

**SUN PHARMA HEALTHCARE FZE**

**Financial Statements**

***31 March 2018***

**SUN PHARMA HEALTHCARE FZE**

**Financial Statements**  
**31 March 2018**

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**SUN PHARMA HEALTHCARE FZE**  
**Director's Report**

The director submits his report and accounts for the year ended 31 March 2018.

**Results and appropriations**

The results of the establishment and the appropriations made for the year ended 31 March 2018 are set out on pages 5 and 6 of the financial statements.

In my opinion, the financial statements set out on page 4 to 11 are drawn up so as to give a true and fair view of the financial position of the establishment as at 31 March 2018, the financial performance, changes in equity and cash flows of the establishment for the year ended on that date in accordance with the provisions of the Sharjah Airport International Free Zone Authority and International Financial Reporting Standards.

At the date of the statement, there are reasonable grounds to believe that the establishment will be able to pay its debts as and when they fall due.

**Review of the business**

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

**Events since the end of the year**

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

**Shareholder and its interest**

The shareholder at 31 March 2018 and its interest as at that date in the share capital of the establishment was as under:

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

**Auditors**

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

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Rajesh K. Shah  
**DIRECTOR**

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

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of **SUN PHARMA HEALTHCARE FZE** (the "establishment"), which comprise the statement of financial position as at 31 March 2018, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including, a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the statements of financial position of **SUN PHARMA HEALTHCARE FZE** as at 31 March 2018, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the establishment in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates and in Sharjah Airport International Free Zone and we have fulfilled our other 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 audit opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the establishment 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 establishment or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the establishment's financial reporting process.

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs 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 financial statements.

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 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF  
SUN PHARMA HEALTHCARE FZE***Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)*

- 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, but not for the purpose of expressing an opinion on the effectiveness of the establishment internal control.
- 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 establishment ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the establishment to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

**Report on Other Legal and Regulatory Requirements**

Also, in our opinion, the establishment has maintained proper books of account and the financial statements are in agreement with the books of account. We obtained all the information which we considered necessary for our audit. According to the information available to us, there were no contraventions during the year of the regulation issued by the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995 or the Articles of Association of the establishment which might have materially affected the financial position of the establishment or its financial performance.

Signed by:

C. D. Shah

Partner

Registration No. 677

**Shah & Alshamali Associates Chartered Accountants**

17 May 2018

Dubai

## SUN PHARMA HEALTHCARE FZE

Statement of Financial Position  
31 March 2018

	<i>Notes</i>	<i>2018</i> <u>USD</u>	<i>2017</i> <u>USD</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Interest accrued but not due		6,020	19,556
Prepayments		9,036	8,986
Cash and bank balances	4	<u>2,810,542</u>	<u>2,763,303</u>
		<b><u>2,825,598</u></b>	<b><u>2,791,845</u></b>
<b>Total assets</b>		<b><u>2,825,598</u></b>	<b><u>2,791,845</u></b>
<b>EQUITY AND LIABILITY</b>			
<b>Shareholder's funds</b>			
<b>Capital and reserves</b>			
Share capital	5	2,858,700	2,858,700
Accumulated losses		<u>(33,782)</u>	<u>(67,467)</u>
<b>Total shareholder's funds</b>		<b><u>2,824,918</u></b>	<b><u>2,791,233</u></b>
<b>Current liability</b>			
Accrual		<u>680</u>	<u>612</u>
<b>Total liability</b>		<b><u>680</u></b>	<b><u>612</u></b>
<b>Total equity and liability</b>		<b><u>2,825,598</u></b>	<b><u>2,791,845</u></b>

The notes on pages 8 to 11 form an integral part of these financial statements.

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Rajesh K. Shah  
**DIRECTOR**

**SUN PHARMA HEALTHCARE FZE****Statement of Profit or Loss and Other Comprehensive Income  
for the year ended 31 March 2018**

	<i>2018</i> <u>USD</u>	<i>2017</i> <u>USD</u>
<b>Revenue</b>		
Interest income	<u>43,711</u>	<u>47,379</u>
<b>Expenditure</b>		
Lease expense	(4,084)	(4,084)
License fees	(4,084)	(4,084)
Other administrative expenses	<u>(1,858)</u>	<u>(2,251)</u>
<b>Total expenditure</b>	<u>(10,026)</u>	<u>(10,419)</u>
<b>Profit for the year</b>	<b>33,685</b>	<b>36,960</b>
Other comprehensive income/(loss)	-	-
<b>Total comprehensive income for the year</b>	<u><b>33,685</b></u>	<u><b>36,960</b></u>

*The notes on pages 8 to 11 form an integral part of these financial statements.*

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Rajesh K. Shah  
**DIRECTOR**



## SUN PHARMA HEALTHCARE FZE

**Statement of Changes in Equity**  
*for the year ended 31 March 2018*

	<i>Share capital USD</i>	<i>Accumulated losses USD</i>	<i>Total USD</i>
As at 31 March 2016	2,858,700	(104,427)	2,754,273
Profit for the year	-	36,960	36,960
<b>As at 31 March 2017</b>	<b>2,858,700</b>	<b>(67,467)</b>	<b>2,791,233</b>
Profit for the year	-	33,685	33,685
<b>As at 31 March 2018</b>	<b><u>2,858,700</u></b>	<b><u>(33,782)</u></b>	<b><u>2,824,918</u></b>

