

<b>VALIA &amp; TIMBADIA</b> <b>CHARTERED ACCOUNTANTS</b>	Tel: Off: 2269 2624 / 2269 9664 Resi: 2409 5981/ 2409 6420 Fax: 2264 1937
<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.	E-mail: <a href="mailto:valtim09@gmail.com">valtim09@gmail.com</a> 32, Trinity Chambers, 117, Bora Bazar Street, Fort, Mumbai – 400 001.

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF ALKALOIDA SWEDEN AB

#### Report on the Financial Statements

We have audited the attached Balance Sheet of **Alkaloida Sweden AB**, as at 31st March, 2015 and also the Statement of Profit And Loss for the year ended on that date annexed thereto.

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

Management 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. This responsibility includes the design, implementation and maintenance of internal control 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 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

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<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.	

the reasonableness of the accounting estimates made by management, 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.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015; and
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date.

For **Valia & Timbadia**

Chartered Accountants

(Firm Registration no. 112241W)

**(Hiten C. Timbadia)**

Partner

Membership No. 038429

Place: Hoofddorp, The Netherlands

Date: 30<sup>th</sup> April, 2015

ALKALOIDA SWEDEN AB  
BALANCE SHEET AS AT 31 MARCH , 2015

Particulars	Note No	As At 31 MARCH , 2015		As At 31 MARCH , 2014	
		( SEK )	( SEK )	( SEK )	( SEK )
<b>CAPITAL AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	50.000		50.000	
Conditional Shareholders' Contribution		7.083.445		3.580.973	
Reserves and Surplus	2	(7.083.445)		(3.551.798)	
			50.000		79.175
<b>Share Application Money Pending Allotment</b>		-	-	-	-
<b>Minority Interest</b>					
<b>Non-Current Liabilities</b>					
Long-Term Borrowings	3	-		-	
Deferred Tax Liabilities (Net)	4	-		-	
Other Long-Term Liabilities	5	-		-	
Long-Term Provisions	6	-	-	-	-
<b>Current Liabilities</b>					
Short-Term Borrowings	7	-		-	
Trade Payables	8	326.622		173.673	
Other Current Liabilities	9	241.235		119.016	
Short-Term Provisions	10	322.388	890.245	106.500	399.189
<b>TOTAL</b>			<b>940.245</b>		<b>478.364</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets	11				
Tangible Assets		99.954		15.577	
Intangible Assets		-		-	
Capital Work-In-Progress		-		-	
Intangible Assets Under Development		-		-	
Fixed Assets Held for Sale		-		-	
		99.954		15.577	
Goodwill on Consolidation		-		-	
Non-Current Investments	12	-		-	
Deferred Tax Assets (Net)	13	-		-	
Long-Term Loans and Advances	14	-		-	
Other Non-Current Assets	15	-	99.954	-	15.577
<b>Current Assets</b>					
Current Investments	16	-		-	
Inventories	17	-		-	
Trade Receivables	18	89.260		95.592	
Cash and Cash Equivalents	19	143.012		284.243	
Short-Term Loans and Advances	20	206.641		82.952	
Other current assets	21	401.378	840.291	-	462.787
<b>TOTAL</b>			<b>940.245</b>		<b>478.364</b>

