SUN PHARMA GLOBAL FZE

Financial Statements

31 March 2019

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Financial Statements
31 March 2019

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SUN PHARMA GLOBAL FZE
Directors' Report

The directors submit their report together with the audited financial statements for the year ended 31 March 2019.

Results and appropriations
The results of the establishment and the appropriations made for the year ended 31 March 2019 are set out on pages 5 and 6 of the financial statements.

The financial statements set out on page 4 to 36 are drawn up so as to give a true and fair view of the financial position of the establishment as at 31 March 2019 and the financial performance, changes in equity and cash flows of the establishment for the year then ended in accordance with International Financial Reporting Standards and the applicable provisions of the Sharjah Airport International Free Zone Authority and Dubai Multi Commodities Centre Authority.

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 registered with general trading license carried out the activity of selling of owned proprietary pharmaceutical products manufactured mainly by third-party contract manufacturers during the year. The establishment has also incurred significant amount for the development of branded products 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.

Directors
The directors of the establishment who served during the year were as under:

Mr. Dilip Shanghvi
Mr. Surendra Joshi
Mr. Kirti Ganorkar
Mr. Rajesh Khushalchand Shah
Mr. Harin Parmanand Mehta

Shareholder and its interest
The shareholder at 31 March 2019 and its interest as at that date in the share capital of the establishment was under:

	Country of incorporation	*No. of shares*	*AED*	*USD*
Sun Pharma Holdings	Mauritius	**101**	**15,150,000**	**4,124,694**

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

On behalf of the board:

Harin P. Mehta
DIRECTOR

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

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of **SUN PHARMA GLOBAL FZE** (the "establishment"), which comprise the statement of financial position as at 31 March 2019, statement of profit or loss and other comprehensive income, statement of changes in equity, 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 PHARMA GLOBAL FZE** as at 31 March 2019, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates 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.

Emphasis of Matter
Without qualifying our opinion, we draw attention in Note 3 to the financial statements which indicates that these financial statements have been restated from those which have been reported as at and for the year ended 31 March 2018 on 20 May 2018 and more extensively discuss the reason for the restatement.

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 Dubai Multi Commodities Centre 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:

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

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, except for the matter stated in the Emphasis of Matter section of our report, there were no contraventions during the year of the regulations issued by the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995 and in accordance with Dubai Multi Commodities Centre (DMCC) Company Regulations, 2003 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
16 May 2019
Dubai

SUN PHARMA GLOBAL FZE

Statement of Financial Position
31 March 2019

	Notes	2019 US$	Restated 2018 US $
ASSETS			
Non-current assets			
Property, plant and equipment	6	6,218,472	4,522,393
Intangible assets	7	824,847,211	683,929,076
Financial assets at fair value through OCI	8	264,851,918	141,475,143
Investments in subsidiaries	9	11,578,245	5,609,911
Investments in an associate	10	3,792,078	3,893,313
Long-term loans	11	418,015,411	584,651,604
		1,529,303,335	**1,424,081,440**
Current assets			
Inventories	12	39,831,147	41,090,386
Trade receivables	13	47,524,717	35,334,772
Advances, deposits and other receivables	14	22,390,749	11,387,484
Prepayments		157,722	245,796
Cash and bank balances	15	49,514,773	216,255,613
		159,419,108	**304,314,051**
Total assets		**1,688,722,443**	**1,728,395,491**
EQUITY AND LIABILITIES			
Equity			
Share capital	16	4,124,694	4,124,694
General reserve	17	269,087,099	269,087,099
Retained earnings		1,089,532,899	1,260,634,176
Cumulative changes in fair value through OCI		15,226,070	30,036,749
Hedging reserve		145,003	(551,945)
Total equity		**1,378,115,765**	**1,563,330,773**
Non-current liability			
Deferred income	19	76,683,333	-
Staff end of service gratuity		234,807	277,335
		76,918,140	**277,335**
Current liabilities			
Bank borrowing	18	125,000,000	-
Deferred income	19	21,400,000	-
Trade and other payables	20	87,288,538	164,787,383
		233,688,538	**164,787,383**
Total liabilities		**310,606,678**	**165,064,718**
Total equity and liabilities		**1,688,722,443**	**1,728,395,491**

The notes on pages 8 to 36 form an integral part of these financial statements.

On behalf of the board:

Harin P. Mehta
DIRECTOR

SUN PHARMA GLOBAL FZE

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2019

	Notes	2019 US$	Restated 2018 US $
Revenue	21	**270,156,329**	**162,671,036**
Expenditure			
Cost of sales		(66,212,855)	(41,556,750)
Administrative expenses	22	(3,694,253)	(1,363,906)
Selling and marketing expenses	23	(11,745,305)	(7,470,104)
Brand and related product expenses	24	(188,895,256)	(148,210,216)
Impairment of financial asset	8	-	(4,284,235)
Impairment of intangible assets	7	(10,850,000)	-
Depreciation	6	(153,051)	(267,821)
Amortization	7	(75,487,084)	(48,216,440)
Total expenditure		**(357,037,804)**	**(251,369,472)**
Loss from operations		**(86,881,475)**	**(88,698,436)**
Interest expense on bank borrowing		(4,118,567)	-
Share of profit/(loss) from an associate	10	(101,235)	117,169
Loss for the year		**(91,101,277)**	**(88,581,267)**
Other comprehensive income/(loss)			
Changes in fair value through OCI	8	(14,810,679)	18,314,937
Changes in fair value of cash flow hedges		696,948	(1,586,553)
Total comprehensive loss for the year		**(105,215,008)**	**(71,852,883)**

The notes on pages 8 to 36 form an integral part of these financial statements.

On behalf of the board:

Harin P. Mehta
DIRECTOR

SUN PHARMA GLOBAL FZE

Statement of Changes in Equity
for the year ended 31 March 2019

	Share capital US $	*General reserve US $*	*Retained earnings US $*	*Cumulative changes in fair through OCI US $*	*Hedging reserve US $*	*Total US $*
As at 31 March 2017	**4,124,694**	**538,161,280**	**1,349,215,443**	**11,721,812**	**1,034,608**	**1,904,257,837**
Transferred to ultimate parent company (refer note 17)		(269,074,181)		-	-	(269,074,181)
Loss for the year			(88,581,267)			(88,581,267)
Other comprehensive income/(loss) for the year	-	-	-	18,314,937	(1,586,553)	16,728,384
As at 31 March 2018 (restated)	**4,124,694**	**269,087,099**	**1,260,634,176**	**30,036,749**	**(551,945)**	**1,563,330,773**
Adjustment *	**-**	**-**	(80,000,000)	-	-	(80,000,000)
Loss for the year	-	-	(91,101,277)	-	-	(91,101,277)
Other comprehensive income/(loss) for the year	-	-	-	(14,810,679)	696,948	(14,113,731)
As at 31 March 2019	**4,124,694**	**269,087,099**	**1,089,532,899**	**15,226,070**	**145,003**	**1,378,115,765**

** Effective 1 April 2018, the establishment has adopted new IFRS 15 using the modified retrospective approach for revenue recognition. Accordingly, the recognized revenue as of 31 March 2018 from an overseas pharmaceutical company has been transferred to deferred income adjusting from the retained earnings.*

The notes on pages 8 to 36 form an integral part of these financial statements.

