

HALL CHADWICK 
MELBOURNE AUDIT

SUN PHARMA ANZ PTY LTD

ABN 17 110 871 826

Audited Financial Statements for the year ended 31 March 2018

Sun Pharma ANZ Pty Ltd
Directors' report
31 March 2018

The directors present their report, together with the financial statements, on the company for the year ended 31 March 2018.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The profit for the company after providing for income tax amounted to \$1,669,141 (31 March 2017: \$688,711).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 March 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 31 March 2018 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Sun Pharma ANZ Pty Ltd
Directors' report
31 March 2018

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Akshay Sethi
Dated:

**SUN PHARMA ANZ PTY LTD
ABN 17 110 871 826**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF
SUN PHARMA ANZ PTY LTD**

In accordance with the requirements of section 307C of the Corporations Act 2011, I declare that, to the best of my knowledge and belief, for the year ended 31 March 2018 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

**Hall Chadwick Melbourne Audit
Chartered Accountants
Level 14, 440 Collins Street
MELBOURNE VIC 3000**

Partner: David Lissauer

Dated this day of 2018



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Sun Pharma ANZ Pty Ltd

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General information

The financial statements cover Sun Pharma ANZ Pty Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Sun Pharma ANZ Pty Ltd's functional and presentation currency.

Sun Pharma ANZ Pty Ltd is a company limited by shares.

The financial statements were authorised for issue, in accordance with a resolution of directors. The directors have the power to amend and reissue the financial statements.

Sun Pharma ANZ Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2018

	Note	2018 \$	2017 \$
Revenue	3	43,455,933	33,849,813
Other income	4	12,618	73,071
Expenses			
Cost of goods sold		(33,417,187)	(23,431,806)
Employee benefits expenses		(4,245,558)	(4,195,629)
Distribution		(2,538,452)	(2,946,187)
Depreciation and amortisation expenses		(33,233)	(39,191)
Other expenses		(341,074)	(311,161)
Finance costs		(386,073)	(692,305)
Marketing expenses		(155,580)	(493,367)
Occupancy expenses		(218,480)	(197,996)
Pharmaceutical license fees		(48,375)	(159,672)
Administration expenses		(415,398)	(766,859)
Profit before income tax expense		1,669,141	688,711
Income tax expense	5	-	-
Profit after income tax expense for the year attributable to the owners of Sun Pharma ANZ Pty Ltd		1,669,141	688,711
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Sun Pharma ANZ Pty Ltd		<u>1,669,141</u>	<u>688,711</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Sun Pharma ANZ Pty Ltd
Statement of financial position
As at 31 March 2018

	Note	2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents	6	1,567,801	1,034,380
Trade and other receivables	7	10,471,708	7,642,797
Inventories	8	7,316,060	12,289,699
Other	9	12,873	26,889
Total current assets		<u>19,368,442</u>	<u>20,993,765</u>
Non-current assets			
Property, plant and equipment	10	194,037	20,038
Total non-current assets		<u>194,037</u>	<u>20,038</u>
Total assets		<u>19,562,479</u>	<u>21,013,803</u>
Liabilities			
Current liabilities			
Trade and other payables	11	10,134,683	13,160,864
Borrowings	12	14,645,538	14,645,538
Employee benefits	13	384,394	413,800
Provisions	14	125,000	125,000
Other	15	1,100,711	1,193,708
Total current liabilities		<u>26,390,326</u>	<u>29,538,910</u>
Non-current liabilities			
Employee benefits	17	173,915	145,796
Total non-current liabilities		<u>173,915</u>	<u>145,796</u>
Total liabilities		<u>26,564,241</u>	<u>29,684,706</u>
Net liabilities		<u>(7,001,762)</u>	<u>(8,670,903)</u>
Equity			
Issued capital	18	17,400,000	17,400,000
Accumulated losses		<u>(24,401,762)</u>	<u>(26,070,903)</u>
Total deficiency in equity		<u>(7,001,762)</u>	<u>(8,670,903)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Sun Pharma ANZ Pty Ltd
Statement of changes in equity
For the year ended 31 March 2018