See accompanying notes forming part of the Financial Statements 30

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 : 30th April, 2015

Date : 30th April, 2015

Place : Hoofddorp , The Netherlands

Place : Hoofddorp , The Netherlands

ALKALOIDA SWEDEN AB  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

Particular	Note No	As At 31 MARCH , 2015		As At 31 MARCH , 2014	
		( SEK )	( SEK )	( SEK )	( SEK )
<b>Income</b>					
Revenue from Operations (Gross)	22	920.671		554.942	
Less: Excise Duty		-		-	
Revenue from Operations (Net)			920.671		554.942
Other Income	23		870		6.658
<b>Total Revenue</b>			<b>921.541</b>		<b>561.600</b>
<b>Expenses</b>					
Cost of Materials Consumed	24		-		-
Purchase of Stock-in-Trade			-		-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25		-		-
Employee Benefits Expense	26		2.987.766		2.511.058
Finance Costs	27		81.716		199.281
Depreciation/Amortisation/Impairment Expense			12.364		5.192
Other Expenses	28		1.371.342		679.033
Research and Development Expenditure	29				
<b>Total Expenses</b>			<b>4.453.188</b>		<b>3.394.564</b>
<b>Loss Before Exceptional Items and Tax</b>			<b>(3.531.647)</b>		<b>(2.832.964)</b>
Exceptional Items					
<b>Loss Before Tax</b>			<b>(3.531.647)</b>		<b>(2.832.964)</b>
<b>Tax Expense:</b>					
Current Tax			-		-
Deferred Tax			-		-
<b>(Loss) from the Perid from Continuing Operations</b>			<b>(3.531.647)</b>		<b>(2.832.964)</b>
(Loss ) from Discontinuing Operations Before Tax			-		-
Tax Expense of Discontinuing Operations					
<b>Profit / (Loss) from Discontinuing Operations</b>			<b>-</b>		<b>-</b>
<b>Loss for the Year</b>			<b>(3.531.647)</b>		<b>(2.832.964)</b>
<b>Minority Interest</b>					
<b>(Loss) for the Year After Minority Interest</b>			<b>(3.531.647)</b>		<b>(2.832.964)</b>
<b>Earning Per Share</b>					
Basic and Diluted SEK Face Value per share SEK 50,000			(3.531.647)		(2.832.964)
<b>See accompanying notes forming part of the Financial Statements</b>	30				

In terms of our report of even date attached

For VALIA & TIMBADIA  
Chartered Accountants

HITEN C TIMBADIA  
Partner

Date : 30th April, 2015

Place : Hoofddorp , The Netherlands

For and on behalf of the Board

PRASHANT SAVLA  
Director

Date : 30th April, 2015

Place : Hoofddorp , The Netherlands

Particulars	Note No	As At 31 MARCH , 2015		As At 31 MARCH , 2014	
		Number of Shares	( SEK )	Number of Shares	( SEK )
<b>Share Capital</b>					
<b>Authorised Capital</b>	1	-	-	-	-
<b>Issued, Subscribed and Fully Paid</b> Shares of ` SEK 50,000 each		1	50.000	1	50.000
		<u>1</u>	<u>50.000</u>	<u>1</u>	<u>50.000</u>

**Reconciliation of the Number of Shares Outstanding**

	Number of Shares	( SEK )	Number of Shares	( SEK )
Outstanding at the Beginning of the Year	1	50.000		
Add: Shares Issued During the Year	-	-	1	50.000
Less: Shares Bought Back During the Year	-	-	-	-
Outstanding at the End of the Year	1	50.000	1	50.000

Alkaloida Sweden AB is 100 % owned by Alkaloida Chemical Company Zrt . with its head office in Hungary

**Reserve and Surplus**

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Surplus / Deficit in statment of Profit and Loss			
Opening Balance	(3.551.798)	(718.834)	
Add: Profit / (Loss) for the Year	(3.531.647)	(2.832.964)	
Transfer from General Reserve	-	-	-
Proposed Dividend and Dividend Tax Written back	-	-	-
Less: Proposed Dividend	-	-	-
Corporate Dividend Tax	-	-	-
Closing Balance	(7.083.445)	(3.551.798)	
	<u>(7.083.445)</u>	<u>(3.551.798)</u>	

ALKALOIDA SWEDEN AB  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars		As At 31 MARCH , 2015		As At 31 MARCH , 2014	
		( SEK )	( SEK )	( SEK )	( SEK )
Long-Term borrowings	3		NIL		NIL
Secured Borrowings			NIL		NIL
<b>Unsecured Borrowings</b>					
Debentures			-		-
Bonds			-		-
Term Loan		-	-	-	-
Bank		-	-	-	-
Other Parties		-	-	-	-
Deferred Payment Liabilities			-		-
Deposits		-	-	-	-
Public Deposits		-	-	-	-
Intercorporate Deposits		-	-	-	-
Loans and Advances:		-	-	-	-
from Subsidiary Company		-	-	-	-
from Related Parties		-	-	-	-
Other Loans and Advances		-	-	-	-
			-		-
			-		-
Deferred Tax Liabilities (Net)	4		NIL		NIL
Other Long-Term Liabilities	5				
1) Provision for Gratuity (Net)			-		-
			-		-
Long-Term Provisions	6				
Short-Term Borrowings	7		NIL		NIL
Trade Payables	8				
Acceptances					
Other than Acceptances			326.622		173.673
			326.622		173.673
Other Current Liabilities	9				
Statutory Remittances		241.235			119.016
Others					
1 ) Provision from Employee Benefits		-		-	
2 ) Provision for invoices not yet received from Suppliers		-		-	
3 ) For reimbursement of expenses to SPG FZE		-	241.235	-	-
			241.235		119.016
Short-Term Provisions	10				
Provision from Employee Benefits					
Provision for Compensated Absences		322.388		106.500	106.500
			322.388		106.500
			322.388		106.500

