

AUDITOR'S REPORT

To the general meeting of the shareholders of Alkaloida Sweden AB
Corporate identity number 556911-3656

Report on the annual accounts

Opinions

We have audited the annual accounts of Alkaloida Sweden AB for 1 April 2017 – 31 March 2018.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Alkaloida Sweden AB as of 31 March 2018 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities section*. We are independent of Alkaloida Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors intend to liquidate the company, to cease operations, or has no realistic alternative but to do so. The going concern basis of accounting is not applied if decision has been taken to discontinue the operations.

Other informations

The annual report for 2016-04-01—2017-03-31 has not been audited and therefore has the comparative numbers in the annual report for 2017-04-01—2018-03-31 not been audited.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in

Sweden 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 annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 opinions. 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 the company's internal control relevant to our 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of Alkaloida Sweden AB for 1 April 2017 – 31 March 2018 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities section*. We are independent of Alkaloida Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Malmö 2018-05-04

Mazars SET Revisionsbyrå AB

Mattias Kristensson
Auktoriserad revisor

Alkaloida Sweden AB
Org nr 556911-3656

Annual report

för räkenskapsåret 1 april 2017 – 31 mars 2018

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Certification

The signatory and Chairman of the Board hereby certifies that this copy of the Annual Report is in accordance with the original and that the income statement and balance sheet were approved at the Annual General Meeting on 5 May 2018. The Annual General Meeting resolved to approve the Board of Directors' proposal for a profit appropriation.

Malmö, 2018-05-05

Prashant Savla
Chairman of the Board

Board of Directors report

Alkaloida Sweden AB 556911-3656

General information about the business

Alkaloida Sweden AB based in Malmö, is part of the Sun Pharma group and sell and promote Sun Pharma and Ranbaxys pharmaceuticals in the Nordics.

Ownership

Alkaloida Sweden AB is 100% owned by Alkaloida Chemical Company Zrt based in Tiszavasvari, Hungary and is part of the Sun Pharma group, public listed on the Indian stock exchange market.

Significant occurrences during the financial year

During the year, Alkaloida Sweden AB's operations were ended in the Nordic region and the company will be liquidated in the coming financial year.

Multi year review

Annual accounts are prepared in SEK

	2017-04-01 2018-03-31	2016-04-01 2017-03-31	2015-04-01 2016-03-31	2014-04-01 2015-03-31
Net turnover	88 932 364	103 018 288	46 367 873	921541
Profit/loss after financial items	2 154 955	1 316 504	1 385 157	- 3 531 647
Equity-assets ratio (%)	27%	7%	2%	5%

Changes in equity

	Share capital	Non-restricted equity
Opening amount	50 000	-4 381 786
Profit/loss for the year		2 176 778
Closing amount	50 000	-2 205 008

Appropriation of profit/loss

Funds to be dealt with:

Profit /loss brought forward	2 701 661
Profit for the year	2 176 778
Summa	4 878 439

Proposed appropriation:

Refund conditional shareholders contribution	4 878 439
To be carried forward	0
Summa	4 878 439

The Board of Directors is hereby authorized to decide on the date of repayment. The Board considers that the proposal is in accordance with the precautionary principle in Chapter 17, section 3 of the Companies Act, as stated: Refunds are considered to be justified based on the nature of the business and risks the size of the equity requires in general.

Regarding the company's result and financial position in other respects, please refer to the income statements, balance sheet and accompanying supplementary disclosures set out below.

