



Sun Pharmaceuticals UK Limited
Indian Format Financial Statements
FY 2016 – 2017
1 April 2016 – 31 March 2017

VALIA & TIMBADIA
CHARTERED ACCOUNTANTS

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

Tel: Off: 2269 2624 / 2269 9664/40040216
E-mail: valtim09@gmail.com
32, Trinity Chambers,
117, Bora Bazar Street, Fort,
Mumbai – 400 001.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUN PHARMACEUTICALS UK LIMITED

Report on the Financial Statements

We have audited the accompanying Ind AS Financial Statements of **SUN PHARMACEUTICALS UK LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss (including other Comprehensive income), the statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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.

VALIA & TIMBADIA
CHARTERED ACCOUNTANTS

ARVIND P. VALIA
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Emphasis of Matters

The Company has made decision to cease the trading and accordingly transferred all the assets and liabilities of the business to the fellow subsidiary during the year 2016-17. The company is insolvent and has decided to go into liquidation soon, the Financial Statements have been prepared on a break up basis and not on a going concern basis.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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: 10TH May, 2017

SUN PHARMACEUTICALS UK LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

in GBP

	Notes	As at 31-mrt-17	As at 31-mrt-16	As at 1-apr-15
ASSETS				
Non-current assets				
Property, plant and equipment	1	-	636	1.490
Total non-current assets		-	636	1.490
Current assets				
Inventories	2	-	571.382	924.696
Financial assets				
Trade receivables	3	-	963.658	3.589.089
Cash and cash equivalents	4	4.016	969.540	585.579
Loans	5	-	-	5.126
Other current assets	6	-	10.362	39.531
Total current assets		4.016	2.514.942	5.144.021
TOTAL ASSETS		4.016	2.515.578	5.145.511
EQUITY AND LIABILITIES				
Equity				
Equity share capital	7	1.000	1.000	1.000
Other equity		(1.132.734)	(1.123.321)	(912.983)
Total equity		(1.131.734)	(1.122.321)	(911.983)
Non-current liabilities				
Financial liabilities				
Borrowings	8	1.135.000	1.017.383	-
Total non-current liabilities		1.135.000	1.017.383	-
Current liabilities				
Financial liabilities				
Trade payables	9	-	2.181.733	3.845.349
Provisions	10	-	413.902	1.819.262
Other current liabilities	11	750	24.881	392.883
Total current liabilities		750	2.620.516	6.057.494
TOTAL EQUITY AND LIABILITIES		4.016	2.515.578	5.145.511

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See accompanying notes to the financial statements

In terms of our report of even date attached

For Valia & Timbadia
Chartered Accountants

For and on behalf of the Board

Hiten C Timbadia
Partner

Prashant Savla
Director

Date: 10th of may 2017
Place: Mumbai, India

Date: 8th of may 2017
Place: Hoofddorp, The Netherlands

SUN PHARMACEUTICALS UK LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

in GBP

	Notes	Year ended 31-mrt-17	Year ended 31-mrt-16
Revenue from operations	12	571.382	3.343.388
Other income	13	562	48.663
Total income		571.944	3.392.051
Expenses			
Purchases of stock-in-trade			2.230.344
Changes in inventories	14	571.382	353.314
Employee benefits expense	15	-	562.299
Finance costs	16	6.189	17.383
Depreciation and amortisation expense	1		854
Other expenses	17	3.784	438.195
Total expenses		581.355	3.602.389
Loss before exceptional item and tax		(9.411)	(210.338)
Exceptional items			
Loss before tax		(9.411)	(210.338)
Total comprehensive loss for the year		(9.411)	(210.338)
Earnings per equity share (face value per equity shares - ` 1)		(94,11)	(2.103,38)
Basic (in `)			
Diluted (in `)			
See accompanying notes to the financial statements			
In terms of our report of even date attached		For and on behalf of the Board	
For Valia & Timbadia			
<i>Chartered Accountants</i>			
Hiten C Timbadia		Prashant Savla	
Partner		<i>Director</i>	
Date: 10th of may 2017		Date: 8th of may 2017	
Place: Mumbai, India		Place: Hoofddorp, The Netherlands	