ALKALOIDA SWEDEN AB  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars		As At 31 MARCH , 2015		As At 31 MARCH , 2014	
		( SEK )	( SEK )	( SEK )	( SEK )
<b>Non-Current Investment</b>	12		-		-
<b>Deferred Tax Assets (Net)</b>	13		-		-
Unabsorbed Loss			-		-
			-		-
<b>Long-Term Loans and Advances</b>	14		-		-
<b>Other Non-Current Assets</b>	15		-		-
<b>Current Investment</b>	16		-		-
<b>Inventories</b>	17				
<b>(Valued at Lower of Cost and Net Realisable Value)</b>					
Stock-in-trade (acquired for Trading)		-			
Goods-in-Transit		-	-		-
			-		-
			-		-
<b>Trade Recievables</b>	18				
(Unsecured – Considered Good unless stated otherwise)					
Over Six Months					
Considered Good					
Doubtful					
Less: Provision for Doubtful Trade Receivables			-		-
Other Trade Receivables					
Considered Good		89.260		95.592	
Doubtful					
Less: Provision for Doubtful Trade Receivables			89.260		95.592
			89.260		95.592
			89.260		95.592
The above includes Debts due from Director and other officer of the company NIL					
<b>Cash and Cash Equivalents</b>	19				
<b>Cash available in less than 3 month</b>					
Cash on hand			-		-
Cheques, Drafts on hand					
Balance with Banks					
In Current Accounts		143.012		284.243	
In EEFC Accounts (Foreign currency Account)		-		-	
In Deposit Accounts with Original Maturity less than 3 Months					
In Earmarked Accounts			143.012		284.243
<b>Cash available in more than 3 month</b>					
<b>Other Bank Balances</b>					
In Deposit Accounts			-		-
In Earmarked Accounts:			-		-
Unpaid Dividend Accounts			-		-
Unpaid Matured Debentures			-		-
Balances held as Margin Money or Security against Borrowings, Guarantees and Other Commitments		-	-	-	-
			-		-
			143.012		284.243
			143.012		284.243
<b>Short-Terms Loans and Advances</b>	20				
(Unsecured – Considered Good unless stated otherwise)					
Loans and Advances to Subsidiary Company					-
Security Deposits					
Considered Good		-		-	
Doubtful		-		-	
Less: Provision for Doubtful Deposits		-	-	-	-
Loans and Advances to Employees					
Considered Good		-		-	
Doubtful		-		-	
Less: Provision for Doubtful Loans and Advances		-	-	-	-
Prepaid Expenses			84.968		48.762
Balance with Government Authorities			121.673		34.190
Inter-Corporate Deposits			-		-
Advances for Supply of Goods and Services					
Advance Income-Tax [net of Provisions `NIL Million (Previous Year ` NIL million)]			-		-
MAT Credit Entitlement					
			206.641		82.952
<b>Other Current Assets</b>	21				
Conditional Shareholder's Contribution Recievable	5		401.378		NIL

