

SUN PHARMA HEALTHCARE FZE

Financial Statements

31 March 2016

SUN PHARMA HEALTHCARE FZE

Financial Statements
31 March 2016

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SUN PHARMA HEALTHCARE FZE
Director's Report

The director submits his report and accounts for the year ended 31 March 2016.

Results

The results of the establishment and the appropriations made for the year ended 31 March 2016 are set out on pages 4 & 5 of the financial statements.

Review of the business

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

Events since the end of the year

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

Shareholder and its interest

The shareholder at 31 March 2016 and its interest as at that date in the share capital of the establishment was as follows:

	<i>No. of shares</i>	<i>AED</i>
Sun Pharma Global FZE, U.A.E	<u>70</u>	<u>10,500,000</u>
	<u>70</u>	<u>10,500,000</u>

Auditors

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

Rajesh K. Shah
DIRECTOR

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

Report on the Financial Statements

We have audited the accompanying financial statements of **SUN PHARMA HEALTHCARE FZE**, which comprise the statement of financial position as at 31 March 2016, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the statements of financial position of **SUN PHARMA HEALTHCARE FZE** as at 31 March 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Also, in our opinion and according to the information available to us, 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 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

26 April 2016

Dubai

SUN PHARMA HEALTHCARE FZE

Statement of Financial Position
31 March 2016

	<i>Notes</i>	<i>2016</i> <i>USD</i>	<i>2015</i> <i>USD</i>
ASSETS			
Current assets			
Interest accrued but not due		6,626	-
Prepayments		8,986	8,986
Cash and cash equivalents	4	<u>2,739,273</u>	<u>2,747,320</u>
		<u>2,754,885</u>	<u>2,756,306</u>
Total assets		<u>2,754,885</u>	<u>2,756,306</u>
EQUITY AND LIABILITY			
Capital and reserves			
Shareholder's funds			
Share capital	5	2,858,700	2,858,700
Accumulated losses		<u>(104,427)</u>	<u>(102,939)</u>
Total shareholder's funds		<u>2,754,273</u>	<u>2,755,761</u>
Current liability			
Accrual		<u>612</u>	<u>545</u>
Total liability		<u>612</u>	<u>545</u>
Total equity and liabilities		<u>2,754,885</u>	<u>2,756,306</u>

The notes on pages 7 to 10 form an integral part of these financial statements.

Rajesh K. Shah
DIRECTOR

SUN PHARMA HEALTHCARE FZE

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2016

	<u>2016</u> <u>USD</u>	<u>2015</u> <u>USD</u>
Revenue		
Interest income	<u>8,927</u>	<u>-</u>
Expenditure		
Lease expense	(4,084)	(4,084)
License fees	(4,084)	(4,084)
Exchange loss	-	(171,625)
Other administrative expenses	<u>(2,247)</u>	<u>(4,085)</u>
Total expenditure	<u>(10,415)</u>	<u>(183,878)</u>
Loss for the year	(1,488)	(183,878)
Other comprehensive income/(loss)	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	<u>(1,488)</u>	<u>(183,878)</u>

The notes on pages 7 to 10 form an integral part of these financial statements.

Rajesh K. Shah
DIRECTOR

SUN PHARMA HEALTHCARE FZE

Statement of Changes in Equity
for the year ended 31 March 2016

	<i>Share capital USD</i>	<i>Accumulated losses USD</i>	<i>Total USD</i>
As at 31 March 2014	2,858,700	80,939	2,939,639
Loss for the year	-	<u>(183,878)</u>	<u>(183,878)</u>
As at 31 March 2015	2,858,700	(102,939)	2,755,761
Loss for the year	-	<u>(1,488)</u>	<u>(1,488)</u>
As at 31 March 2016	<u>2,858,700</u>	<u>(104,427)</u>	<u>2,754,273</u>

The notes on pages 7 to 10 form an integral part of these financial statements.