SUN PHARMACEUTICALS UK LIMITED
STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED MARCH 31, 2017

in GBP

	Share application money pending allotment	Share suspense account	Capital reserve	Securities premium reserve	Debenture redemption reserve	Share option outstanding account	Reserve and surplus				Other comprehensive income (OCI)		Total		
							Capital reserve	Amalgamation reserve	Capital redemption reserve	General reserve	Retained earnings (Surplus in profit and loss)	Equity instrument through OCI		Effective portion of cash flow hedge	
Balance as at April 1, 2015													912,983		912,983
Loss for the year															
Other comprehensive income for the year, net of income tax															
Total comprehensive income for the year															210,338
Payment of dividend															
Corporate dividend tax															
Scheme of amalgamation															
Transfer of capital redemption reserve															
Transfer of debenture redemption reserve															
Issue of share capital															
Buy-back of equity shares															
Exercise of share option															
Transfer to General Reserve															
Share-based payments (amortisation)															
Balance as at March 31, 2016															1,123,321
Loss for the year															
Other comprehensive income for the year, net of income tax															
Total comprehensive income for the year															9,411
Payment of dividend															
Corporate dividend tax															
Transfer to revaluation															
Transfer of capital redemption reserve															
Issue of share capital															
Buy-back of equity shares															
Exercise of share option															
Transfer to General Reserve															
Share-based payments (amortisation)															
Balance as at March 31, 2017															1,132,732

In terms of our report of even date attached
For Valia & Timbadia
Chartered Accountants

For and on behalf of the Board

Hiten C Timbadia
Partner

Date: 10th of may 2017

Place: Mumbai, India

Prashant Savla
Director

Date: 8th of may 2017

Place: Hoofddorp, The Netherlands

SUN PHARMACEUTICALS UK LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	FOR THE YEAR ENDED 31.03.2017 Amount in GBP		FOR THE YEAR ENDED 31.03.2016 Amount in GBP	
A) Cash flow From Operating Activities				
Net Profit Before Tax	(9.411)	(9.411)	(210.338)	(210.338)
<u>Adjustments for</u>				
Profit on sale of Investment				
Other Income (Interest and investment income)				
Interest Expenses				
Operating (Loss) / Profit before Working Capital change				
Changes in working capital				
<i>Adjustments for (increase) / decrease in operating assets:</i>	572.018		354.168	
Decrease / (Increase) in Sundry Debtors	963.658		2.625.431	
Decrease / (Increase) in Loans and Advances/ Other Assets	10.362		34.295	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>	(438.033)		(1.773.362)	
(Decrease) / Increase - Trade & Other payables	(2.181.735)		(1.663.616)	
Income Tax paid				
Net Cash Flows from Operating Activities		(1.073.730)		(423.084)
B) Cash Flow from Investing Activities				
Decrease / (Increase) in Non-Current Investments				
Decrease / (Increase) in Current Investments				
Interest and investment income				
Decrease / (Increase) in Other Receivables				
Other Non-Operating Income				
Net Cash Flows from Investing Activities		-		-
C) Cash Flow from Financing Activities				
Decrease / (Increase) in Loans and Advances				
Proceeds from issue of Equity Shares				
Interest Income				
Increase / (Decrease) in Long Term Borrowings	117.617		1.017.383	
Interest Expenses				
Increase / (Decrease) in Short Term Borrowings				
Net Cash Flows from Financing Activities		117.617		1.017.383
Net Increase / (Decrease) in Cash & Cash equivalents		(965.524)		383.961
Cash & Cash Equivalents at Beginning of the year	969.540		585.579	
Cash & Cash Equivalents at the End of the Year	4.016		969.540	

Note : Cash & Cash Equivalents Consist of the cash /cheque in hand & bank balance in current Account.

In terms of our report of even date attached
For Valia & Timbadia
 Chartered Accountants

For and on behalf of the Board

Hiten C Timbadia
 Partner

Prashant Savla
 Director

Date: 10th of may 2017

Date: 8th of may 2017

Place: Mumbai, India

Place: Hoofddorp, The Netherlands

SUN PHARMACEUTICALS UK LIMITED
 NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR YEAR END

NOTE : 1
 PROPERTY, PLANT AND EQUIPMENT

in GBP

	Plant and Equipment	Total
At cost / deemed cost		
As at April 1, 2015	20.511	20.511
Additions	-	-
Disposals	-	-
Transfers	-	-
As at March 31, 2016	20.511	20.511
Additions	-	-
Disposals	(20.511)	(20.511)
Transfers	-	-
As at March 31, 2017	-	-
Accumulated depreciation and impairment		
As at April 1, 2015	19.021	19.021
Depreciation expense	854	854
Impairment loss	-	-
Disposals	-	-
As at March 31, 2016	19.875	19.875
Depreciation expense	-	-
Impairment loss	-	-
Disposals	(19.875)	(19.875)
As at March 31, 2017	-	-
Carrying value		
As at April 1, 2015	1.490	1.490
As at March 31, 2016	636	636
As at March 31, 2017	-	-

SUN PHARMACEUTICALS UK LIMITED
 NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE : 2
 INVENTORIES

	in GBP		
	As at 31-mrt-17	As at 31-mrt-16	As at 1-apr-15
Lower of cost and net realisable value			
Stock-in-trade		571.382	924.696
Goods in transit			
	-	571.382	924.696