Income statement

Alkaloida Sweden AB 556911-3656

SEK	Not	2017-04-01 2018-03-31	2016-04-01 2017-03-31
Operating income			
Net turnover		88 932 364	103 018 288
Other operating income		0	0
Total operating income		88 932 364	103 018 288
Operating expenses			
Finnished goods for resale		74 832 532	85 053 549
Other external expenses		8 662 210	13 653 308
Personnel costs	1	2 692 806	2 817 967
Depriciation of tangible and intangible assets	2	50 268	27 350
Other operating expenses		471 473	
Total operating expenses		2 203 075	1 466 114
Financial items			
Other interest income and similar profit/loss items		154	
Interest expense and similar profit/loss items		26 297	149 610
Profit/loss after financial items		2 176 778	1 316 504
Profit/loss before tax		2 176 778	1 316 504
Tax on profit for the year		0	0
Net profit/loss for the year		2 176 778	1 316 504

Balance sheet

SEK	Note	2018-03-31	2017-03-31
ASSETS			
<i>Fixed assets</i>			
<i>Tangible fixed assets</i>			
Other fixed assets	3	0	74 313
Total non current assets		0	74 313
<i>Current assets</i>			
Inventory		0	20 323 789
<i>Current receivables</i>			
Trade receivables		0	18 517 565
Other receivables		55 320	
Prepaid expenses and accrued income		0	259 995
		55 320	18 777 560
Cash and bank		18 218 277	1 953 413
Total current assets		18 273 597	20 730 973
TOTAL ASSETS		18 273 597	41 129 075

Balance sheet

Alkaloida Sweden AB 556911-3656

SEK	Note	2018-03-31	2017-03-31
EQUITY AND LIABILITIES			
Equity	4		
Restricted equity			
Share capital		50 000	50 000
		<u>50 000</u>	<u>50 000</u>
Non-restricted equity			
Conditional shareholders contribution		7 083 445	7 083 445
Profit/loss brought forward		-4 381 786	-5 698 288
Profit/loss for the year		<u>2 176 778</u>	<u>1 316 504</u>
Total non-restricted equity		<u>4 928 437</u>	<u>2 751 661</u>
Long-term liabilities			
Other liabilities		0	3 023 720
		<u>0</u>	<u>3 023 720</u>
Current liabilities			
Trade payables			10 905 192
Trade payables group companies		13 303 640	22 758 085
Other liabilities		41 520	1 360 570
Accrued expenses and deferred income			329 847
		<u>13 345 160</u>	<u>35 353 694</u>
Total current liabilities		<u>13 345 160</u>	<u>38 377 414</u>
TOTAL EQUITY AND LIABILITIES		<u>18 273 597</u>	<u>41 129 075</u>

Notes

Annual accounts are prepared in SEK

Accounting policies

The annual report has been prepared in accordance with the Annual Accounts Act and BFNAR 2016:10 Annual accounts in small companies.

Receivables

Receivables have been taken up according to individual valuation in amounts where they are expected to affect.

Depreciation policies for fixed assets

Depreciation according to plan is based on original acquisition values and estimated useful lives. Devaluation are made in the event of a permanent decline in value.

Following depreciation periods are applied:

Tangible fixed assets

Office equipment	5 years
Computers	5 years

Exchange rate translation

Assets and liabilities in foreign currency are recorded at the exchange rate at the date of acquisition. A temporary currency translation at the balance sheet date exchange rates has taken place for remaining assets and liabilities in foreign currency.

Definition financial ratios

Equity ratio: Adjusted equity in relation to the assets.

Note 1 Average number of employees

	2017-04-01 2018-03-31	2016-04-01 2017-03-31
Average number of employees	4	4

Note 2 Depreciation tangible fixed assets

	2017-04-01 2018-03-31	2016-04-01 2017-03-31
Tangible fixed assets	-50268	-27350
	<u>-50268</u>	<u>-27350</u>

Note 3 Tangible fixed assets

	2018-03-31	2017-03-31
<i>Acquisitions costs</i>		
Opening amount	148951	122701
Investments		26250
Sales	-148951	0
	<u>0</u>	<u>148951</u>
<i>Cumulative depreciation</i>		
Opening amount	-74638	-47287
Sales	124906	
Depreciation	-50268	-27351
	<u>0</u>	<u>-74638</u>
Closing amount	0	74313

Malmö den 2018

Prashant Savla _____
Ordförande

Vår revisionsberättelse har lämnats den 2018

Mazars SET Revisionsbyrå AB

Mattias Kristensson
Auktoriserad revisor