	Issued Capital \$	Retained profits \$	Total deficiency in equity \$
Balance at 1 April 2016	9,200,000	(26,759,614)	(17,559,614)
Profit after income tax expense for the year	-	688,711	688,711
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	688,711	688,711
<i>Transactions with owners in their capacity as owners:</i>			
Preference Shares	8,200,000	-	8,200,000
Balance at 31 March 2017	<u>17,400,000</u>	<u>(26,070,903)</u>	<u>(8,670,903)</u>
Balance at 1 April 2017	17,400,000	(26,070,903)	(8,670,903)
Profit after income tax expense for the year	-	1,669,141	1,669,141
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,669,141	1,669,141
Balance at 31 March 2018	<u>17,400,000</u>	<u>(24,401,762)</u>	<u>(7,001,762)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Sun Pharma ANZ Pty Ltd
Statement of cash flows
For the year ended 31 March 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		44,989,918	37,096,581
Payments to suppliers and employees (inclusive of GST)		<u>(43,864,230)</u>	<u>(36,414,236)</u>
		1,125,688	682,345
Interest received		1,038	26
Interest and other finance costs paid		<u>(386,073)</u>	<u>(692,305)</u>
Net cash from/(used in) operating activities		<u>740,653</u>	<u>(9,934)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	10	<u>(207,232)</u>	<u>(13,206)</u>
Net cash used in investing activities		<u>(207,232)</u>	<u>(13,206)</u>
Cash flows from financing activities			
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		533,421	(23,140)
Cash and cash equivalents at the beginning of the financial year		<u>1,034,380</u>	<u>1,057,520</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>1,567,801</u></u>	<u><u>1,034,380</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding as at 31 March 2018 the Company had a deficiency of net assets of \$7,001,762. (2017:\$8,670,903).

The ability of the Company to continue as going concern is dependent upon the ongoing financial support from its parent entity to the level required by the company to allow it to fulfil all obligations as and when they fall due for a period of no less than twelve months from the date of signing these financial statements. The reliance on the parent entity support gives rise to a material uncertainty which may affect the company's ability to continue as a going concern. The parent entity has confirmed in writing that it will provide ongoing financial support, including that it will not call for repayment outstanding balances at 31 March 2018, unless the Company is able to financially make such repayments without impairing its ability to conduct its normal business operations and pay other liabilities.

Sun Pharma ANZ Pty Ltd (the company) is a company incorporated and domiciled in Australia. The parent company is Sun Pharma (Netherlands) B.V, a company incorporated in Netherlands. During 2016 financial year, Sun Pharmaceuticals Ltd has taken over Sun Pharma (Netherlands) B.V globally and owned 100% Sun Pharma (Netherlands) B.V.

The company is primarily involved in the supply of pharmaceutical products.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Sun Pharma ANZ Pty Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Note 1. Significant accounting policies (continued)

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Note 1. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 60 days.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office equipment	3 - 5 years
Fixture and fittings	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Note 1. Significant accounting policies (continued)

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	2018	2017
	\$	\$
<i>Sales revenue</i>		
Sales	42,754,565	33,849,787
<i>Other revenue</i>		
Interest	1,038	26
Other revenue	700,330	-
	<u>701,368</u>	<u>26</u>
Revenue	<u><u>43,455,933</u></u>	<u><u>33,849,813</u></u>

Sun Pharma ANZ Pty Ltd
Notes to the financial statements
31 March 2018

Note 4. Other income

	2018 \$	2017 \$
Net foreign exchange gain	<u>12,618</u>	<u>73,071</u>

Note 5. Income tax benefit

Numerical reconciliation of income tax benefit and tax at the statutory rate

Profit before income tax expense	<u>1,669,141</u>	<u>688,711</u>
Tax at the statutory tax rate of 30%	500,743	206,613
Prior year tax losses not recognised now recouped	<u>(500,743)</u>	<u>(206,613)</u>
Income tax benefit	<u>-</u>	<u>-</u>

Note 6. Current assets - cash and cash equivalents

Cash at bank	<u>1,567,801</u>	<u>1,034,380</u>
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Note 7. Current assets - trade and other receivables

Trade receivables	10,776,305	8,477,922
Less: Provision for customer rebates & doubtful debts	<u>(6,385,076)</u>	<u>(4,394,644)</u>
	4,391,229	4,083,278
Other receivables	4,830	72,600
Other receivables - related parties	<u>6,075,649</u>	<u>3,486,919</u>
	6,080,479	3,559,519
	<u>10,471,708</u>	<u>7,642,797</u>