Rajesh K. Shah
DIRECTOR

SUN PHARMA HEALTHCARE FZE

Statement of Cash Flows
for the year ended 31 March 2016

	<i>Note</i>	<i>2016</i> <u>USD</u>	<i>2015</i> <u>USD</u>
<u>Cash flows from operating activities</u>			
Loss for the year		(1,488)	(183,878)
Adjustment for:			
Interest income		<u>(8,927)</u>	<u>-</u>
Operating loss before working capital changes		(10,415)	(183,878)
(Increase)/decrease in interest accrued and prepayments		-	(8,986)
Increase/ (decrease) in accrual		<u>67</u>	<u>-</u>
Net cash from/ (used in) operating activities		<u>(10,348)</u>	<u>(192,864)</u>
<u>Cash flows from investing activity</u>			
Interest income received		<u>2,301</u>	<u>-</u>
Net cash introduced from/ (used in) investing activity		<u>2,301</u>	<u>-</u>
<u>Cash flows from financing activities</u>			
Proceeds from/(payment of) related party balances (net)		-	(749)
Net funds introduced /(withdrawn) by parent shareholder company		<u>-</u>	<u>500,000</u>
Net cash introduced from/ (used in) financing activities		<u>-</u>	<u>499,251</u>
Net increase/ (decrease) in cash and cash equivalents		(8,047)	306,387
Cash and cash equivalents at the beginning of the year		<u>2,747,320</u>	<u>2,440,933</u>
Cash and cash equivalents at the end of the year	4	<u>2,739,273</u>	<u>2,747,320</u>

The notes on pages 7 to 10 form an integral part of these financial statements.

Rajesh K. Shah
DIRECTOR

SUN PHARMA HEALTHCARE FZE**Notes to the Financial Statements
for the year ended 31 March 2016****1. Legal status and activity**

SUN PHARMA HEALTHCARE FZE is a free zone establishment with limited liability 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 registered address of the establishment is SAIF plus R5-30/A, P. O. Box 121401, Sharjah, United Arab Emirates.

The establishment is a wholly owned subsidiary of **SUN PHARMA GLOBAL FZE**, U.A.E. The ultimate shareholder company is **SUN PHARMACEUTICAL INDUSTRIES LTD**, India.

The establishment is operating under commercial license number 10394 with general trading as its licensed activity.

2. Basis of preparation

The financial statements, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable requirements of U.A.E. laws.

Basis of measurement

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

Functional and presentation currency

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

Use of estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenues, 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.

There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

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

The establishment adopted all applicable accounting standards and amendments which are effective for annual periods beginning on or after 1 April 2015. The establishment has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

SUN PHARMA HEALTHCARE FZE**Notes to the Financial Statements**
*for the year ended 31 March 2016***3. Summary of significant accounting policies**

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

Financial instruments

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

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

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

Financial assets

The financial assets represents and bank balance.

Cash and cash equivalents

Cash and cash equivalents for the purpose of the statement of cash flows comprise bank current accounts and deposits free of encumbrance with a maturity date of three months or less from the date of deposit.

Financial liability

The financial liability represents accrual.

Other payables

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

Foreign currency transactions

Transactions in foreign currencies are converted into US Dollars at the rate of exchange ruling on the date of the transaction.

Assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the date of statement of financial position date.

Resulting gains or losses is taken to the statement of profit or loss and other comprehensive income.

Revenue

Revenue from interest income is recognized on a time proportion basis using the effective interest method.

SUN PHARMA HEALTHCARE FZE

Notes to the Financial Statements
for the year ended 31 March 2016

	<i>2016</i> <u>USD</u>	<i>2015</i> <u>USD</u>
4. Cash and cash equivalents		
Bank balances in:		
Current account	36,973	2,747,320
Short term fixed deposit	<u>2,702,300</u>	<u>-</u>
	<u>2,739,273</u>	<u>2,747,320</u>
5. Share capital		
Authorised, issued and paid-up:		
70 shares of AED 150,000 each (<i>converted @ 3.673</i>)	<u>2,858,700</u>	<u>2,858,700</u>

6. 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 current and fixed deposit account with a bank. The establishment's bank current account and fixed deposit account are placed with high a credit quality financial institution.

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 parent shareholder company and 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. Fixed deposits with a bank are at fixed rate of interest.

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 exchange rates. There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in the US Dollars or UAE Dirham to which the US Dollars is fixed.

7. Financial instruments: Fair values

The fair values of the establishment's financial assets, comprising other receivables, bank balances, and financial liability, comprising accrual, are approximate to their carrying values.

SUN PHARMA HEALTHCARE FZE

Notes to the Financial Statements
for the year ended 31 March 2016

8. Contingent liabilities and capital commitments

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

9. Comparative figures

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

10. Approval of the financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 26 April 2016.

Rajesh K. Shah
DIRECTOR