On behalf of the board:

Harin P. Mehta
DIRECTOR

SUN PHARMA GLOBAL FZE

Statement of Cash Flows
for the year ended 31 March 2019

	Note	2019 US $	Restated 2018 US $
Cash flows from operating activities			
Loss for the year		(91,101,277)	(88,581,267)
Adjustments for:			
Depreciation		153,051	267,821
Amortization		75,487,084	48,216,440
Impairment of financial asset at amortized cost		-	4,284,234
Impairment of intangible assets		10,850,000	-
Provision for staff end of service gratuity		43,103	52,443
Profit on disposal of property, plant and equipment		(6,096)	-
Share of profit / (loss) from an associate		101,235	(117,169)
Finance cost		4,118,567	-
Interest income		(35,167,649)	(15,941,286)
Operating loss before working capital changes		**(35,521,982)**	**(51,818,784)**
(Increase)/decrease in inventories		1,259,239	(11,341,818)
(Increase)/decrease in trade, prepayment and other receivables		(22,645,682)	319,959,002
Increase/ (decrease) in trade and other payables		(62,327,341)	(11,147,224)
Cash generated from / (used) in operations		**(119,235,766)**	**245,651,176**
Staff end of service gratuity paid		(85,631)	-
Net cash from / (used) in operating activities		**(119,321,397)**	**245,651,176**
Cash flows from investing activities			
Payment for purchase of property, plant and equipment		(1,849,130)	(1,198,522)
Payment for purchase of intangible assets		(227,255,219)	(81,927,513)
Proceeds from disposal of property, plant and equipment		6,096	-
Long term loans recovered/(advanced) (net)		181,868,324	(280,910,650)
Proceeds from/ (payment for) investments (net)		(144,155,789)	(46,676,350)
Proceeds from/ (placement for) term deposits		130,070,406	314,914,594
Balances on account of demerger			(194,278,313)
Interest income received		19,476,065	13,002,014
Net cash from/ (used in) investing activities		**(41,839,247)**	**(277,074,740)**
Cash flows from financing activities			
Proceeds from / (payment of) bank borrowing		125,000,000	-
Finance cost paid		(509,790)	-
Net cash from/ (used in) financing activities		**124,490,210**	**-**
Net increase/(decrease) in cash and cash equivalents		**(36,670,434)**	**(31,423,564)**
Cash and cash equivalents at the beginning of the year		**86,170,207**	**117,593,771**
Cash and cash equivalents at the end of the year	15	**49,499,773**	**86,170,207**

The notes on pages 8 to 36 form an integral part of these financial statements.

On behalf of the board:

Harin P. Mehta
DIRECTOR

SUN PHARMA GLOBAL FZE

Notes to the Financial Statements
for the year ended 31 March 2019

1. Legal status and activity

SUN PHARMA GLOBAL FZE (the "establishment") is a free zone limited liability establishment incorporated in Sharjah Airport International Free Zone, Sharjah, U. A. E. pursuant to Emiri Decree # 2 of 1995 and in accordance with the implementation procedures of the free zone establishment.

The establishment is operating under License No. 06840 with general trading as its licensed activity.

The registered address of the establishment is Executive Suite Y-43, P. O. Box 122304, Sharjah, United Arab Emirates.

The parent company is Sun Pharma Holdings, Mauritius. The ultimate parent company is Sun Pharmaceutical Industries Limited, India.

The establishment has a branch in Dubai Multi Commodities Centre (DMCC), Dubai, United Arab Emirates under the name Sun Pharma Global FZE (DMCC Branch). The branch is operating under trading license no. 109445 with general trading as its licensed activity. The branch facilitates operating, administrative and marketing activities of the head office.

The registered address of the branch is Unit Nos. 703 and 704, JBC 1, Plot No. JLT-PH1-G2A, Jumeirah Lakes Towers, Dubai, United Arab Emirates.

The establishment sources pharmaceutical products, formulations, active pharmaceutical ingredients and processes from third party contract manufacturers, the ultimate parent company and its subsidiaries and supplies mainly to the overseas related parties. These products are registered with and approved by the relevant authorities/agencies overseas. These financial statements include expenditure/disbursements pertaining to research & developments, product licensing, registration, employee/representatives' costs and other related expenditures pertaining to these sourced products.

2. Basis of preparation

These financial statements contain information about the establishment as an individual establishment and do not contain consolidated financial information as the parent of subsidiaries. The establishment did not present consolidated financial statements having met all the criteria set out in IFRS 10 "Consolidated Financial Statements".

Statement of compliance

The financial statements have been prepared under accrual basis of accounting and on the basis that the establishment will continue as a going concern in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable provisions of Sharjah Airport International Free Zone and Dubai Multi Commodities Centre.

Basis of measurement

The financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

SUN PHARMA GLOBAL FZE

Notes to the Financial Statements
for the year ended 31 March 2019

Basis of preparation (cont'd)

Functional and presentation currency

These financial statements are presented in United States Dollars (US $), being the functional and presentation currency of the establishment.

Use of estimates and judgments

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 5.

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

The establishment adopted the following standards and amendments which are effective for annual periods beginning on or after 1 January 2018:

IFRS 15 - *Revenue from Contracts with Customers*

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations. The new standard establishes a five-step model to account for revenue arising from contracts with customers. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

In line with the IFRS 15 transition provisions, the establishment utilized the modified retrospective method whereby any cumulative effect of initially applying IFRS 15 is recorded as an adjustment to its opening retained earnings without restating comparative information. The adoption of IFRS 15 had an impact on the opening retained earnings of the establishment.

The establishment recognizes revenue from sale of goods based on a five-step model as set out in IFRS 15:

Step 1: Identify the contract(s) with customer(s)

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify the performance obligations in the contract

A performance obligation is a promise in a contract with a customer to transfer goods or provide services to the customer.

Application of new and revised International Financial Reporting Standards (IFRS) (cont'd)

Step 3: Determine the transaction price

The transaction price is the amount of consideration to which the establishment expects to be entitled in exchange for transferring promised goods or providing the services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract

For a contract that has more than one performance obligation, the establishment will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the establishment expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The establishment satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the establishment's performance as the Establishment performs; or
2. The establishment's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The establishment's performance does not create an asset with an alternative use to the establishment and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions is met, revenue is recognized at the point in time at which performance obligation is satisfied.

IFRS 9 - *Financial Instruments*
IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. For financial receivables, IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. For equity instruments, IFRS 9 now requires measurement of all financial assets at fair value and provides an irrevocable option to measure certain securities at FVOCI rather than through profit or loss. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and assets at FVOCI.

The assessment of the establishment's business model was made as of the date of initial application, 1 April 2018, and then applied retrospectively using the modified retrospective method. On adoption of IFRS 9, the establishment reclassified its investments previously reported as available for sale investments amounting to US $ 141,475,143 as investments carried at fair value through OCI (financial assets at fair value through OCI) in accordance with the requirements of the Standard. The establishment also applied ECL model for impairment for the first time in the current year which did not have a material impact on the financial statements. Further all hedging relationships designated under IAS 39 at 31 March 2018 met the criteria for hedge accounting under IFRS 9 as at 1 January 2018 and therefore regarded as continuing hedging relationships. The adoption of IFRS 9 did not have any impact on the opening retained earnings of the establishment.