Note 8. Current assets - inventories

Finished goods - at cost	7,435,672	8,682,649
Less: Provision for impairment	<u>(940,034)</u>	<u>(329,357)</u>
	6,495,638	8,353,292
Stock in transit - at cost	<u>820,422</u>	<u>3,936,407</u>
	<u>7,316,060</u>	<u>12,289,699</u>

Note 9. Current assets - other

Prepayments	<u>12,873</u>	<u>26,889</u>
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**Sun Pharma ANZ Pty Ltd Sun
Notes to the financial statements
31 March 2018**

Note 10. Non-current assets - property, plant and equipment

	2018 \$	2017 \$
Fixtures and fittings - at cost	344,672	242,812
Less: Accumulated depreciation	<u>(254,254)</u>	<u>(242,812)</u>
	90,418	-
Office equipment - at cost	457,165	351,793
Less: Accumulated depreciation	<u>(353,546)</u>	<u>(331,755)</u>
	103,619	20,038
	<u>194,037</u>	<u>20,038</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Fixtures and fittings \$	Office equipment \$	Total \$
Balance at 1 April 2017	-	20,038	20,038
Additions	101,860	105,372	207,232
Depreciation expense	<u>(11,442)</u>	<u>(21,791)</u>	<u>(33,233)</u>
Balance at 31 March 2018	<u>90,418</u>	<u>103,619</u>	<u>194,037</u>

Note 11. Current liabilities - trade and other payables

Trade payables	356,884	524,639
Payables to related parties	<u>9,777,799</u>	<u>12,636,225</u>
	<u>10,134,683</u>	<u>13,160,864</u>

Note 12. Current liabilities - borrowings

Inter-company loans	<u>14,645,538</u>	<u>14,645,538</u>
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Note 13. Current liabilities - employee benefits

Employee benefits	<u>384,394</u>	<u>413,800</u>
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Note 14. Current liabilities - provisions

Sales returns	<u>125,000</u>	<u>125,000</u>
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Note 15. Current liabilities - other

Accrued expenses	<u>1,100,711</u>	<u>1,193,708</u>
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Sun Pharma ANZ Pty Ltd
Notes to the financial statements
31 March 2018

Note 16. Non-current liabilities - borrowings

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	2018	2017
	\$	\$
Loan – Intercompany	<u>14,645,538</u>	<u>14,645,538</u>

Note 17. Non-current liabilities - employee benefits

Employee benefits	<u>173,915</u>	<u>145,796</u>
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Note 18. Equity - issued capital

	2018	2017	2018	2017
	Shares	Shares	\$	\$
Ordinary shares - fully paid	9,200,000	9,200,000	9,200,000	9,200,000
Preference shares - fully paid	<u>8,200,000</u>	<u>8,200,000</u>	<u>8,200,000</u>	<u>8,200,000</u>
	<u>17,400,000</u>	<u>17,400,000</u>	<u>17,400,000</u>	<u>17,400,000</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 19. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 20. Economic dependency

Sun Pharma ANZ Pty Ltd is economically dependent on the related party, Sun Pharma Industries Ltd., to provide inventory and is also dependent on Sun Pharma (Netherlands) B.V for financial support to continue its operation.

Note 21. Events after the reporting period

No matter or circumstance has arisen since 31 March 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Sun Pharma ANZ Pty Ltd
Directors' declaration
31 March 2018

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 March 2018 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Akshay Sethi
Dated

SUN PHARMA ANZ PTY LTD
ABN 17 110 871 826

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SUN PHARMA ANZ PTY LTD**

Report on the Audit of the Financial Report*

Opinion

We have audited the financial report of Sun Pharma ANZ Pty Ltd (the Company), which comprises the statement of financial position as at 31 March 2018, the statement of 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, and the directors' declaration.

In our opinion, the accompanying financial report of Sun Pharma ANZ Pty Ltd, is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 March 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of a Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



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In preparing the financial report, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

Partner: David Lissauer

Hall Chadwick Melbourne Audit
Level 14, 440 Collins Street
MELBOURNE VIC 3000
Date: