

INDEPENDENT AUDITOR'S REPORT

To the Members of Skisen Labs Private Limited

Report on the Audit of the accompanying Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Skisen Labs Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the accompanying Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the accompanying Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the accompanying Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include the accompanying Ind AS financial statements and our auditor's report thereon.

Our opinion on the accompanying Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accompanying Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the accompanying Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the accompanying Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the accompanying Ind AS financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the accompanying Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the accompanying Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SAs 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the accompanying Ind AS 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 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 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 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 accompanying Ind AS financial statements, including the disclosures, and whether the accompanying Ind AS 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2018, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on April 13, 2018.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) The provisions of section 197 read with Schedule V to the Act are not applicable to the Company for the year ended March 31, 2019;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Mumbai
Date: May 27, 2019

Annexure 1 referred to in paragraph 1 under the heading "Report on other Legal and regulatory requirements" of our report of even date on the financial statements of Skisen Labs Private Limited

- i. The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- ii. The Company does not have any inventories during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company and hence not commented upon.
- vii. (a) Undisputed Statutory dues including income tax and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to information and explanations given to us, no undisputed amounts payable in respect of income- tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to provident fund, employees' state insurance, duty of custom and goods and service tax are not applicable to the Company.

(b) According to the information and explanations given to us, there are no dues of income tax, duty of customs and goods and service tax which have not been deposited on account of any dispute.

- viii. According to the information and explanations given to us, the Company has not taken any loan or borrowings from a financial institution or bank or government or debenture holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company and hence not commented upon.
- ix. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans. Accordingly, the provisions of clause (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company. Accordingly, the provisions of clause (xi) of the Order are not applicable to the Company and hence not commented upon.
- xii. In our opinion, the Company is not a nidhi company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

Skisen Labs Private Limited
Audit for the year ended March 31, 2019
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- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Mumbai
Date: May 27, 2019

Annexure 2 to the Independent Auditor's Report of even date on the financial statements of Skisen Labs Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Skisen Labs Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
Place of Signature: Mumbai
Date: May 27, 2019

SKISEN LABS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

Amount ₹

	Notes	As at As at March 31, 2019	As at As at March 31, 2018
ASSETS			
Non-current assets			
(a) Financial assets - investments	3	26,992	27,906
Total non-current assets		26,992	27,906
Current assets			
Financial assets			
(a) Cash and cash equivalents	4	30,639	25,954
Total current assets		30,639	25,954
TOTAL ASSETS		57,631	53,860
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	5	16,36,00,000	16,36,00,000
(b) Other equity		(16,37,22,689)	(16,35,78,920)
Total equity		(1,22,689)	21,080
Current liabilities			
Financial liabilities			
(a) Borrowing	6	50,000	-
(b) Other current liabilities	7	1,30,320	32,780
Total current liabilities		1,80,320	32,780
TOTAL EQUITY AND LIABILITIES		57,631	53,860

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
SKISEN LABS PRIVATE LIMITED

per Paul Alvares
Partner
Membership No. 105754

Chandrakant K. Agrawal
Wholetime Director
DIN: 02525499

Mangesh R. Tahmane
CFO & Whole-time Director
DIN: 00005753

PLACE : MUMBAI
DATE : May 27, 2019

Meetal Sampat
Company Secretary

SKISEN LABS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Amount ₹

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
(I) Revenue from operations	8	(914)	(411)
(II) Other income	9	1,160	(5,000)
(III) Total income (I + II)		246	(5,411)
(IV) Expenses			
Finance Cost		3,329	-
Other expenses	10	1,40,686	42,935
Total expenses (IV)		1,44,015	42,935
(V) Profit / (Loss) before tax (III - IV)		(1,43,769)	(48,346)
(VI) Tax expenses	11		
Current tax expense for current year		-	-
Current tax expense relating to prior years		-	-
Profit for the year		(1,43,769)	(48,346)
Total comprehensive income for the year		(1,43,769)	(48,346)
Earnings per equity share (face value per equity shares - Rs. 10)			
Basic (in Rs.)		(0.01)	(0.00)
Diluted (in Rs.)		(0.01)	(0.00)

