

SUN GLOBAL DEVELOPMENT FZE

Financial Statements

31 March 2018

SUN GLOBAL DEVELOPMENT FZE

Financial Statements

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<u>CONTENTS</u>	<u>PAGES</u>
Director's Report	1
Independent Auditors' Report	2 - 3
Statement of Financial Position	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 12

SUN GLOBAL DEVELOPMENT FZE
Director's Report

The director submits his report and accounts for the year ended 31 March 2018.

Results and appropriations

The results of the establishment and the appropriations made for the year ended 31 March 2018 are set out on pages 5 and 6 of the financial statements.

In my opinion, the financial statements set out on pages 4 to 12 are drawn up so as to give a true and fair view of the financial position of the establishment as at 31 March 2018 and the financial performance, changes in equity and cash flows of the establishment for the year then ended in accordance with the provisions of the Sharjah Airport International Free Zone Authority and International Financial Reporting Standards.

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

Review of the business

The establishment has not carried out its licensed activity of general trading during the year.

Events since the end of the year

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

Shareholder and its interest

The shareholder at 31 March 2018 and its interest as at that date in the share capital of the establishment was as under:

	<i>Country of incorporation</i>	<i>No. of shares</i>	<i>AED</i>	<i>USD</i>
Sun Pharma Holdings	Mauritius	<u>70</u>	<u>10,500,000</u>	<u>2,858,700</u>

Auditors

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

Rajesh K. Shah
DIRECTOR

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF SUN GLOBAL DEVELOPMENT FZE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SUN GLOBAL DEVELOPMENT FZE** (the "establishment"), which comprise the statement of financial position as at 31 March 2018, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **SUN GLOBAL DEVELOPMENT FZE** as at 31 March 2018, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the establishment's in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates and in Sharjah Airport International Free Zone and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and implementing regulations of Sharjah Airport International Free Zone Authority, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the establishment'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 establishment's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the establishment's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF
SUN GLOBAL DEVELOPMENT FZE***Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the establishment's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the establishment to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

Signed by:

C. D. Shah

Partner

Registration No. 677

Shah & Alshamali Associates Chartered Accountants

17 May 2018

Dubai

SUN GLOBAL DEVELOPMENT FZE

Statement of Financial Position
31 March 2018

	<i>Notes</i>	<i>2018</i> <i>USD</i>	<i>2017</i> <i>USD</i>
ASSETS			
Non-current asset			
Loan to a related party	5	<u>2,998,154</u>	<u>2,986,954</u>
Current assets			
Deposits		953	953
Prepayments		9,040	8,990
Cash and cash equivalents	6	<u>77,948</u>	<u>99,580</u>
		<u>87,941</u>	<u>109,523</u>
Total assets		<u>3,086,095</u>	<u>3,096,477</u>
EQUITY AND LIABILITIES			
Shareholder's funds			
Capital and reserves			
Share capital	7	2,858,700	2,858,700
Accumulated losses		<u>(73,285)</u>	<u>(62,835)</u>
Total shareholder's funds		<u>2,785,415</u>	<u>2,795,865</u>
Non-current liability			
Loan from a related party	8	<u>300,000</u>	<u>300,000</u>
Current liability			
Accrual		<u>680</u>	<u>612</u>
Total liabilities		<u>300,680</u>	<u>300,612</u>
Total equity and liabilities		<u>3,086,095</u>	<u>3,096,477</u>

The notes on pages 8 to 12 form an integral part of these financial statements.

Rajesh K. Shah
DIRECTOR

SUN GLOBAL DEVELOPMENT FZE

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2018

	<i>2018</i> <u>USD</u>	<i>2017</i> <u>USD</u>
Revenue	<u>-</u>	<u>-</u>
Expenditure		
Lease expense	(4,084)	(4,084)
License fees	(4,084)	(4,084)
Other administrative expenses	<u>(2,282)</u>	<u>(2,298)</u>
Loss for the year	(10,450)	(10,466)
Other comprehensive income/(loss)	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	<u>(10,450)</u>	<u>(10,466)</u>

The notes on pages 8 to 12 form an integral part of these financial statements.