SUN PHARMA GLOBAL FZE

Notes to the Financial Statements
for the year ended 31 March 2019

3. Restatement of previously reported results

The Board of Director of the establishment at their meeting held on 13th November 2018, approved the scheme of arrangement among Sun Pharma Global FZE (“Transferor Company”) and the ultimate parent company (“Transferee Company) and their respective members and creditors (“Scheme of Arrangement”) for de-merger of specified undertaking (as defined in Scheme of Arrangement) of the establishment into Sun Pharmaceutical Industries Limited, the ultimate parent company, with effect from 1st April 2017 without any consideration on a going concern basis consisting of all the assets and liabilities pertaining to the aforesaid specified undertaking (Refer note 17).

The scheme has been approved by the board and the relevant applicable regulatory authorities.

The financial statements for the year ended 31 March 2018, as initially reported, have been amended and restated, to give effect of the above transactions.

To give effect of the above transaction, the financial statements for the year ended 31 March 2018 have been restated as under:

	31 March 2018 As reported (A) US $	*As a result of restatement (B) US $*	*31 March 2018 Restated (A + B) US $*
Statement of financial position			
ASSETS			
Non-current assets			
Property, plant and equipment	8,352,027	(3,829,634)	4,522,393
Intangible assets	710,862,019	(26,932,943)	683,929,076
Financial assets at fair value through OCI	141,475,143	-	141,475,143
Investment in subsidiaries	5,609,911	-	5,609,911
Investment in associate	3,893,313	-	3,893,313
Long-term loans	584,651,604	-	584,651,604
	1,454,844,017	**(30,762,577)**	**1,424,081,440**
Current assets			
Inventories	41,090,386	-	41,090,386
Trade receivables	389,645,420	(381,344,451)	8,300,969
Advances, deposits and other receivables	11,387,484	-	11,387,484
Prepayments	245,796	-	245,796
Cash and bank balances	216,255,613	-	216,255,613
	658,624,699	**(381,344,451)**	**277,280,248**
Total assets	**2,113,468,716**	**(412,107,028)**	**1,701,361,688**

SUN PHARMA GLOBAL FZE

Notes to the Financial Statements
for the year ended 31 March 2019

Restatement of previously reported results (cont'd)

	31 March 2018 As reported (A) US $	*As a result of restatement (B) US $*	*31 March 2018 Restated (A + B) US $*
EQUITY AND LIABILITIES			
Share capital	4,124,694	-	4,124,694
General reserve	538,161,280	(269,074,181)	269,087,099
Retained earnings	1,384,675,618	(124,041,442)	1,260,634,176
Cumulative changes in fair value through OCI	30,036,749	-	30,036,749
Hedging reserve	(551,945)	-	(551,945)
Total equity	**1,956,446,396**	**(393,115,623)**	**1,563,307,773**
Non-current liability			
Staff end of service gratuity	**277,335**	**-**	**277,335**
Current liability			
Trade and other payables	**156,744,985**	**(18,991,405)**	**137,753,580**
Total liabilities	**157,022,320**	**(18,991,405)**	**138,030,915**
Total equity and liabilities	**2,113,468,716**	**(412,107,028)**	**1,701,338,688**

	31 March 2018 As reported (A) US $	*As a result of restatement (B) US $*	*31 March 2018 Restated (A + B) US $*
Statement of profit or loss and other comprehensive income			
Revenue	**370,240,750**	**(207,569,714)**	**162,671,036**
Expenditure			
Cost of sales	(93,873,831)	52,317,081	(41,556,750)
Administrative expenses	(2,497,784)	1,133,878	(1,363,906)
Selling and marketing expenses	(13,431,812)	5,961,708	(7,470,104)
Brand and related product expenses	(163,773,534)	15,563,319	(148,210,216)
Impairment of financial asset	(4,284,235)	-	(4,284,235)
Depreciation	(1,185,734)	917,913	(267,821)
Amortization	(55,850,814)	7,634,374	(48,216,440)
Total expenditure	**(334,897,744)**	**83,528,273**	**(251,369,472)**
Profit/(loss) from operations	**33,343,006**	**(124,041,441)**	**(88,698,436)**
Share of profit/(loss) from an associate	117,169	-	117,169
Profit/(loss) for the year	**35,460,175**	**(124,041,441)**	**(88,581,267)**

SUN PHARMA GLOBAL FZE

Notes to the Financial Statements
for the year ended 31 March 2019

Restatement of previously reported results (cont'd)

	31 March 2018 As reported (A) US $	*As a result of restatement (B) US $*	*31 March 2018 Restated (A + B) US $*
Other comprehensive income/(loss)			
Changes in fair value through OCI	18,314,937	-	18,314,937
Changes in fair value of cash flow hedges	(1,586,553)	-	(1,586,553)
Total comprehensive income for the year	**52,188,559**	**(124,041,441)**	**(71,852,883)**

Notes 6, 7, 13, 17, 20, 21, 22, 23 and 24 have been restated to reflect the related note disclosures.

4. Summary of significant accounting policies

The accounting policies, which are consistent with those used in the previous year, except for new standards effective on or after 1 April 2018, in dealing with items that are considered material in relation to the financial statements are as follows:

Property, plant and equipment

Capital advances are stated at cost, less any recognized impairment loss. Depreciation on these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Other property, plant and equipment are recorded at cost less accumulated depreciation and any identified impairment loss.

The establishment reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

The cost of property, plant and equipment is depreciated on a straight-line method over their estimated useful lives as follows:

Equipment	9 years
Residential and commercial properties	30 years
Furniture, fixtures and office equipment	5 - 6 years
Vehicles	5 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Summary of significant accounting policies (cont'd)

Intangible assets

Acquired intangibles
Intangible assets that are acquired by the establishment and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Licences, patents, know-how, marketing rights, trademarks and software separately acquired or acquired as part of a business combination are amortised over their estimated useful lives of 3 to 12 years, using the straight-line basis, from the time they are available for use. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Intangible assets under development
Acquired in process of research and development ("IPR&D"), that the establishment acquires through business combination or separately, represents fair value assigned to in process research and development projects which at the time of acquisition have not reached commercial feasibility. The amounts are capitalized and are disclosed as intangible assets under development.

Upon successful completion of each project, the same are capitalized as intangible assets and are subject to amortization as stated herein above.

The establishment assesses the IPR&D for impairment annually, whether there is any indication that an asset may be impaired. If any such indications exist by first assessing qualitative factors to determine whether it is more likely than not that the fair value of the IPR&D intangible assets is less than its carrying amount.

If the establishment concludes it is more likely that the fair value is less than the carrying amount, a quantitative test that compares the fair value of the IPR&D intangible asset with its carrying value is performed. If the fair value is less than the carrying amount, an impairment loss is recognized in operating results. Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalized since the probability of expected future economic benefits criterion is generally considered to be satisfied for separately acquired intangible assets.

Research and development

The research and development costs are accounted in accordance with International Accounting Standard (IAS) – 38 'Intangible Assets'. All related revenue expenditure incurred on original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding up to the time when it is possible to demonstrate probable future economic benefits, is recognised as research expenses and charged off to the statement of profit or loss and other comprehensive income, as incurred.