*The notes on pages 8 to 11 form an integral part of these financial statements.*

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Rajesh K. Shah  
**DIRECTOR**



## SUN PHARMA HEALTHCARE FZE

**Statement of Cash Flows**  
*for the year ended 31 March 2018*

	<i>Note</i>	<i>2018</i> <u>USD</u>	<i>2017</i> <u>USD</u>
<b><u>Cash flows from operating activities</u></b>			
Profit for the year		33,685	36,960
Adjustment for:			
Interest income		(43,711)	(47,379)
<b>Operating loss before working capital changes</b>		<b>(10,026)</b>	<b>(10,419)</b>
(Increase)/decrease in interest accrued and prepayments		(50)	6,626
Increase/(decrease) in accrual		68	-
<b>Net cash from/ (used in) operating activities</b>		<b><u>(10,008)</u></b>	<b><u>(3,793)</u></b>
<b><u>Cash flows from investing activities</u></b>			
Interest income received		57,247	27,823
Proceeds from/(placement of) fixed deposits		(50,000)	(47,700)
<b>Net cash introduced from/ (used in) investing activities</b>		<b><u>7,247</u></b>	<b><u>(19,877)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,761)</b>	<b>(23,670)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b><u>13,303</u></b>	<b><u>36,973</u></b>
<b>Cash and cash equivalents at the end of the year</b>	4	<b><u>10,542</u></b>	<b><u>13,303</u></b>

*The notes on pages 8 to 11 form an integral part of these financial statements.*

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Rajesh K. Shah  
**DIRECTOR**

**SUN PHARMA HEALTHCARE FZE****Notes to the Financial Statements  
for the year ended 31 March 2018****1. Legal status and activity**

**SUN PHARMA HEALTHCARE FZE** is a free zone establishment with limited liability incorporated in Sharjah Airport International Free Zone, Sharjah, U.A.E pursuant to Emiri Decree # 2 of 1995 and in accordance with the implementation procedures of the free zone establishment. The registered address of the establishment is SAIF plus R5-30/A, P. O. Box 121401, Sharjah, United Arab Emirates.

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

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

**2. Basis of preparation**

The financial statements have been prepared under accrual basis of accounting and on the basis that the establishment will continue as a going concern in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable requirements of Sharjah Airport International Free Zone Authority.

*Basis of measurement*

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

*Functional and presentation currency*

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

*Use of estimates and judgements*

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenue, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about the several factors and actual results may differ from reported amounts. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

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

***Application of new and revised International Financial Reporting Standards (IFRS)***

The establishment has applied all applicable accounting standards and amendments which are effective for annual periods beginning on or after 1 April 2017. The establishment has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**SUN PHARMA HEALTHCARE FZE****Notes to the Financial Statements  
for the year ended 31 March 2018****3. Summary of significant accounting policies**

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

**Financial instruments**

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

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

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

***Financial assets***

The financial assets represents accrued interest and bank balance.

***Cash and cash equivalents***

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

***Financial liability***

The financial liability represents accrual.

***Accrual***

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

**Foreign currency transactions**

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

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

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

**Revenue**

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

## SUN PHARMA HEALTHCARE FZE

Notes to the Financial Statements  
for the year ended 31 March 2018

	<i>2018</i> <u>USD</u>	<i>2017</i> <u>USD</u>
<b>4. Cash and bank balance</b>		
Bank balances in current account	<u>10,542</u>	<u>13,303</u>
<b>Cash and cash equivalents</b>	<b>10,542</b>	<b>13,303</b>
Fixed deposit	<u>2,800,000</u>	<u>2,750,000</u>
	<b><u>2,810,542</u></b>	<b><u>2,763,303</u></b>
<b>5. Share capital</b>		
<b>Authorised, issued and paid-up:</b>		
70 shares of AED 150,000 each ( <i>converted @ 3.673</i> )	<b><u>2,858,700</u></b>	<b><u>2,858,700</u></b>

**6. Financial instruments: Credit, liquidity and market risk exposures****Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially expose the establishment to concentrations of credit risk comprise principally of balance in current and fixed deposit accounts with a bank. The establishment's bank balances in current and fixed deposit accounts are placed with high a credit quality financial institution.

**Liquidity risk**

Liquidity risk is the risk that the establishment will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the parent shareholder company and the management who ensure that sufficient funds are made available to the establishment to meet any future commitments.

**Market risk**

Market risk is the risk that changes in market prices, such as interest rate risk and currency risk, will affect the establishment's income or the value of its holdings of financial instruments.

*Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed deposit with a bank is at fixed rate of interest.

*Currency risk*

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in the US Dollars or U.A.E Dirhams to which the US Dollar rate is fixed.

**7. Financial instruments: Fair values**

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

**SUN PHARMA HEALTHCARE FZE**

**Notes to the Financial Statements**  
*for the year ended 31 March 2018*

**8. Contingent liabilities and capital commitments**

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

**9. Comparative figures**

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

**10. Approval of the financial statements**

The financial statements were approved by the Board of Directors and authorised for issue on 17 May 2018 and authorized Mr. Rajesh K. Shah to sign on behalf of the Board.

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Rajesh K. Shah  
**DIRECTOR**