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
SKISEN LABS PRIVATE LIMITED

per Paul Alvares
Partner
Membership No. 105754

Chandrakant K. Agrawal
Wholetime Director
DIN: 02525499

Mangesh R. Tahmane
CFO & Whole-time Director
DIN: 00005753

PLACE : MUMBAI
DATE : May 27, 2019

Meetal Sampat
Company Secretary

SKISEN LABS PRIVATE LIMITED
STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED MARCH 31, 2019

Amount ₹

	Equity Share capital	Reserve and surplus	Total
		Retained earnings (Surplus in profit and loss)	
Balance as at April 1, 2017	16,36,00,000	(16,35,30,574)	(16,35,30,574)
Profit for the year		(48,346)	(48,346)
Total comprehensive income for the year	-	(48,346)	(48,346)
Balance as at March 31, 2018	16,36,00,000	(16,35,78,920)	(16,35,78,920)
Profit for the year		(1,43,769)	(1,43,769)
Total comprehensive income for the year	-	(1,43,769)	(1,43,769)
Balance as at March 31, 2019	16,36,00,000	(16,37,22,689)	(16,37,22,689)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
SKISEN LABS PRIVATE LIMITED

per Paul Alvares
Partner
Membership No. 105754

Chandrakant K. Agrawal
Wholetime Director
DIN: 02525499

Mangesh R. Tahmane
CFO & Whole-time Director
DIN: 00005753

Place : Mumbai
DATE : May 27, 2019

Meetal Sampat
Company Secretary

SKISEN LABS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Amount ₹

PARTICULARS	Year ended March 31, 2019		Year ended March 31, 2018	
	A) Cash flow from operating activities			
Net profit before tax	(1,43,769)		(48,346)	
<u>Adjustments for</u>				
Share of loss in partnership	(914)		(411)	
Operating (Loss) / Profit before Working Capital change	(1,44,683)		(48,757)	
Changes in working capital				
<i>Adjustments for increase / (decrease) in operating liabilities:</i> (Decrease) / Increase - Trade & Other payables	1,47,540		11,160	
Cash generated from operations	2,857		(37,597)	
Net Cash Flows from Operating Activities		2,857		(37,597)
B) Cash Flow from Investing Activities				
Decrease / (Increase) in Non-Current Investments	914		5,411	
Loss from Investment in Partnership Firm	914		411	
Others	-		-	
Net Cash Flows from Investing Activities		1,828		5,822
C) Cash Flow from Financing Activities				
Net Increase / (Decrease) in Cash & Cash equivalents		4,685		(31,775)
Cash & Cash Equivalents at Beginning of the year		25,954		57,729
Cash and cash equivalents at the end of the year (Refer note - 4)		30,639		25,954

Cash and cash equivalents comprises of

Amount Rs.

Particulars	As at	
	March 31, 2019	March 31, 2018
Cash on hand	2,541	2,541
Balances with banks		
In current accounts	28,098	23,413
	30,639	25,954

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
SKISEN LABS PRIVATE LIMITED

Chandrakant K. Agrawal
Wholetime Director
DIN: 02525499

Mangesh R. Tahmane
CFO & Whole-time Director
DIN: 00005753

per Paul Alvares
Partner
Membership No. 105754

Place : Mumbai
DATE : May 27, 2019

Meetal Sampat
Company Secretary

SKISEN LABS PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1. General Information

Skisen Labs Private Limited ("the Company") is a private limited company incorporated and domiciled in India, having its registered office at Acme Plaza, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059. The Company is a 100% subsidiary of Sun Pharmaceutical Industries Ltd.