NOTE : 3
 TRADE RECEIVABLES

	in GBP		
	As at 31-mrt-17	As at 31-mrt-16	As at 1-apr-15
Current			
Unsecured considered good	-	727.844	413.266
Unsecured considered good - from related parties		235.814	3.175.823
	-	963.658	3.589.089

NOTE : 4
 CASH AND CASH EQUIVALENTS

	in GBP		
	As at 31-mrt-17	As at 31-mrt-16	As at 1-apr-15
Balances with banks			
In current accounts	4.016	969.540	585.579
	4.016	969.540	585.579

NOTE : 5
 CURRENT LOANS AND ADVANCES

	in GBP		
	As at 31-mrt-17	As at 31-mrt-16	As at 1-apr-15
Unsecured considered good unless stated otherwise			
Amortised cost			
Loans to related parties			5.126
	-	-	5.126

NOTE : 6
 OTHER CURRENT ASSETS

	in GBP		
	As at 31-mrt-17	As at 31-mrt-16	As at 1-apr-15
Unsecured considered good unless stated otherwise			
Prepaid expenses			39.531
Other assets		10.362	
	-	10.362	39.531

SUN PHARMACEUTICALS UK LIMITED
 NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE : 7
 EQUITY SHARE CAPITAL

	As at 31-mrt-17		As at 31-mrt-16		As at 1-apr-15	
	No. of shares	in GBP	No. of shares	in GBP	No. of shares	in GBP
Authorised						
Equity shares of ` 1 each						
Cumulative preference shares of ` 100 each						
	0	-	0	-	0	-
Issued, subscribed and fully paid up						
Equity Shares of ` 1 each	100	1.000	100	1.000	100	1.000
	100	1.000	100	1.000	100	1.000
Reconciliation of fully paid equity shares	As at 31-mrt-17		As at 31-mrt-16			
	No. of shares	in GBP	No. of shares	in GBP		
Opening balance	100,00	1.000,00	100,00	1.000,00		
Add : shares allotted during the year pursuant to the scheme of amalgamation						
Add : shares allotted to employees on exercise of employee stock option (excluding shares held by ESOP trust)						
Less : buy back of shares						
Closing balance	100,00	1.000,00	100,00	1.000,00		
Details of shareholders holding more than 5% in the Company	As at 31-mrt-17		As at 31-mrt-16		As at 1-apr-15	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Equity shares	100,00	100,00	100,00	100,00	100,00	100,00
Alkaloida Chemical Company Zrt.						

NOTE : 8
 NON CURRENT BORROWINGS

	As at 31-mrt-17	As at 31-mrt-16	As at 1-apr-15
Unsecured			
At amortised cost	1.135.000	1.017.383	
	1.135.000	1.017.383	-

NOTE : 9
 TRADE PAYABLES

	As at 31-mrt-17	As at 31-mrt-16	As at 1-apr-15
Trade payables to micro, small and medium enterprises		320.052	928.167
Trade payables to related parties		1.769.136	2.873.545
Others		92.545	43.637
	-	2.181.733	3.845.349

NOTE : 10
 SHORT TERM PROVISIONS

	As at 31-mrt-17	As at 31-mrt-16	As at 1-apr-15
Product returns		413.902	1.819.121
Provision for Income Tax [Net of Advance Income Tax]			141
	-	413.902	1.819.262

SUN PHARMACEUTICALS UK LIMITED
 NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE : 11

OTHER CURRENT LIABILITIES

	As at 31-mrt-17	As at 31-mrt-16	As at 1-apr-15
Statutory remittances		24.881	392.784
Others	750		99
	750	24.881	392.883

NOTE : 12

REVENUE FROM OPERATIONS

	Year ended 31-mrt-17	Year ended 31-mrt-16
Sale of products (including excise duty)		3.343.388
	-	3.343.388

NOTE : 13

OTHER INCOME

	Year ended 31-mrt-17	Year ended 31-mrt-16
Other non-operating income (net of expenses directly attributable to such income)		
Miscellaneous income	562	48.663
	562	48.663

NOTE : 14

CHANGES IN INVENTORIES

	Year ended 31-mrt-17	Year ended 31-mrt-16
Inventories at the beginning of the year	571.382	924.696
Inventories at the end of the year	-	571.382
	571.382	1.496.078

NOTE : 15

EMPLOYEE BENEFITS EXPENSE

	Year ended 31-mrt-17	Year ended 31-mrt-16
Salaries and wages		448.730
Contribution to provident and other funds		98.510
Staff welfare expenses		15.059
Effective interest cost on loans to employee measured at amortised cost		
	-	562.299

NOTE : 16

FINANCE COSTS

	Year ended 31-mrt-17	Year ended 31-mrt-16
Interest expense on borrowing and others	6.189	17.383
	6.189	17.383

