE COSTS

	in SEK	
	Year ended 31-mrt-17	Year ended 31-mrt-16
Interest expense on borrowing and others	59.480	53.358
Exchange differences regarded as an adjustment to borrowing costs	90.130	(8.492)
	<b>149.610</b>	<b>44.866</b>

NOTE : 15  
OTHER EXPENSES

	in SEK	
	Year ended 31-mrt-17	Year ended 31-mrt-16
Rent	236.812	321.214
Insurance	285.534	93.801
Selling and distribution	420.511	977.572
Others	13.994	35.013
Printing and stationery	26.068	35.639
Travelling and conveyance	67.446	168.800
Overseas travel and export promotion	6.707.050	2.426.618
Communication	42.753	60.370
Professional, legal and consultancy	5.009.291	3.402.139
Net (gain) / loss on foreign currency transactions and translation	371.126	67.172
As auditors	14.687	10.000
Miscellaneous expenses	307.683	553.310
	<b>13.502.955</b>	<b>8.151.648</b>
Less : Receipts from Research Activities		
	<b>13.502.955</b>	<b>8.151.648</b>

**ALKALOIDA SWEDEN AB**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2017**

**NOTE : 16**

**(A) ACCOUNTING POLICIES :**

**1. Basis of Accounting**

The Company has prepared financial statements for the year ended March 31, 2017 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 together with the comparative period data as at and for the year ended March 31, 2016. Further, the Company has prepared the opening balance sheet as at April 1, 2015 (the transition date) in accordance with Ind AS.

Upto the year ended March 31, 2016, the company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods, services, etc. 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, regardless of whether that price is directly observable or estimated using another valuation technique.

**2. Financial Assets**

**i. Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date.

**ii. Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**iii. Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

**iv. Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss

**v. Equity instruments**

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss

### 3. Financial liabilities and equity instruments

#### Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

#### a. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

#### b. Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

#### i. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### ii. Subsequent measurement

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

#### Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative entered into by the group that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For non-held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/ loss are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the statement of profit or loss. The group has not designated any financial liability as at fair value through profit and loss.

#### Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item

### 4. Recognition of Revenue

Revenue is measured at the fair value of the consideration received or receivable.

#### a. Rendering Services

Revenue from services rendered is recognized in the profit or loss as the underlying services are performed. Upfront non-refundable payments received are deferred and recognized as revenue over the expected period over which the related services are expected to be performed.

#### b. Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### c. Profit from Investments

Profit from Non Current Investments are calculated on the basis of FIFO method.  
Profit from Current Investments are calculated on the basis of NAV.

### 5. Risk Management

The Company's activities are not exposed to any material financial risks including market risk, credit risk and liquidity risk.

### 5.a Accounting Standard (AS-20) on Earnings Per Share

	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit for the year - used as Numerator for calculating Earnings Per Share	1.316.504	1.385.157
Weighted Average number of Shares used in computing Basic Earnings Per Share	1	1
Add: Dilution effect of Employee Stock Options	-	-
Weighted Average number of Shares used in computing Diluted Earnings Per Share	1	1
Nominal value per share (in SEK)	50.000	50.000
Basic Earnings Per Share (in SEK)	1.316.504	1.385.157
Diluted Earnings Per Share (in SEK)	1.316.504	1.385.157

### 5.b Related Party Transactions

	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>Sales of Goods</b>		
Basics GmbH	49.953	-
<b>Purchase of Goods</b>		
Sun Pharma Global (FZE)	8.684.092	18.750.087
Sun Pharmaceutical Industries Ltd	1.569.192	3.997.921
Ranbaxy Laboratorios Ltd	33.433.976	-
Ranbaxy UK Ltd	19.865.880	35.873.199
Ranbaxy Italia SpA	105.728	1.039.091
Sun Pharmaceutical Industries (Europe) B.V.	-	4.851.062
Sun Pharmaceuticals Germany GmbH	-	108.870
Ranbaxy Ireland Ltd	-	5.442.296
Sun Pharmaceuticals Spain SLU	-	77.624
<b>Interest Expense</b>		
Alkaloida Chemical Company Zrt.	59.480	53.358
<b>Other Expenses</b>		
Sun Pharmaceutical Industries (Europe) B.V.	4.207.299	2.647.513
Alkaloida Chemical Company Zrt.	-	152.668
<b>Trade Receivables</b>		
Sun Pharmaceutical Industries Ltd	308.074	-
<b>Loans Taken</b>		
Alkaloida Chemical Company Zrt.	3.023.720	2.874.110
<b>Trade Payable</b>		
Sun Pharmaceutical Industries (Europe) B.V.	923.640	2.339.388
Sun Pharma Global (FZE)	1.584.005	9.193.276
Ranbaxy Laboratorios Ltd	20.627.870	-
Ranbaxy UK Ltd	7.801.201	35.873.199
Alkaloida Chemical Company Zrt.	-	60.523
Sun Pharmaceutical Industries Ltd	-	2.362.160
Sun Pharmaceuticals Germany GmbH	-	108.870
Ranbaxy Ireland Ltd	-	5.442.296

## 6. Taxes on Income

Income tax expense consists of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits and taxable temporary differences arising upon the initial recognition of goodwill

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## 7. 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 Company 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.

## 8 Inventories

Inventories consisting of stock-in-trade are measured at the lower of cost and net realizable value. The cost of all categories of inventories is based on the weighted average method. Cost of raw stock-in-trade comprises cost of purchases. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

9 Accounting policies not specifically mentioned above will be as per generally accepted accounting principles in India.

## (B) First-time adoption of Ind-AS

These financial statements for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard , with April 1, 2015 as the transition date. The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note A have been applied in preparing the standalone financial statements for the year ended March 31, 2017 and the comparative information.

In terms of our report of even date attached  
For Valia & Timbadia  
Chartered Accountants

For and on behalf of the Board

Hiten C Timbadia  
Partner

Prashant Savla  
Director

Date: 10th of may 2017  
Place: Mumbai, India

Date: 8th of may 2017  
Place: Hoofddorp, The Netherlands