The Financial statements were authorised for issue in accordance with a resolution of the directors on May 27, 2019

2. ACCOUNTING POLICIES :

2.1 Basis of Accounting

The Company has prepared financial statements for the year ended March 31, 2019 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, 2018.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods, services, etc. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique

2.2 a. Current vs Non-current

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle

b. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

c. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

SKISEN LABS PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

d. Recognition of revenue

Sale of goods

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, chargebacks, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts.

In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sales returns

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Rendering of services

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

Royalties

Royalty revenue is recognised 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 Company and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

SKISEN LABS PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

e. Risk Management

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

f. Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI 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. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. 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 realised. Withholding tax arising out of payment of dividends to shareholders under the Indian income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Income-tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

g. Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

h. Recent accounting pronouncements

Standards issued but not yet effective and not early adopted by the Company.

On March 30, 2019, the MCA, issued certain amendments to Ind AS. The amendments relate to the following standards:

- Ind AS 116 Leases
- Ind AS 23 Borrowing Costs
- Ind AS 109 Financial Instruments

The amendments are effective April 1, 2019. The Company believes that the aforementioned amendments will not materially impact the financial position, performance of the Company.

SKISEN LABS PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE : 3
INVESTMENTS

Particulars	As at		As at	
	As at March 31, 2019		As at March 31, 2018	
	Qty.	(Rs.)	Qty.	(Rs.)
NON CURRENT				
Unquoted - (At cost)				
Investment in LLP				
Silverstreet Developers LLP - Fixed Capital	-	25,000	-	25,000
- Current	-	1,992	-	2,906
Total other investments - Non current	-	26,992	-	27,906

NOTE : 4
CASH AND CASH EQUIVALENTS

Particulars	As at		As at	
	As at March 31, 2019		As at March 31, 2018	
Cash on hand		2,541		2,541
Balances with banks				
In current accounts		28,098		23,413
		30,639		25,954

NOTE : 5
EQUITY SHARE CAPITAL

Particulars	As at		As at	
	As at March 31, 2019		As at March 31, 2018	
	No.	(Rs.)	No.	(Rs.)
Authorised				
Equity shares of Rs. 10 each	1,70,00,000	17,00,00,000	1,70,00,000	17,00,00,000
	1,70,00,000	17,00,00,000	1,70,00,000	17,00,00,000
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each	1,63,60,000	16,36,00,000	1,63,60,000	16,36,00,000
	1,63,60,000	16,36,00,000	1,63,60,000	16,36,00,000
Reconciliation of fully paid equity shares				
Opening balance	1,63,60,000	16,36,00,000	1,63,60,000	16,36,00,000
Add : shares allotted during the year	-	-	-	-
Less : buy back of shares	-	-	-	-
Closing balance	1,63,60,000	16,36,00,000	1,63,60,000	16,36,00,000
Details of shareholders holding more than 5% in the Company				
Equity shares				
Sun Pharmaceutical Industries Limited	1,63,60,000	100	1,63,60,000	100

NOTE : 6
BORROWINGS (CURRENT)

Particulars	As at		As at	
	As at March 31, 2019		As at March 31, 2018	
Loan		50,000		-
		50,000		-

NOTE : 7
OTHER CURRENT LIABILITIES

Particulars	As at		As at	
	As at March 31, 2019		As at March 31, 2018	
Interest payable		3,329		-
Others (expenses payable)		1,26,991		32,780
		1,30,320		32,780

SKISEN LABS PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE : 8
REVENUE FROM OPERATIONS

Particulars	Year ended As at March 31, 2019	Year ended As at March 31, 2018
Other operating revenues : Share of loss from LLP	(914)	(411)
	(914)	(411)

NOTE : 9
OTHER INCOME

Particulars	Year ended As at March 31, 2019	Year ended As at March 31, 2018
Income tax refund	1,160	-
Interest income on :		
Loss on cancellation of share investment	-	(5,000)
	1,160	(5,000)

NOTE : 10
OTHER EXPENSES

Particulars	Year ended As at March 31, 2019	Year ended As at March 31, 2018
Rates and taxes	2,500	2,500
Professional, legal and consultancy	28,800	23,475
Payments to auditors		
As auditors	1,06,601	15,340
Miscellaneous expenses	2,785	1,620
	1,40,686	42,935