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Notes to the Financial Statements
for the year ended 31 March 2019

Summary of significant accounting policies (cont'd)

Research and development (cont'd)

All subsequent expenditure incurred for product development on the application of research findings or other knowledge upon demonstration of probability of future economic benefits, prior to the commencement of production, to the extent identifiable and possible to segregate are accumulated and carried forward as development expenditure under intangible assets under development, to be capitalised as an intangible asset on completion of the project. In case a project does not proceed as per expectations / plans, the same is abandoned and the amount classified as development expenditure under intangible assets under development is charged off to the statement of profit or loss and other comprehensive income.

Investment in subsidiaries

A subsidiary is an entity that is controlled by the establishment. The establishment controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are measured initially at cost and subsequently carried in the establishment's separate financial statements at cost less any accumulated impairment losses.

Dividend income is recognized in the statement of profit or loss when the rights to receive payment have been established, provided that it is probable that the economic benefits will flow to the establishment and the amount of income can be measured reliably.

Investment in associates

An associate is an entity over which the establishment has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The establishment's investments in associate are accounted for using the equity method.

After application of the equity method, the establishment determines whether it is necessary to recognize an impairment loss on its investments in associates. At each reporting date, the establishment determines whether there is objective evidence that the investments associates are impaired. If there is such evidence, the establishment calculates the amount of impairment as the difference between the recoverable amount of the associate and the carrying value, and then recognizes the loss within 'Share of profit/(loss) from an associate' in the statement of profit or loss.

Inventories

Inventories consisting of raw materials, work-in-progress and finished goods are stated at lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprise direct material and variable overhead expenditure. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and costs necessary to make the sale.

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Notes to the Financial Statements
for the year ended 31 March 2019

Summary of significant accounting policies (cont'd)

Financial instruments
Financial assets and financial liabilities are recognized when the establishment becomes a party to the contractual provisions of the instrument. Financial assets are derecognized 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 derecognized when they are extinguished, cancelled or expired.

Financial assets
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss on the basis of the establishment's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

a. Financial assets at amortized cost
Financial assets at amortized cost are those financial assets for which:

- the establishment's business model is to hold them in order to collect contractual cash flows and;
- the contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. These are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

The establishment's financial assets at amortized cost comprise long-term loans, trade and other receivables and cash and bank balances.

Loans receivable
Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, loans receivable is subsequently measured at amortized cost using the effective interest method, less any impairment.

Trade receivables
Trade receivables are stated at original invoice amount less a provision for any uncollectible amount or loss allowance. Bad debts are written off when there is no possibility of recovery.

Other receivables
Other receivables represent other receivables, deposits, and accrued income.

Cash and cash equivalents
Cash and cash equivalents for the purpose of the statement of cash flows comprise bank balances in current and call accounts that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

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Notes to the Financial Statements
for the year ended 31 March 2019

Summary of significant accounting policies (cont'd)

b. Financial assets at fair value through OCI

Debt instruments
The establishment measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The establishment classified its investment in bonds as financial assets at fair value through OCI.

Equity instruments
Upon initial recognition, the establishment can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IFRS 9 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the establishment benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

Impairment losses and any reversal of impairment losses on equity investments measured at fair value through OCI are not reported separately from other changes in fair value.

The establishment designated all its equity instruments under financial assets at fair value through OCI classification.

Impairment of financial assets
The establishment recognizes an allowance for expected credit losses (ECLs) on its financial assets. ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, which represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.
- Lifetime ECL, which represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

For trade receivables, the establishment applies a simplified approach in calculating ECLs. Therefore, the establishment doesn't track changes in credit risk, but instead recognizes a loss allowance based on Lifetime ECLs at each reporting date. Loss allowance is based on the establishment's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Summary of significant accounting policies (cont'd)

Impairment of financial assets (cont'd)

For quoted debt investment, the establishment applies the low credit risk simplification. At every reporting date, the establishment evaluates whether the debt investment is considered to have low credit risk using all reasonable and supportable information that is available. In making that evaluation, the establishment reassesses the internal credit rating of the debt investment.

Fair value measurement

For investments traded in organized financial markets, fair value is determined by reference to stock exchange quoted prices at the close of business on the statement of financial position date. Equity instruments that are not traded in an active market and whose fair value cannot be reliably measured are accounted for at cost less any identified impairment losses at the end of each reporting period.

For all other financial assets, the establishment recognizes Lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial assets has not increased significantly since initial recognition, the establishment measures the loss allowance for that financial asset at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the end of the reporting period or an actual default occurring.

No impairment loss is recognized for equity investments.

Financial liabilities

The financial liabilities comprise of bank borrowings and trade and other payables.

Bank borrowings
Bank borrowings are recognized initially at fair value, net of transaction costs incurred. Bank borrowings are subsequently carried at amortized cost. Any difference between the proceeds (net of transactions costs) and the redemption value is recognized in the statement of profit or loss and other comprehensive income over the period of the bank borrowings using the effective method. Borrowings are classified as current liabilities unless the establishment has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade and 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.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Summary of significant accounting policies (cont'd)

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
The establishment uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

Cash flow hedges

The effective portion of changes in the fair value of the hedging instrument is recognized in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in profit or loss. The establishment uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognized as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs.

When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment.

Value added tax
Expenses and assets are recognized net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

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Notes to the Financial Statements
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Summary of significant accounting policies (cont'd)

- When receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Employee benefits
The establishment provides end of service gratuity to its employees. The entitlement to this benefit is based upon the employees' basic salary and length of service. The expected costs of these benefit are accrued over the period of employment.

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 establishment 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.

Revenue recognition
The establishment has applied IFRS 15 with effect from 1 April 2018 in the preparation of the financial statements. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement.

Sale of goods
Revenue from sale of goods is recognized when the control of the products have been transferred to the customers, usually on delivery of goods, it is probable that the economic benefit will flow to the establishment, the associated costs and possible return of goods can be estimated reliably, there is neither continuing management involvement to the degree usually associated with ownership nor effective control over the goods sold and the amount of revenue can be measured reliably. Provisions for chargebacks, price variation, stock adjustments and other sales discounts are estimated and provided for in the period of sales and recorded as reduction of revenue.

Revenue from services
Some of the establishment's revenue are generated on the basis of licensing agreements under which third parties have been granted the right-to-use or the right-to-access products and technologies. A right to use license in characterized by the underlying technology remaining essentially unchanged over the period for which the rights are granted. With a right-to-access license, by contrast, the customer's interest is directed towards the consistent further development of that intellectual property (IP) and right to received contract manufactured products.

Revenues from right-to-use licenses are recognized at a specific point in time, while those from right-to-access licenses are recognized over time according to the underlying measure of progress.
Milestone payments related to right-to-access licenses are allocated to satisfied and unsatisfied portions of the underlying performance obligation, as applicable.

Consideration relating to already satisfied obligations is recognized to revenue.

Payment elements still to be earned are presented as deferred income.

