



Sun Pharmaceutical Industries (Europe) B.V.
Indian Format Financial Statements
FY 2017 – 2018
1 April 2017 – 31 March 2018

VALIA & TIMBADIA
CHARTERED ACCOUNTANTS

ARVIND P. VALIA
B.COM. (Hons.), F.C.A.
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES (EUROPE) B.V.

Report on the Financial Statements

We have audited the accompanying Ind AS Financial Statements of **SUN PHARMACEUTICAL INDUSTRIES (EUROPE) B.V.** (the "Company"), which comprise the Balance Sheet as at March 31, 2018 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.

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CHARTERED ACCOUNTANTS

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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, 2018, 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: Hoofddorp, the Netherlands
DATED: 24th April, 2018

SUN PHARMACEUTICAL INDUSTRIES (EUROPE) B.V.
BALANCE SHEET AS AT MARCH 31, 2018

in Euro

	Notes	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
ASSETS				
Non-current assets				
Property, plant and equipment	1	206,470	202,041	151,862
Other intangible assets	2	347,107	280,479	54,000
Other non-current assets	3	15,950	9,450	1,950
Total non-current assets		569,527	491,970	207,812
Current assets				
Inventories	4	8,293,822	1,309,431	1,171,129
Financial assets				
Other investments		-	-	-
Trade receivables	5	7,760,732	3,423,870	2,235,583
Cash and cash equivalents	6	1,215,555	209,361	695,273
Loans	7	34,573	19,255	19,218
Other current assets	8	1,484,130	691,796	130,637
Total current assets		18,788,811	5,653,713	4,251,840
TOTAL ASSETS		19,358,338	6,145,683	4,459,652
EQUITY AND LIABILITIES				
Equity				
Equity share capital	9	18,000	18,000	18,000
Other equity		(838,543)	(1,611,983)	(1,994,228)
Total equity		(820,543)	(1,593,983)	(1,976,228)
Non-current liabilities				
Financial liabilities				
Borrowings	10	6,484,359	3,202,955	4,122,964
Total non-current liabilities		6,484,359	3,202,955	4,122,964
Current liabilities				
Financial liabilities				
Trade payables	11	12,665,356	3,851,386	1,928,776
Provisions	12	568,959	390,859	265,436
Other current liabilities	13	460,207	294,466	118,704
Total current liabilities		13,694,522	4,536,711	2,312,916
TOTAL EQUITY AND LIABILITIES		19,358,338	6,145,683	4,459,652

See accompanying notes to the financial statements

In terms of our report of even date attached
For Valia & Timbadia
Chartered Accountants
FRN:112241W

For and on behalf of the Board

Hiten C Timbadia
Partner
Member No:038429
Date: 24th of April 2018

Prashant Savla
Director
Date: 24th of April 2018

Place: Hoofddorp, The Netherlands

Place: Hoofddorp, The Netherlands

SUN PHARMACEUTICAL INDUSTRIES (EUROPE) B.V.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

in Euro

	Notes	Year ended 31-Mar-18	Year ended 31-Mar-17
Revenue from operations	14	17,231,871	6,723,889
Other income	15	5,256,928	5,818,848
Total income		22,488,799	12,542,737
Expenses			
Purchases of stock-in-trade		21,267,594	5,110,689
Changes in inventories	16	(6,984,391)	(138,302)
Employee benefits expense	17	5,139,499	5,105,267
Finance costs	18	77,977	79,991
Depreciation and amortisation expense	1 & 2	64,159	48,009
Other expenses	19	2,150,521	1,954,838
Total expenses		21,715,359	12,160,492
Profit before exceptional item and tax		773,440	382,245
Profit before tax		773,440	382,245
Profit for the year		773,440	382,245
Total comprehensive loss for the year		773,440	382,245
Earnings per equity share (face value per equity shares - ` 1)		4,296.89	2,123.58
Basic (in `)			
Diluted (in `)			
See accompanying notes to the financial statements			
In terms of our report of even date attached For Valia & Timbadia <i>Chartered Accountants</i> FRN:112241W		For and on behalf of the Board	
Hiten C Timbadia Partner Member No:038429 Date: 24th of April 2018 Place: Hoofddorp, The Netherlands		Prashant Savla <i>Director</i> Date: 24th of April 2018 Place: Hoofddorp, The Netherlands	