NOTE : 11
TAX RECONCILIATION

	Year ended March 31, 2019	Year ended March 31, 2018
Reconciliation of current tax expense		
Profit before tax	(1,43,769)	(48,346)
Enacted income tax rate (%)	26.00%	25.75%
Tax expense	(37,380)	(12,449)
Effect of income that is exempt from taxation	238	106
Effect of expenses that is are not deductible in determining taxable profit	37,142	12,343
	-	-
Income tax expense recognised in profit and loss	-	-

NOTE : 12
EARNINGS PER SHARE

Particulars	Year ended As at March 31, 2019	Year ended As at March 31, 2018
Profit attributed to Equity Share holders ₹	(1,43,769)	(48,346)
No. of Equity Shares (of ₹10/- each)	1,63,60,000	1,63,60,000
Earnings Per Share – Basic & Diluted ₹	(0.01)	(0.00)

SKISEN LABS PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE : 13
RELATED PARTY DISCLOSURE

(i) HOLDING COMPANY

No.	Company Name
1	Sun Pharmaceutical Industries Limited

(ii) SUBSIDIARIES / FELLOW SUBSIDIARIES
(With whom the Company has transactions during the year or previous year) - NIL

(iii) ASSOCIATES - NIL
(With whom the Company has transactions during the year or previous year) - NIL

(iv) KEY MANAGEMENT PERSONNEL

No.	Name	Designation
1	Mr.Chandrakant K. Agrawal	Whole-time Director
2	Mr.Suresh Kumar R. Ajmera	CFO & Whole-time Director
3	Mr.Jagdish T. Sanghavi	Director
4	Ms. Meetal Sampat	Company Secretary

B. Summary of the transaction with related parties as per Ind AS- 24

No.	Name	Relation	Amount in Rs.
1	Sun Pharmaceutical Industries Limited	Holding Company	53,329

C. Outstanding with related parties as per Ind AS-24

No.	Name	Relation	Amount in Rs.
1	Sun Pharmaceutical Industries Limited	Holding Company	53,329

NOTE : 14

As on March 31, 2019, the Company's accumulated loss of Rs. 16,37,22,689 exceeds the shareholders' funds. As the Company is assured of continuing operational and financial support from its holding company and management expects profitable business in future, these financial statements have been prepared on the 'going concern' assumption.

NOTE : 15

CATEGORIES OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY

Particulars	As at March 31, 2019		
	Fair value	Fair value through	Amortised cost
Financial assets			
Investments	-	-	26,992
Cash and cash equivalents	-	-	30,639
Financial liabilities			
Other current liabilities	-	-	1,30,320

Particulars	As at March 31, 2018		
	Fair value	Fair value through	Amortised cost
Financial assets			
Investments	-	-	27,906
Other financial assets	-	-	25,954
Financial liabilities			
Other current liabilities	-	-	32,780

NOTE : 16

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

SKISEN LABS PRIVATE LIMITED**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****Market risk**

The Company does not have any market risk such as foreign exchange risk and interest rate risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity. The table below provides details regarding the contractual maturities of significant undiscounted financial liabilities :

Particulars	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2019
Non derivative				
Other financial liabilities	1,30,320	-	-	1,30,320
	1,30,320	-	-	1,30,320

Particulars	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2018
Non derivative				
Other financial liabilities	32,780	-	-	32,780
	32,780	-	-	32,780

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.324982E/E300003

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
SKISEN LABS PRIVATE LIMITED

per Paul Alvares
Partner
Membership No.105754

Chandrakant K. Agrawal
Wholetime Director
DIN: 02525499

Mangesh R. Tahmane
CFO & Whole-time Director
DIN: 00005753

PLACE : MUMBAI
DATE : May 27, 2019

Meetal Sampat
Company Secretary