SUN PHARMACEUTICALS UK LIMITED
 NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE : 17
 OTHER EXPENSES

	in GBP	
	Year ended 31-mrt-17	Year ended 31-mrt-16
Rent		17.845
Insurance		1.848
Printing and stationery		2.664
Travelling and conveyance		10.467
Overseas travel and export promotion		68.990
Communication		5.599
Professional, legal and consultancy		192.081
Net (gain) / loss on foreign currency transactions and translation		10.167
Payments to auditors (net of input credit, where applicable)		
As auditors	750	12.580
Miscellaneous expenses	3.034	115.954
	3.784	438.195

SUN PHARMACEUTICALS UK LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2017

NOTE : 18

(A) ACCOUNTING POLICIES :

1. Basis of Accounting

The Company has prepared financial statements for the year ended March 31, 2017 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 together with the comparative period data as at and for the year ended March 31, 2016. Further, the Company has prepared the opening balance sheet as at April 1, 2015 (the transition date) in accordance with Ind AS.

Upto the year ended March 31, 2016, the company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

The Company has made the decision to cease trading and accordingly transferred all assets and liabilities of the business to a fellow subsidiary during the year 2016-17. As the Company is insolvent and decided to go into liquidation soon, financial statements are prepared on a break-up basis and not on a going concern basis

2. Financial Assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

iii. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

iv. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss

v. Equity instruments

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss

3. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

a. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

b. Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

i. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

ii. Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative entered into by the group that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For non-held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/ loss are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the statement of profit or loss. The group has not designated any financial liability as at fair value through profit and loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item

4. Recognition of Revenue

Revenue is measured at the fair value of the consideration received or receivable.

a. Rendering Services

Revenue from services rendered is recognized in the profit or loss as the underlying services are performed. Upfront non-refundable payments received are deferred and recognized as revenue over the expected period over which the related services are expected to be performed.

b. Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

c. Profit from Investments

Profit from Non Current Investments are calculated on the basis of FIFO method.
Profit from Current Investments are calculated on the basis of NAV.

5. Risk Management

The Company's activities are not exposed to any material financial risks including market risk, credit risk and liquidity risk.

5.a Accounting Standard (AS-20) on Earnings Per Share

	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit for the year - used as Numerator for calculating Earnings Per Share	(9.411)	(210.338)
Weighted Average number of Shares used in computing Basic Earnings Per Share	100	100
Add: Dilution effect of Employee Stock Options	-	-
Weighted Average number of Shares used in computing Diluted Earnings Per Share	<u>100</u>	<u>100</u>
Nominal value per share (in GBP)	10	10
Basic Earnings Per Share (in GBP)	(94)	(2.103)
Diluted Earnings Per Share (in GBP)	(94)	(2.103)

5.b Related Party Transactions

	Year ended 31st March, 2017	Year ended 31st March, 2016
Sales of Goods		
Ranbaxy UK Ltd.	571.382	1.404.171
Other Income		
Taro Pharmaceuticals UK Ltd.	-	48.000
Purchase of Goods		
Sun Pharma Global (FZE)	-	2.022.746
Sun Pharmaceutical Industries Ltd	-	156.354
Sun Pharmaceuticals Spain SLU	-	13.703
Interest Expense		
Alkaloida Chemical Company Zrt.	6.189	17.383
Other Expenses		
Alkaloida Chemical Company Zrt.	-	35.278
Sun Pharmaceutical Industries (Europe) B.V.	-	173.707
Trade Receivables		
Sun Pharmaceutical Industries Ltd	-	221.414
Taro Pharmaceuticals UK Ltd.	-	14.400
Loans Taken		
Alkaloida Chemical Company Zrt.	1.135.000	1.017.383
Trade Payable		
Alkaloida Chemical Company Zrt.		
Sun Pharma Global (FZE)	-	1.672.912
Sun Pharmaceutical Industries (Europe) B.V.	-	83.632
Sun Pharmaceutical Spain, SL.	-	12.592

6. Taxes on Income

Income tax expense consists of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits and taxable temporary differences arising upon the initial recognition of goodwill

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

7. 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 Company 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.

8 Inventories

Inventories consisting of stock-in-trade are measured at the lower of cost and net realizable value. The cost of all categories of inventories is based on the weighted average method. Cost of raw stock-in-trade comprises cost of purchases. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

9 Accounting policies not specifically mentioned above will be as per generally accepted accounting principles in India.

(B) First-time adoption of Ind-AS

These financial statements for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date. The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note A have been applied in preparing the standalone financial statements for the year ended March 31, 2017 and the comparative information.

In terms of our report of even date attached

For Valia & Timbadia
Chartered Accountants

For and on behalf of the Board

Hiten C Timbadia
Partner

Prashant Savla
Director

Date: 10th of may 2017
Place: Mumbai, India

Date: 8th of may 2017
Place: Hoofddorp, The Netherlands