ALKALOIDA SWEDEN AB  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particular		As At 31 MARCH , 2015 ( SEK )	As At 31 MARCH , 2014 ( SEK )
<b>Revenue from Oprations</b>	22		
Sales of Products		-	-
Sales of Services		920.671	554.942
Other Operating Revenues			
Share of Profit from Partnership Firms			
Sale of Scrap			
Royalty Income			
Others			
		<u>920.671</u>	<u>554.942</u>
<b>Other Income</b>	23		
Interest on			
Deposits with Banks			
Loans and Advances			
Other Current Investments			
Other Long-Term Investment			
Loan to Subsidiary Company			
Others - Bank Interest			
Dividend Income - Other Long-Term Investments			
Net Gain on Sales of:			
Current Investments		-	-
Long-Term investments		-	-
Net Gain on Foreign Currency Transactions and Translation (Other than considered as Finance Cost)		870	6.658
Profit on Sale of Fixed Assets (Net)			
Sundry Balances Written Back (Net)			
Insurance Claims			
Lease Rental and Hire Charges			
Other Non-Operating Income			
		<u>870</u>	<u>6.658</u>
<b>Cost of Material Consumed</b>	24		
<b>Raw Material &amp; Packing Material</b>			
Inventories at the beginning of the year		-	-
Add : Purchases of RM & PM during the year		-	-
Less : Inventories at the end of the year		-	-
		<u>-</u>	<u>-</u>
<b>Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade</b>	25		
Inventories at the end of the year:		-	-
Inventories at the beginning of the year:		-	-
		<u>-</u>	<u>-</u>



<b>Employee Benefits Expense</b>	26				
Salaries and Wages			1.967.943		1.691.401
Contribution to Provident and Other Funds			896.683		782.433
Expense on Employee Stock Option (ESOP) Scheme			-		-
Staff Welfare Expenses			123.140		37.224
			<u>2.987.766</u>		<u>2.511.058</u>
<b>Finance Costs</b>	27				
Interest Expense on:					
Borrowings					
Loan From Subsidiary Company		37.129		61.100	
Others		1.292	38.421	1.311	62.411
Other Borrowing Costs			-		-
Net (Gain) / Loss on Foreign Currency Transactions and Translation (considered as Finance Cost)			43.295		136.870
			<u>81.716</u>		<u>199.281</u>
<b>Other Expenses</b>	28				
Consumption of Stores and Spare Parts			-		-
Conversion and Other Manufacturing Charges			-		-
Power and Fuel			-		-
Rent			260.597		276.933
Rates and Taxes			-		-
Insurance			10.426		6.978
Selling and Distribution			43.372		-
Commission and Discount			-		-
Repairs			-		-
Building		-	-	-	-
Plant and Machinery		-	-	-	-
Others		17.914	17.914	20.066	20.066
Printing and Stationery			36.975		32.051
Travelling and Conveyance			230.621		153.658
Overseas Travel and Export Promotion			-		-
Communication			79.294		59.407
Provision for Doubtful Trade and Other Receivables / Loans and Advances					
Provision for Doubtful Debts		-	-	-	-
Sundry Balances / Bad Debts Written Off (Net )					
Less: Adjusted out of Provision for earlier years			-		-
Professional and Consultancy			471.783		62.135
Donations			-		-
Loss on Fixed Assets Sold / Written Off / Scrapped			-		-
Net loss on Sale of Investments					
From Current Investments					
From Long-Term Investments					
Net loss on Foreign Currency Transactions and Translation (Other than considered as Finance Cost)			-		3.738
Increase / (Decrease) of Excise Euty on Inventory			-		-
Payment to Auditors					
Audit Fees		5.888		5.000	
Taxation Matters		-		-	
Company Law Matter		-		-	
Management Service		-		-	
Other Services		-		-	
For Reimbursement Expenses		-	5.888	-	5.000
Miscellaneous Expenses			214.472		59.067
			<u>1.371.342</u>		<u>679.033</u>

<b>Research And Development Expenditure</b>	<b>29</b>			
Salaries, Wages, Bonus and Benefits		-		-
Contribution to Provident and Other Funds		-		-
Staff Welfare Expenses		-		-
Raw Material, Stores and Spares Consumed		-		-
Power and Fuel		-		-
Rates and Taxes		-		-
Rent		-		-
Insurance		-		-
<u>Repairs</u>				
-Building	-		-	
-Plant and Machinery	-		-	
-Others	-		-	
	-----		-----	
Printing and Stationery		-		-
Travelling and Conveyance		-		-
Communication		-		-
Professional and Consultancy		-		-
Loss on Sale of Fixed Assets		-		-
Miscellaneous Expenses		-		-
		-----		-----
		-		-
<b>Less:</b>				
Interest Income	-		-	
Misc. Income	-		-	
Bad Debts Recovered / Sundry balances written Back				
Receipts from Research activities	-		-	
Rent Income	-		-	
	-----		-----	
		-----		-----
		-----		-----