SUN PHARMACEUTICAL INDUSTRIES (EUROPE) B.V.
STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED MARCH 31, 2018

	Share application money pending allotment	Share suspense account	Capital reserve	Securities premium reserve	Debt redemption reserve	Share option outstanding account	Reserve and surplus			Retained earnings (Surplus in profit and loss)	Other comprehensive income (OCI) through OCI	Effective portion of cash flow hedge	Total
							Amalgamation reserve	Capital redemption reserve	General reserve				
Balance as at April 1, 2016										(1,994,228)	-	(1,994,228)	
Loss for the year										382,245		382,245	
Other comprehensive income for the year, net of income tax													
Total comprehensive income for the year										382,245		382,245.0	
Payment of dividend													
Corporate dividend tax													
Scheme of amalgamation													
Transfer of capital redemption reserve													
Transfer of debt 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										(1,611,983)		(1,611,983)	
Loss for the year										773,440		773,440	
Other comprehensive income for the year, net of income tax													
Total comprehensive income for the year										773,440		773,440	
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, 2018										(838,543)		(838,543)	

In terms of our report of even date attached

For and on behalf of the Board
For Valia & Timbadia
Chartered Accountants
FRN: 112241W

Hiten C Timbadia
Partner
Member No: 038429
Date: 24th of April 2018

Prashant Savia
Director

Date: 24th of April 2018

Place: Hoofddorp, The Netherlands

SUN PHARMACEUTICAL INDUSTRIES (EUROPE) B.V.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	FOR THE YEAR ENDED 31.03.2018 Amount in EUR		FOR THE YEAR ENDED 31.03.2017 Amount in EUR	
A) Cash flow From Operating Activities				
Net Profit Before Tax	773,440		382,245	
<u>Adjustments for</u>				
Profit on sale of Investment				
Other Income (Interest and investment income)				
Interest Expenses	77,977		79,991	
Operating (Loss) / Profit before Working Capital change	851,417		462,236	
Changes in working capital				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Decrease / (Increase) in Inventory	(6,984,391)		(138,302)	
Decrease / (Increase) in Sundry Debtors	(4,336,862)		(1,188,287)	
Decrease / (Increase) in Loans and Advances	(15,318)		(37)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
(Decrease) / Increase - Trade & Other payables	8,813,970		2,223,795	
Income Tax paid				
Net Cash Flows from Operating Activities		(1,671,183)		1,359,405
B) Cash Flow from Investing Activities				
Decrease / (Increase) in Non-Current Investments				
Decrease / (Increase) in Current Investments	188,307		(276,658)	
Interest and investment income				
Decrease / (Increase) in Other Receivables	(792,334)		(568,660)	
Other Non-Operating Income				
Net Cash Flows from Investing Activities		(604,027)		(845,318)
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				
Interest Expenses				
Increase / (Decrease) in Short Term Borrowings	3,281,404		(1,000,000)	
Net Cash Flows from Financing Activities		3,281,404		(1,000,000)
Net Increase / (Decrease) in Cash & Cash equivalents		1,006,194		(485,913)
Cash & Cash Equivalents at Beginning of the year	209,361		695,273	
Cash & Cash Equivalents at the End of the Year	1,215,555		209,361	

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
FRN:112241W

For and on behalf of the Board

Hiten C Timbadia
Partner
Member No:038429
Date: 24th of April 2018

Prashant Savla
Director

Date: 24th of April 2018

Place: Hoofddorp, The Netherlands

Place: Hoofddorp, The Netherlands

SUN PHARMACEUTICAL INDUSTRIES (EUROPE) B.V.
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2018