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Notes to the Financial Statements
for the year ended 31 March 2019

Revenue recognition (cont'd)

Royalties
Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the establishment and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognized by reference to the underlying arrangement

Interest income
Revenue from interest income is recognised when it is probable that economic benefits will flow to the establishment and the amount of revenue can be measured reliably on a time-proportion basis using the effective interest method. Other income is recognised as per the contractual agreement.

Foreign currency transactions
Transactions in foreign currencies other than US Dollars are converted into US Dollars at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies other than US Dollars are translated into US Dollars at the rate of exchange ruling at the interim statement of financial position date. Resulting gain/loss is taken to the interim statement of profit or loss and other comprehensive income.

5. Significant judgement employed in applying accounting policies and key sources of estimation uncertainty

5.1 Significant judgement 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 follows:

Impairment of non-financial assets
The establishment assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. If any of such indication exists, the establishment estimates the asset's recoverable amount which is the higher of fair value less costs to sell and value in use.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Significant increase in credit risk
ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the establishment takes into account qualitative and quantitative reasonable and supportable forward-looking information. As at date of statement of financial position, management believes that the recoverability of its long-term loans are certain, accordingly, no expected credit losses are recognized.

5.2 Key sources of estimation uncertainty

Key assumptions 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, are as follows:

Key sources of estimation uncertainty (cont'd)

Useful lives of assets

The useful lives of the establishment's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of establishment's property, plant and equipment and intangible assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the establishment's assets. In addition, the estimation of the useful lives is based on the establishment's collective assessment of industry practice, internal technical evaluation and experience with similar assets.

Impairment of investment in subsidiaries

Determining whether investment in subsidiaries are impaired requires an estimation of the value in use of the investments and the cash-generating units to which the investments have been allocated. The value in use calculation requires the establishment to estimate the future cash flows expected to arise from the assets or cash generating unit and a suitable discount rate in order to calculate present value. Management has determined that no impairment is required in respect of the investment in subsidiaries.

Impairment of loans and receivables

Management regularly undertakes a review of the amounts of loans and other receivables owed to the establishment and assesses 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.

Impairment of trade and other receivables

The loss allowance for trade and other receivables are based on assumptions about risk of default and expected credit loss rates. The establishment uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the establishment's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Any difference between the amounts actually collected in the future period and the amounts expected, will be recognized in the establishment's statement of profit or loss in that period. As at date of statement of financial position, management believes that the recoverability of its trade and other receivables are certain, accordingly, the provision provided in the previous years are adequate.

Staff end of service gratuity

The establishment computes provision for the liability to staff end of service gratuity assuming that all employees were to leave as of the reporting date.

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

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Notes to the Financial Statements
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Key sources of estimation uncertainty (cont'd)

Provisions for legal disputes

Provisions for legal disputes consist of various types of provisions linked to ongoing legal disputes. The management makes judgement about provisions and contingencies, including the probability of pending and potential future litigation outcomes, which, by their very nature, are dependent on inherently uncertain future events.

When determining likely outcomes of litigations, etc, the management considers the input of external counsels on each case, as well as known outcomes in case law.

Provisions for sales deductions

Management's estimate of sales discounts and rebates are based on a calculation which includes a combination of historical utilisation data, combined with expectations in relation to the development in sales and utilisation.

The obligations for discounts and rebates are incurred at the time the sale is recorded.

6. Property, plant and equipment *(2019)*

	Capital advance ^ US $	*Equipment#* US $	*Residential and commercial properties** US $	*Furniture, fixtures and office equipment* US $	*Vehicles* US $	*Total* US $
Cost						
As at 01.04.2018 (restated)	975,000	357,696	3,445,962	342,240	227,446	5,348,344
Additions during the year	426,267	1,422,863	-	-	-	1,849,130
Disposal during the year	-	-	-	-	(57,355)	(57,355)
As at 31.03.2019	**1,401,267**	**1,780,559**	**3,445,962**	**342,240**	**170,091**	**7,140,119**
Depreciation						
As at 01.04.2018 (restated)	-	38,340	312,423	295,619	179,569	825,951
Charge for the year	-	76,126	40,370	23,667	12,888	153,051
Relating to disposal	-	-	-	-	(57,355)	(57,355)
As at 31.03.2019	**-**	**114,466**	**352,793**	**319,286**	**135,102**	**921,647**
Net book value						
As at 31.03.2019	**1,401,267**	**1,666,093**	**3,093,169**	**22,954**	**34,989**	**6,218,472**
As at 31.03.2018 (restated)	**975,000**	**319,356**	**3,133,539**	**46,621**	**47,877**	**4,522,393**

** Includes cost of commercial office premises amounting to USD 2,234,857 which is not furnished and put to use. For this reason, no depreciation is provided since the purchase in the financial year 2014-15.*

#Housed in the premises of overseas manufacturers for their use on behalf of the establishment.

^ Represents advance paid to overseas suppliers for the purchase and assembling of equipment.

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Notes to the Financial Statements
for the year ended 31 March 2019

Property, plant and equipment *(2018)*	*Capital advance* US $	*Equipment* US $	*Residential and commercial properties* US $	*Furniture, fixtures and office equipment* US $	*Vehicles* US $	*Total* US $
Cost						
As at 01.04.2017	-	172,305	3,445,962	335,260	196,295	4,149,822
Additions	975,000	185,391	-	6,980	31,151	1,198,522
As at 31.03.2018 (restated)	**975,000**	**357,696**	**3,445,962**	**342,240**	**227,446**	**5,348,344**
Depreciation						
As at 01.04.2017	-	153,064	147,558	245,132	159,575	705,329
Adjustment	-	(147,199)	-	-	-	(147,199)
Charge for the year	-	32,475	164,865	50,487	19,994	267,821
As at 31.03.2018 (restated)	**-**	**38,340**	**312,423**	**295,619**	**179,569**	**825,951**
Net book value						
As at 31.03.2018	**975,000**	**319,356**	**3,133,539**	**46,621**	**47,877**	**4,522,393**
As at 31.03.2017 (restated)	**-**	**19,241**	**3,298,404**	**90,128**	**36,720**	**3,444,493**

7. Intangible assets

	**In-process research and development* US $	*@Brands* US $	*Technology know-how / developed formulations* US $	*Software* US $	*Total* US $
Cost					
As at 01.04.2018 (restated)	132,100,000	300,563,044	334,200,000	87,319	766,950,363
Additions during the year	-	-	227,255,219	-	227,255,219
Transfer during the year	(78,500,000)	-	78,500,000	-	-
Impairment #	(10,850,000)	-	-	-	(10,850,000)
As at 31.03.2019	**42,750,000**	**300,563,044**	**639,955,219**	**87,319**	**983,355,582**
Amortization					
As at 01.04.2018 (restated)	-	59,286,306	23,716,301	18,680	83,021,287
Charge for the year	-	30,056,304	45,413,316	17,464	75,487,084
As at 31.03.2019	**-**	**89,342,610**	**69,129,617**	**36,144**	**158,508,371**
Net book value					
As at 31.03.2019	**42,750,000**	**211,220,434**	**570,825,602**	**51,175**	**824,847,211**
As at 31.03.2018 (restated)	**132,100,000**	**241,276,738**	**310,483,699**	**68,639**	**683,929,076**

**This represents payment made in the earlier years to overseas pharmaceutical companies including US $ 22,450,000 (previous year US $ 77,950,000) to related parties and US $ 200,000 (previous year US $ 13,000,000) to an enterprise under significant influence for acquiring IP rights, licenses and other rights over the compound in process research and development for which no marketing approval has been obtained.*

#Development work ceased due to non-viability of the products.