Fixed assets

Sr. No	Particulars	Gross block						Depreciation / amortisation / impairment			Net block		
		As at 1st April, 2014	Addition during the year	Disposals during the year	Reclassified as held for sale	Revaluation increase	Effect of foreign currency exchange differences	As at 31st March, 2015	As at 1st April, 2014	For the year	On disposals during the year	Eliminated on reclassification as held for sale	As at 31st March, 2015
I	<b>Tangible assets</b>												
1	Land: Freehold Leasehold												
2	Buildings: Owned Taken under finance lease Given under operating lease	25,961.00	53,713.00				79,674.00	10,384.00	9,317.00	0		19,701.00	
3	Computer and Computer Equipments Owned Taken under finance lease Given under operating lease		43,028.00				43,028.00		3,047.00			3,047.00	
4	Furnitures and fixtures: Owned Taken under finance lease Given under operating lease												
5	Vehicles: Owned Taken under finance lease Given under operating lease												
6	Office equipment: Owned Taken under finance lease Given under operating lease												
7	Other (Specify): Software: Owned Taken under finance lease Given under operating lease		0					0		0			
		25,961.00	96,741.00				122,702.00	10,384.00	12,364.00			22,748.00	15,577.00
	Previous year	25,961.00					25,961.00	5,192.00	5,192.00			10,384.00	15,577.00
II	<b>Intangible assets</b>												
	Trademarks, Designs and other intangible assets		0										
	Previous year									0			

## **Alkaloida Sweden AB**

### **1. Notes to the Balance Sheet as at 31 March 2015 and the Statement of Profit and Loss for the year ended on 31<sup>st</sup> March 2015 .**

#### **1.1 General**

##### **General information**

Alkaloida Sweden AB , incorporated on 22<sup>nd</sup> November, 2012 , is 100 % owned by Alkaloida Chemical Company Zrt . with its head office in Hungary. Alkaloida owns 1 share of SEK 50,000

Alkaloida Chemical Company Zrt has converted its outstanding loan as on 31<sup>st</sup> March 2015 of SEK 3, 101,094 into Conditional Shareholders' Contribution and also agreed to pay another SEK 401,378 towards shareholder's contribution. Total Conditional Shareholder's Contribution as on 31<sup>st</sup> March, 2015 is thereby considered at SEK 7,083,445.

It retains right to obtain a partial / full refund of this contribution from future disposable earnings.

##### **Going concern**

The company is dependent on the continuing financial support of its shareholders, which the directors believe will be available. The accounts do not reflect any adjustment, which would have to be made should continuing finance not be available. The Directors consider it appropriate for the accounts to be prepared on a going concern basis. Assets and liabilities are stated at nominal value, unless indicated otherwise.

#### **1.2 Accounting Policy**

##### **Basis of Accounting**

The financial statements have been prepared under historical cost convention on an accrual basis.

##### **Exchange Rate**

Transactions denominated in foreign currencies are recorded at the exchange rates that approximates the actual rate prevailing at the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates. The exchange differences arising on settlement / translation are recognised in the Statement of Profit and Loss.

##### **Tangible fixed assets**

Tangible fixed assets are valued at cost less straight-line depreciation, based on the estimated useful lives. The depreciation is a fixed percentage of the historical cost. No depreciation is provided on the assets in the year of disposal.

- Data Process Equipment : 20 %

## Related parties

All transactions with following related parties are closed at arm's length

Particulars	31/03/2015 (SEK)	31/03/2014 (SEK)
Interest – Alkaloida Chemical Co. Zrt	37,129	61,100
Sales of Services		
Sun Pharmaceutical Industries (Europe) BV	920,671	554,942
Receivable as on 31/03/2015		
Sun Pharmaceutical Industries (Europe) BV	89,260	94,053
Shareholder's Conditional Contribution		
Alkaloida Chemical Co. Zrt	401,378	NIL

## Comparison with previous year

Previous year's figures are regrouped wherever necessary to make them comparable with current year's figures.

**For and on behalf of the Board**

**PRASHANT SAVLA**

*Director*

Date : 30<sup>th</sup> April, 2015

Place : Hoofddorp , The Netherlands