Rajesh K. Shah
DIRECTOR

SUN GLOBAL DEVELOPMENT FZE

Statement of Changes in Equity
for the year ended 31 March 2018

	<i>Share capital USD</i>	<i>Accumulated losses USD</i>	<i>Total USD</i>
As at 31 March 2016	2,858,700	(52,369)	2,806,331
Loss for the year	-	(10,466)	(10,466)
As at 31 March 2017	2,858,700	(62,835)	2,795,865
Loss for the year	-	(10,450)	(10,450)
As at 31 March 2018	<u>2,858,700</u>	<u>(73,285)</u>	<u>2,785,415</u>

The notes on pages 8 to 12 form an integral part of these financial statements.

Rajesh K. Shah
DIRECTOR

SUN GLOBAL DEVELOPMENT FZE

Statement of Cash Flows
for the year ended 31 March 2018

	<i>Note</i>	<i>2018</i> <u>USD</u>	<i>2017</i> <u>USD</u>
<u>Cash flows from operating activities</u>			
Loss for the year		(10,450)	(10,466)
Operating loss before working capital changes		(10,450)	(10,466)
(Increase)/decrease in prepayments		(50)	(4)
Increase/(decrease) in accrual		68	-
Net cash from/ (used in) operating activities		<u>(10,432)</u>	<u>(10,470)</u>
<u>Cash flows from financing activity</u>			
(Payments)/proceeds from long term loan receivable(net)		(11,200)	6,600
Net cash from/(used in) financing activity		<u>(11,200)</u>	<u>6,600</u>
Net increase/(decrease) in cash and cash equivalents		(21,632)	(3,870)
Cash and cash equivalents at the beginning of the year		<u>99,580</u>	<u>103,450</u>
Cash and cash equivalents at the end of the year	6	<u>77,948</u>	<u>99,580</u>

The notes on pages 8 to 12 form an integral part of these financial statements.

Rajesh K. Shah
DIRECTOR

SUN GLOBAL DEVELOPMENT FZE**Notes to the Financial Statements
for the year ended 31 March 2018****1. Legal status and activity**

SUN GLOBAL DEVELOPMENT FZE (the “establishment”) is a limited liability establishment incorporated in Sharjah Airport International Free Zone, Sharjah, U. A. E. pursuant to Emiri Decree No. 2 of 1995 and in accordance with the implementation rules and regulations issued there under by the Sharjah Airport International Free Zone Authority. The registered address of the establishment is SAIF plus R5 – 30/C, P. O. Box 120460, Saif Zone, Sharjah, U.A.E.

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

The establishment is operating under commercial license number 09255 with general trading as its licensed activity.

2. Basis of preparation*Going concern*

As of 31 March 2018, the company has accumulated losses of USD 73,285 (previous year USD 62,835) due to non-commencement of commercial activity since inception, loan advanced to a related party which has not yielded any returns and amount is not recoverable in the ensuing years considering the currency volatility and economic condition prevailing in the country of related party. The parent entity have agreed to continue to provide the required financial support to meet with the liabilities of the establishment as they fall due. Accordingly, the accompanying financial statements have been prepared on basis that the establishment will continue as a going concern.

Statement of compliance

The financial statements have been prepared under accrual basis of accounting and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable requirements of Sharjah International Airport Free Zone Authority.

Basis of measurement

The financial statements have been prepared under the historical cost basis.

Functional and presentation currency

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

Use of estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenue, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about the several factors and actual results may differ from reported amounts. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in note 4.

SUN GLOBAL DEVELOPMENT FZE**Notes to the Financial Statements
for the year ended 31 March 2018*****Application of new and revised International Financial Reporting Standards (IFRS)***

The establishment has applied all applicable accounting standards and amendments which are effective for annual periods beginning on or after 1 April 2017. The establishment has not early adopted any other standard, interpretation or amendment that has been issued but are not yet effective.

3. Summary of significant accounting policies

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

Financial instruments

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

Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

Financial assets

The financial assets comprise long term loan to a related party, refundable deposit and bank balance.

Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents represents bank balance in call accounts.

Financial liability

The financial liability comprises accrual.

Other payables

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

Foreign currency transactions

Transactions in currencies other than foreign currencies are converted into US Dollars at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in currencies other than foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of statement of financial position date.