@This represents amount paid to an overseas pharmaceutical company for acquiring established brands and related costs.

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Notes to the Financial Statements
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	2019 US $	2018 US $
8. Financial assets at fair value through OCI		
Equity instruments		
Quoted shares		
Amneal Pharmaceuticals Inc., United States of America # *(2,868,623 ordinary shares) (previous year 2,868,623 ordinary shares)*	40,648,388	55,794,718
Unquoted shares		
Enceladus Pharmaceuticals BV, Netherlands @ *(116,667 ordinary shares of € 0.10 each)*	195,765	195,765
Ranbaxy (Thailand) Co. Ltd, Thailand *(3 ordinary shares of Baht 100 each)*	10	10
Preference shares:		
Sun Pharmaceutical Industries (Australia) PTY LTD, Australia		
(54,644,566 redeemable preference shares of AUD 1 each) (Converted @ 0.7320)	40,000,000	40,000,000
(15 million redeemable preference shares of AUD 1 each) (Converted @ 0.7684)	11,526,000	11,526,000
Sun Pharma Holdings, Mauritius *(100 million 5% convertible preference shares of US $ 1 each with premium)*	118,000,000	-
Ranbaxy Pharmaceuticals Proprietary Limited, South Africa *(280 million non-cumulative, redeemable preference shares of ZAR 1 each) (Converted @ 0.072)*	20,187,455	-
Debt instruments		
*Investment in bonds: **		
ONGC Videsh – 4.625% Regd. Notes maturing 15 Jul 2024	16,640,000	16,440,000
NTPC - 4.375% Regd. Euro Medium- Term Notes maturing 26 Nov 2024	10,315,500	10,186,500
State Bank of India – 4.875% Regd. Notes maturing 24 Apr 2024	7,338,800	7,332,150
	264,851,918	**141,475,143**

 # A reconciliation of the carrying amount of investment in Amneal Pharmaceuticals Inc is set out below:

	2019 US $	2018 US $
As at 1 April	*55,794,714*	*36,288,084*
Changes in fair value ^	*(15,146,326)*	*19,506,634*
As at 31 March	***40,648,388***	***55,794,718***

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Notes to the Financial Statements
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Financial assets at fair value through OCI (cont'd)

** A reconciliation of the carrying amount investment in bonds is set out below:*

	2019 US $	***2018 US $***
As at 1 April	*33,958,650*	*-*
Purchased during the year	*-*	*35,150,349*
Changes in fair value ^	*335,650*	*(1,191,699)*
As at 31 March	***34,294,300***	***33,958,650***

@ A reconciliation of the carrying amount of investment in Enceladus Pharmaceuticals BC is set out below:

	2019 US $	***2018 US $***
As at 1 April	*195,765*	*4,480,000*
Impairment	*-*	*(4,284,235)*
As at 31 March	***195,765***	***195,765***

^ Changes in fair value amounting to negative US $ 14,810,679 (previous year US $ 18,314,937)

9. **Investments in subsidiaries**	*%*	***2019 US $***	***2018 US $***
Sun Global Canada Pty Ltd *1,000 shares of CAD 1 par value each*	100	1,000	1,000
Sun Pharma Philippines Inc^ *86,534 shares of Peso 100 each.* *^Six shares issued to the directors are held in trust by them on behalf of the establishment*	100	200,882	200,882
Sun Pharmaceuticals Korea Ltd *1,000,000 shares of South-Korean Won 100 each*	100	89,685	89,685
Sun Pharma Japan Ltd *3,160 share of JPY 50,000 each*	100	2,458,504	2,458,504
Sun Pharma Healthcare FZE *70 shares of AED 150,000 each*	100	2,858,700	2,858,700
Sun Pharma East Africa Ltd *999 shares of KES 100 each*	100	1,140	1,140
Pola Pharma Inc *1,000,000 shares of JPY 100 each with premium*	100	5,968,334	-
		11,578,245	**5,609,911**

The above entities are engaged in pharmaceutical business of trading, purchase, sale, manufacturing through others of drugs, medicines, pharmaceutical products and formulations.

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Notes to the Financial Statements
for the year ended 31 March 2019

Investment in subsidiaries (cont'd)

Net asset value as of 31 March^	*2019 US $*	*2018 US $*
Sun Global Canada Pty Ltd	(22,361)	(20,911)
Sun Pharma Philippines Inc	(7,202,970)	(6,820,330)
Sun Pharmaceuticals Korea Ltd	60,816	25,334
Sun Pharma Japan Ltd	(29,143,200)	(22,659,300)
Sun Pharma Healthcare FZE	2,878,651	2,824,918
Sun Pharma East Africa Ltd	(2,129,300)	(1,612,310)
Pola Pharma Inc	53,966,300	-
	18,407,936	(28,262,599)

^As per the management accounts as at 31 March.

In the opinion of the management, negative net asset value and impairment, if any, will be considered at group consolidation.

10. Investment in an associate

	2019 US $	*2018 US $*
Artes Biotechnology Gmbh, Germany *(15,853 ordinary shares of € 1 each with premium)*	3,792,078	3,893,313

The associate is a private company and there is no quoted market price for its shares/units.

At the end of each reporting period, the establishment determines whether there is objective evidence the investment in associate is impaired. If such indicators exist, the entire carrying value of the investment in associate will be tested for impairment by comparing the carrying value of the investment to its recoverable amount. Management determined that no indicators of impairment exists at the reporting date and accordingly concluded that impairment assessment is not required for its investment in an associate.

A reconciliation of the carrying amount of the associate is set out below:

	2019 US $	*2018 US $*
As at 1 April	3,893,313	3,776,144
Share or profit / (loss)	(101,235)	117,169
As at 31 March	3,792,078	3,893,313

11. Long-term loans

	Interest bearing US $	*Non-interest bearing US $*	*2019 US $*	*2018 US $*
Subsidiaries	26,240,132	6,920,011	33,160,143	19,547,517
Related parties	373,748,688	8,801,595	382,550,283	259,398,304
Non-related parties	2,304,985	-	2,304,985	305,705,783
	402,293,805	15,721,606	418,015,411	584,651,604

 # This represents unsecured loans bearing interest rates of 0 to 15% per annum and are considered long term by the management.

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Notes to the Financial Statements
for the year ended 31 March 2019

	2019 US $	2018 US $
12. Inventories		
Raw materials	20,448,883	6,222,061
Work in progress	6,573,132	462,927
Finished goods	12,809,132	34,405,398
	39,831,147	**41,090,386**

This represents inventories lying with contract manufacturers overseas. The inventories are stated as per the quantitative confirmations received from the respective parties.

	2019 US $	Restated 2018 US $
13. Trade receivables		
Merchandise - related parties	47,384,733	35,178,902
Royalty income receivable	139,984	-
Share of profit	-	155,870
	47,524,717	**35,334,772**

Credit terms granted to the related parties range from 0 to 270 days.

