

**VALIA & TIMBADIA**  
CHARTERED ACCOUNTANTS

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32, Trinity Chambers,  
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**ARVIND P. VALIA**  
B.COM. (Hons.), F.C.A.  
**HITEN C. TIMBADIA**  
B.COM. L.L.B. (GEN), F.C.A.

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUN PHARMACEUTICALS KOREA LTD.

### Report on the Financial Statements

We have audited the accompanying financial statements of **SUN PHARMACEUTICALS KOREA LTD.** (the "Company"), which comprise the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss for the year ended on that date and notes annexed thereto.

### Management's Responsibility for the Financial Statements

The Management of the Company is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards and Accounting Principles generally accepted in India. The responsibility includes the design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management of the Company, 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 these financial statements.

### Emphasis of Matters

The Net Worth of the Company has been fully eroded; however in the opinion of the management, the going concern of the company will not be affected.

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**Opinion**

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016; and
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date,

**FOR VALIA AND TIMBADIA**  
CHARTERED ACCOUNTANTS  
(Firm Registration No. 112241W)

**HITEN C. TIMBADIA**  
Partner  
Membership No. 038429.

PLACE: MUMBAI  
DATED: 16<sup>th</sup> April, 2016.

SUN PHARMACEUTICALS KOREA LTD.

BALANCE SHEET AS AT 31ST MARCH 2016

EQUITY AND LIABILITIES

Shareholders Funds

Share Capital  
Reserve and Surplus

Non Current liability

Long Term Borrowings (from SPG FZE)

Current liability

Short term Provisions (Provision for Audit Fees)

**TOTAL**

**ASSETS**

Non Current Assets

Current Assets

Bank Balance  
Other Receivable

**TOTAL**

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

REVENUE

Income

EXPENDITURE

Expenses  
Audit Fees  
Foreign Exchange Loss  
Professional and Consultancy  
Net Gain/ (Loss)

Earnings Per Share

Balance Brought Forward

Balance Carried Forward to Balance Sheet

Notes

	<u>31.03.2016</u> <u>KRW</u>	<u>31.03.2015</u> <u>KRW</u>
1	100,000,000 (21,864,645)	100,000,000 (19,022,786)
	22,757,164	19,910,807
	251,372	222,222
	<b>101,143,891</b>	<b>101,110,243</b>
	100,000,000 1,143,891	100,000,000 1,110,243
	<b>101,143,891</b>	<b>101,110,243</b>
	<u>31.03.2016</u> <u>KRW</u>	<u>31.03.2015</u> <u>KRW</u>
	-	-
	251,372 483,853 2,106,634	222,222 788,766 -
	<b>(2,841,859)</b>	<b>(1,010,989)</b>
	(3)	(1)
	(19,022,786)	(18,011,797)
	<b>(21,864,645)</b>	<b>(19,022,786)</b>

For Valia & Timbadia  
Chartered Accountants  
Firm Reg. No. 112241W

For and on behalf of the Board

(Hiten C. Timbadia)  
Partner  
Membership No. 038429  
Place: Mumbai  
Date:

Sunil Gandhi  
Director  
Place:  
Date:

Surendra Joshi  
Director  
Place:  
Date:

**SUN PHARMACEUTICALS KOREA LTD.**

Notes forming part of the financial statement for the year ended 31st March, 2016

**1. LEGAL STATUS**

Sun Pharma Korea Ltd was Incorporated on 20th September, 2011 in Korea and the company number is 110111-4690487

The shareholder and its shareholding in the company is as under:-

<u>Name of the Shareholder</u>	<u>Current year</u>		<u>Previous year</u>	
	<u>No. of Shares</u>	<u>Share Value</u> <u>KRW</u>	<u>No. of Shares</u>	<u>Share Value</u> <u>KRW</u>
Sun Pharma Global FZE	1,000,000	100,000,000	1,000,000	100,000,000
Total --->>	1,000,000	100,000,000	1,000,000	100,000,000

The Directors of the company are as under:-

<u>Name of the Director</u>	<u>Nationality</u>	<u>Position</u>
Mr Surendra Joshi	Indian	Director
Mr Sunil Gandhi	Indian	Director

**2. ACTIVITY**

The Company has not commenced any commercial activity till date.

**3. Related Party Transaction**

<u>Name of the Company</u>	<u>Relationship</u> <u>Holding</u>	<u>Transaction</u> <u>Long Term</u>	<u>31.03.2016</u>	<u>31.03.2015</u>
			<u>Amount</u> <u>KRW</u>	<u>Amount in</u> <u>KRW</u>
Sun Pharma Global FZE	company	Borrowing	22,757,164	19,910,807

4 The Financial statements has ben prepared under historical cost convention on an accrual basis and comply with Accounting standards and Accounting principles generally accepted in India.

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

For and on behalf of the Board

**Sunil Gandhi**  
Director  
Place:  
Date:

**Surendra Joshi**  
Director  
Place:  
Date:

**SUN PHARMACEUTICALS KOREA LTD.**

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**BOARD OF DIRECTORS' REPORT**

The Board of Directors submit its Annual Report together with the audited financial statements for the year ended 31<sup>st</sup> March, 2016

**Operations:**

The Company has not commenced any commercial activity till date.

**Capital:**

The authorised, issued and paid-up capital of the Company is 4000000 Ordinary shares of KRW 100 each

**Directors:**

The Directors who served during the year was as follows:

Mr Surendra Joshi  
Mr Sunil Gandhi

(Appointed on September 20, 2011)  
(Appointed on September 20, 2011)

For and on behalf of the Board

**Sunil Gandhi**  
Director  
Place:  
Date:

**Surendra Joshi**  
Director  
Place:  
Date :