Resulting exchange difference is taken to the statement of profit or loss and other comprehensive income.

SUN GLOBAL DEVELOPMENT FZE

Notes to the Financial Statements
for the year ended 31 March 2018**4. Significant judgment employed in applying accounting policies and key sources of estimation uncertainty****4.1 Significant judgment employed**

The significant judgement made in applying accounting policies that has the most significant effect on the amounts recognized in the financial statements is as under:

Impairment

At each reporting date, management conducts an assessment of all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to the statement of profit or loss and other comprehensive income or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

4.2 Key sources of estimation uncertainty

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

Impairment of loan and receivables

Management regularly undertakes a review of the amounts of loans and other receivables owed to the establishment and assess the likelihood of non-recovery. Such assessment is based upon the age of the debt, historic recovery rates and assessed credit worthiness of the receivable. Based on the assessment assumptions are made as to the level of provisioning required.

5. Loan to a related party

This represents long term unsecured, non-interest bearing loan to a related party without fixed repayment terms which is outstanding for a period ranging from 2012 to 2018. However, the parent entities have resolved to provide financial and other required support and no impairment is considered necessary.

6. Cash and cash equivalents

This represents balance in call account with a bank.

7. Share capital**Authorised, issued and paid-up:**

70 shares of AED 150,000 each (converted @ 3.673)

2018
USD

2017
USD

2,858,700

2,858,700

SUN GLOBAL DEVELOPMENT FZE

Notes to the Financial Statements
for the year ended 31 March 2018**8. Related parties transaction and balances**

The establishment enters into transactions with parties that fall within the definition of a related party as contained in International Accounting Standard 24: Related Party Disclosures. Related parties are the entities which possesses the ability (directly or indirectly) to conduct or exercise significant influence over the operating and financial decision of the establishment or vice versa and it is subject to common control or common significant influence.

The related parties include the ultimate shareholder company, the parent shareholder company, the directors and the associated companies under common ownership and / or common management control as under:

Ultimate shareholder company

- Sun Pharmaceutical Industries Ltd., India

Parent shareholder company

- Sun Pharma Holdings, Mauritius

Company under common ownership

- Sun Pharma de Venezuela, CA, Venezuela

Fellow subsidiary

- Sun Pharma Global FZE, U.A.E

Directors

- Mr. Surendra Manishanker Joshi
- Mr. Rajesh K. Shah
- Mr. Vishwanath Vinayak Kenkare

The significant transactions during the year with related parties and the amounts involved are as under:

	<i>Company under common ownership</i>	<i>Total 2018</i>	<i>Total 2017</i>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
Long term loan advanced	11,200	11,200	4,000
Long term loan repayment	-	-	(10,600)

The establishment receives interest free funds from and provide interest free funds to the related parties as and when required to meet with fund requirements. The year-end related party balances are as under:

	<i>2018</i>	<i>2017</i>
	<u>USD</u>	<u>USD</u>
	<u>Dr./ (Cr)</u>	<u>Dr./ (Cr)</u>
Long-term loan receivable:		
Company under common ownership	2,998,154	2,986,954
Long-term loan payable:		
Fellow subsidiary	(300,000)	(300,000)

SUN GLOBAL DEVELOPMENT FZE**Notes to the Financial Statements
for the year ended 31 March 2018****9. Financial instruments: Credit and liquidity risk exposures****Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially expose the establishment to concentrations of credit risk comprise principally of loan receivable and bank balance in call account. The management believes the outstanding balances of long term loan to a related party is good and fully realizable and hence no impairment is considered necessary. The establishment's bank balance in call account is placed with a high credit quality financial institution.

Liquidity risk

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

10. Financial instruments: Fair values

The fair values of the establishment's financial assets, comprising long term loan, deposits and bank balance and financial liabilities, comprising long term loan payable and accrual, approximate to their carrying values.

11. Contingent liabilities and capital commitments

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

12. Comparative figures

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year.

13. Approval of the financial statements

The financial statements were approved by the board of directors on 17 May 2018 and authorized Mr. Rajesh K. Shah to sign on behalf of the Board.

Rajesh K. Shah
DIRECTOR