As at 31 March, the aging of trade receivables on merchandise was as follows:

	Total US $	<30 Days US $	31-90 Days US $	91-180 Days US $	181-270 Days US $	271-360 Days US $	More than 360 days US $
2019	47,524,717	14,285,140	18,251,046	12,746,131	-	-	2,242,400

Although trade receivables of USD 2,242,400/- are due for more than 360 days from a related party, they are considered good and fully recoverable by the management.

	2019 US $	2018 US $
14. Advances, deposits and other receivables		
Advance to suppliers – merchandise #	4,016,479	3,180,979
Less: allowance for doubtful debts	3,000,750	3,000,750
	1,015,729	**180,229**
Advance to suppliers - R&D @	16,056,822	10,127,095
Advance to suppliers – others *	284,334	90,304
Other receivables	343,673	-
Deposits	43,060	40,718
Vat receivable	3,265,934	864
Accrued income ^	1,381,197	948,274
	22,390,749	**11,387,484**

*#Includes US $ 3,000,750 (previous year US $ 3,000,750) balance under litigation. *Includes US $ 245,336 advance given to a related party. @Includes US $ 13,555,240 (previous year US $ 10,127,095) advance give to a related party.*

^Comprises accrued interest income of US $ 459,453 (previous year US $ 932,682), accrued royalty income of US $ 671,229 (previous year US $ Nil) and unrealized forex gain of US $ 250,515 (previous year US $ 15,592).

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Notes to the Financial Statements
for the year ended 31 March 2019

	2019 US $	2018 US $
15. Cash and bank balances		
Bank balances in current and call accounts	49,499,773	86,170,207
Cash and cash equivalents	**49,499,773**	**86,170,207**
Term deposits	15,000	130,085,406
	49,514,773	**216,255,613**

16. Share capital

Authorised, issued and paid up:

101 shares of AED 150,000 *(converted @ 3.673)*	**4,124,694**	**4,124,694**

17. General reserve

This represents net assets taken over during the earlier years from the erstwhile parent shareholder company on demerger of Non-strategic Investment Undertaking Division of erstwhile parent shareholder company in terms of scheme of arrangement and reconstruction, as approved and classified by the management.

Movement in this account is as under:

	2019 US $	Restated 2018 US $
Opening balance – (Dr.) / Cr.	269,087,099	538,161,280
Transferred *	-	(269,074,181)
Closing balance – (Dr.) / Cr.	**269,087,099**	**269,087,099**

**This represents net assets of US $ 269,074,181 transferred to the ultimate parent company pursuant to the scheme of arrangement for the demerger of specified undertaking of the establishment* and this comprises of the following:

	US $ Dr./(Cr.)
Property, plant and equipment	4,876,277
Intangible assets	32,609,570
Trade receivables	311,632,105
Advances, deposits and other receivables	1,654
Trade and other payables	(80,045,425)
	269,074,181

18. Bank borrowing

This represents short term interest bearing loan taken from a bank towards milestone payment to an overseas pharmaceutical company.

SUN PHARMA GLOBAL FZE

Notes to the Financial Statements
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	2019 US $	2018 US $
19. Deferred income		
As at 1 April	-	-
Transferred during the year – IFRS 15 impact	80,000,000	-
Received during the year	27,000,000	-
Recognized to statement of profit or loss	(8,916,667)	-
As at 31 March #	**98,083,333**	**-**

This represents milestone payments received from an overseas pharmaceutical company for the purchase of rights to sell pharmaceutical products. As per the agreement with the said company, the establishment has obligation to supply pharmaceutical product for a minimum period of five years.

	2019 US $	2018 US $
#Current and non-current portion		
Total	98,083,333	-
Less: due within 12 months	21,400,000	-
Non-current portion	**76,683,333**	**-**

	2019 US$	Restated 2018 US $
20. Trade and other payables		
Merchandise #	59,168,469	81,266,813
Research and development *	10,414,975	15,525,164
Royalty	-	16,862
Other payables!	3,168,713	865,356
	72,752,157	**97,674,195**
Capex creditors for intangible assets	-	37,874,022
Customer credit balance – *related party*	2,415,042	27,196,074
VAT payable	7,286,731	1,021
Interest payable to a bank	3,608,777	-
Accruals	1,225,831	2,042,071
	87,288,538	**164,787,383**

 # Includes US $ 54,978,844 (previous year US $ 43,998,055) due to related parties.

**Includes US $ 179,863 (previous year US $ Nil) due to an enterprise under significant influence and US $ 9,074,226 (previous year US $ 3,659,410) to a related party.*

!Includes US $ 3,036,656 (previous year US $ 725,188) due to related parties.

SUN PHARMA GLOBAL FZE

Notes to the Financial Statements
for the year ended 31 March 2019

	2019 US $	Restated 2018 US $
21. Revenue		
Trading:		
Sales of goods *	225,170,701	^141,730,104
Deferred income recognized	8,916,667	-
Interest income:		
Banks – term deposits	1,763,539	4,663,063
Long term loans – related parties	17,831,911	4,420,731
Long term loans – non-related parties	14,053,449	5,863,863
Debentures (bonds)	1,518,750	993,629
	35,167,649	15,941,286
Exchange gain (net)	-	4,989,022
Royalty income	774,442	-
Other income	126,870	10,624
	270,156,329	**162,671,036**

**Stated net of returns and provision for chargebacks, price variation, stock adjustments and other sales deductions. ^Includes share of profit of US $ 1,459,865.*

	2019 US $	Restated 2018 US $
22. Administrative expenses		
Rent	29,646	29,953
Staff salaries and benefits	971,807	1,022,517
Other administrative expenses	248,709	311,436
Exchange rate fluctuation (net)	2,444,091	-
	3,694,253	**1,363,906**
23. Selling and marketing expenses		
Royalty on sales	3,759,734	43,766
Overseas promotional and office expenses	7,132,380	7,226,583
Outward freight and distribution expenses	853,191	199,755
	11,745,305	**7,470,104**

	2019 US $	Restated 2018 US $
24. Brand and related product expenses		
Brand development expenses	132,893,172	58,160,464
Legal and professional charges (net)	9,738,020	2,619,917
Research and development expenses	41,480,707	83,422,870
License and product registration	3,368,421	225,760
Allowance for doubtful advances	-	3,000,750
Miscellaneous expenses	1,414,936	780,455
	188,895,256	**148,210,216**

SUN PHARMA GLOBAL FZE

Notes to the Financial Statements
for the year ended 31 March 2019

25. Related party transactions and balances

a) 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 possess 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 with whom the establishment had significant transactions during the year and have year-end balances are as under:

Parent Shareholder Company

- Sun Pharma Holdings – Mauritius

Subsidiaries of the establishment

- Sun Global Canada Pty Ltd – Canada
- Sun Pharma Japan Ltd - Japan
- Sun Pharma Philippines Inc - Philippines
- Sun Pharmaceuticals Korea Ltd – Korea
- Sun Pharma Healthcare FZE – U.A.E
- Sun Pharma East Africa Ltd – Kenya
- Pola Pharma Inc - Japan

Associate

- Artes Biotechnology GMBH – Germany

Ultimate Parent Company

- Sun Pharmaceutical Industries Limited – India

Subsidiaries and associate of Ultimate Parent Company

- Sun Pharmaceutical Industries Inc - USA
- Sun Pharmaceutical Industries Europe B.V – Netherlands
- Sun Pharmaceutical France – France
- Sun Global Development FZE – U.A.E
- Sun Laboratories FZE - U.A.E
- Sun Pharmaceuticals Germany GmbH – Germany
- Ooo Sun Pharmaceuticals Industries - Russia
- Sun Pharmaceuticals Spain, S.L.U - Spain
- Sun Pharmaceutical Industries (Pty Ltd) Australia - Australia
- Sun Pharmaceutical Peru SA – Peru
- Sun Pharmaceutical Industries S.A.C Peru - Peru
- Sun Pharma Switzerland Limited – Switzerland
- Sun Pharma ANZ Pty Ltd (Ranbaxy Australia Pty Ltd – Australia) - Australia
- Sun Pharma Medicare Ltd – India

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Notes to the Financial Statements
for the year ended 31 March 2019

Related party transactions and balances (cont'd)

Subsidiaries and associate of Ultimate Parent Company (cont'd)

- Sun Pharma Holdings USA Inc. - USA
- Ranbaxy (Thailand) Co. Ltd – Thailand
- Ranbaxy UK Limited – UK
- Ranbaxy Italia S.P.A – Italy
- Ranbaxy Inc. – USA
- Laboratories Ranbaxy, S.L.U – Spain
- Alkalodia Chemical Company Zrt – Hungary
- Taro Pharmaceuticals Inc. – Canada
- Sun Pharmaceuticals (SA) (PTY) Ltd – South Africa
- OHM Laboratories Inc – USA
- Insite Vision Incorporated – USA
- Terapia S.A – Romania
- Basics GMBH – Germany
- Ranbaxy Pharmacie Generiques SAS – France
- Ranbaxy Pharmaceuticals Proprietory Limited – South Africa
- Medinstill Development LLC – USA
- Dr. PY Institute LLC - USA

Enterprises under significant influence of the ultimate parent company's key management personnel and their relatives

- Sun Pharmaceutical Advanced Research Company Ltd – India

b) Significant transactions with related parties during the year and the year-end balances were as follows:

Transactions:

Figures in ('000)

	Parent shareholder company US$	*Subsidiaries and Associate US $*	*Ultimate parent company US $*	*Subsidiaries and associate of ultimate parent company US $*	*Enterprise under significant influence US $*	*Total 2019 US $*	*Restated Total 2018 US $*
Intangible assets	-	-	-	-	14,000	14,000	105
Interest income	543	31	-	17,258	-	17,832	4,421
Other expenses	-	-	81	144,008	-	144,089	82,582
Purchases	-	-	(1,393)	1,474	-	82	-
Sales	-	91,029	2,754	130,517	-	224,300	131,111
Other operating income	-	-	-	-	-	-	74
Service charges	-	6,414	-	82	-	6,495	20
Professional fees	-	-	-	569	-	569	652
R&D Services	-	-	-	1,073	825	1,899	2,576

The establishment provides funds to overseas related parties to meet with their working capital requirements. The establishment also reimburse selling, brand and product development & registration expenses to the group entities.

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Notes to the Financial Statements
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Related party transactions and balances (cont'd)

Balances:

Figures in ('000)

	Parent shareholder company *US$* *Dr/(Cr)*	*Subsidiaries and Associate* *US $* *Dr/(Cr)*	*Ultimate parent company* *US $* *Dr/(Cr)*	*Subsidiaries and associate of ultimate parent company* *US $* *Dr/(Cr)*	*Enterprise under significant influence* *US $* *Dr/(Cr)*	*Total 2019* *US $* *Dr/(Cr)*	*Restated Total 2018* *US $* *Dr/(Cr)*
Trade receivables	-	42,093	-	5,291	-	47,384	35,178
Advances	-	-	-	13,801	-	13,801	10,127
Long term loans	11,613	33,160	-	370,937	-	415,710	278,946
Trade payables	-	(4,185)	(49,310)	(1,484)	-	(54,979)	(43,998)
R&D payable	-	-	-	(9,074)	(180)	(9,254)	(3,659)
Other payable	-	-	-	(3,037)	-	(3,037)	(725)
Customer credit balance	-	-	-	(2,415)	-	(2,415)	(27,196)

26. Financial instruments: Credit, liquidity and market 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 bank balance in current and call accounts and trade and other receivables. The establishment's bank balance in current and call accounts are placed with high credit quality financial institutions.

Due from related parties on trade accounts are arising in the normal course of business and are not perceived as credit risk. In the opinion of the management, the outstanding balances of investments and long-term loans to related parties are good and fully realisable and hence no impairment is considered necessary. There are no significant concentrations of credit risk from receivables outside the industry in which the establishment operates.

Liquidity risk

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

Market risk

Market risk is the risk that changes in market prices, such as interest rate risk and currency risk, will affect the establishment's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Long term loans bear interest rates from 0 to 15% per annum. Interest on bank borrowing is at fixed rate.

SUN PHARMA GLOBAL FZE

Notes to the Financial Statements
for the year ended 31 March 2019

Financial instruments: Credit, liquidity and market risk exposures (cont'd)

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. Except for the following, there are no significant currency rate risks as substantially all financial assets and financial liabilities are denominated in the US Dollars or U.A.E Dirhams to which the US Dollar rate is fixed:

	2019 Equivalent US $	Restated 2018 Equivalent US $
Foreign currency financial assets		
Trade receivables		
Japanese Yen (JPY)	42,093,266	31,698,336
Euro (EUR)	2,382,384	3,000,158
Australian Dollar (AUD)	2,634,882	-
Bank balances		
Japanese Yen (JPY)	7,271,993	48,567
Great Britain Pound (GBP)	268,123	6,726,883
Euro (EUR)	2,506,650	303,773
Australian Dollar (AUD)	10,235	-
Foreign currency financial liabilities		
Trade payables		
Euro (EUR)	4,987,761	119,728
Great Britain Pound (GBP)	-	-
Japanese Yen (JPY)	4,184,706	6,421,107
Australian Dollar (AUD)	1,867,119	695,359

27. Contingent liabilities

Letters of guarantee	8,412	-

28. Legal proceedings

The establishment is involved in various legal proceedings including product liability, contracts, and other regulatory matters relating to conduct of its business.

The establishment records a provision in the financial statements to the extent that it concludes that a liability is probable and quantifiable based on the status of these cases, advice of the counsel, management assessment of the likely damages etc.

In respect of other claims, the establishment believes, these claims do not constitute material litigation matters and with its meritorious defences the ultimate disposition of these matters will not have material adverse effect on its financial statements.

SUN PHARMA GLOBAL FZE

Notes to the Financial Statements
for the year ended 31 March 2019

		2019	***2018***
		US $	***US $***
29.	**Commitments**		
	Contracted but not provided	219,549,218	240,052,250

30. Comparative figures

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

Previous year's certain balances relating to restatement was reclassified from current asset to current liability. This reclassification does not affect the previously reported profit, net assets or equity of the establishment (refer note 3).

31. Approval of the financial statements

The financial statements were approved by the board of directors on 16 May 2019 and authorized Mr. Harin P. Mehta to sign on behalf of the Board.

On behalf of the board:

____
Harin P. Mehta
DIRECTOR