NOTE : 1

PROPERTY, PLANT AND EQUIPMENT

in Euro

	Vehicles	Office equipment	Furniture and fixtures	Total
At cost / deemed cost				
As at April 1, 2016	179,675	75,404	45,021	300,100
Additions	77,844	33,562	8,429	119,835
Disposals	(61,627)	(21,550)	(5,349)	(88,526)
Transfers				-
As at March 31, 2017	195,892	87,416	48,101	331,409
Additions	49,468	18,048	-	67,516
Disposals				-
Transfers				-
As at March 31, 2017	245,360	105,464	48,101	398,925
Accumulated depreciation and impairment				
As at April 1, 2016	52,585	56,700	38,953	148,238
Depreciation expense	34,330	9,995	3,684	48,009
Impairment loss				-
Disposals	(39,052)	(22,478)	(5,349)	(66,879)
As at March 31, 2017	47,863	44,217	37,288	129,368
Depreciation expense	45,316	13,941	3,829	63,087
Impairment loss				-
Disposals				-
As at March 31, 2018	93,179	58,158	41,117	192,455
Carrying value				
As at April 1, 2016	127,090	18,704	6,068	151,862
As at March 31, 2017	148,029	43,199	10,813	202,041
As at March 31, 2018	152,181	47,306	6,984	206,470

SUN PHARMACEUTICAL INDUSTRIES (EUROPE) B.V.
 NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2018

NOTE : 2
 OTHER INTANGIBLE ASSETS

	Trademarks and Designs	Total
At cost / deemed cost		
As at April 1, 2016	54,000	54,000
Additions	226,479	226,479
Disposals		-
As at March 31, 2017	280,479	280,479
Additions	67,700	67,700
Disposals		-
As at March 31, 2018	348,179	348,179
Accumulated amortisation and impairment		
As at April 1, 2016		-
Amortisation expense		-
Disposals		-
As at March 31, 2017	-	-
Amortisation expense	1,072	1,072
Disposals		-
As at March 31, 2018	1,072	1,072
Carrying value		
As at April 1, 2016	54,000	54,000
As at March 31, 2017	280,479	280,479
As at March 31, 2018	347,107	347,107

SUN PHARMACEUTICAL INDUSTRIES (EUROPE) B.V.
 NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE : 3

OTHER NON-CURRENT ASSETS

	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Advances other than capital advances			
Advance Income Tax	15,950	9,450	1,950
	15,950	9,450	1,950

NOTE : 4

INVENTORIES

	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Lower of cost and net realisable value			
Stock-in-trade	8,293,822	1,309,431	1,171,129
Goods in transit	8,293,822	1,309,431	1,171,129
	8,293,822	1,309,431	1,171,129

NOTE : 5

TRADE RECEIVABLES

	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Current			
Unsecured considered good	4,195,867	2,005,180	1,471,536
Unsecured considered good - from related parties	3,564,865	1,418,690	764,047
	7,760,732	3,423,870	2,235,583

NOTE : 6

CASH AND CASH EQUIVALENTS

	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Cash on hand	309.0	397.0	201.0
Balances with banks			
In current accounts	1,215,246	208,964	695,072
	1,215,555	209,361	695,273

NOTE : 7

CURRENT LOANS AND ADVANCES

	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Unsecured considered good unless stated otherwise			
Amortised cost			
Loans to employees	23,714	16,199	14,662
Loans to others	10,859	3,056	4,556
	34,573	19,255	19,218

NOTE : 8

OTHER CURRENT ASSETS

	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Unsecured considered good unless stated otherwise			
Prepaid expenses	94,906	51,678	128,044
Advances for supply of goods and services			
Balances with government authorities	195,238	27,411	2,593
Other Assets	1,193,986.0		
Doubtful			
Advances for supply of goods and services		612,707	
	1,484,130	691,796	130,637

SUN PHARMACEUTICAL INDUSTRIES (EUROPE) B.V.
 NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE : 9
 EQUITY SHARE CAPITAL

	As at 31-Mar-18		As at 31-Mar-17		As at 01-Apr-16	
	No. of shares	in Euro	No. of shares	in Euro	No. of shares	in Euro
Authorised						
Equity shares of ` 1 each	90,000	90,000	90,000	90,000	90,000	90,000
Cumulative preference shares of ` 100 each						
	90,000	90,000	90,000	90,000	90,000	90,000
Issued, subscribed and fully paid up						
Equity Shares of ` 1 each	180	18,000	180	18,000	180	18,000
	180	18,000	180	18,000	180	18,000
Reconciliation of fully paid equity shares						
Opening balance	180.00	18,000	180.00	18,000		
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	180.00	18,000	180.00	18,000		
Details of shareholders holding more than 5% in the Company						
Equity shares						
Alkaloida Chemical Company Zrt.	180.00	100.00				

NOTE : 10
 NON CURRENT BORROWINGS

	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Unsecured			
At amortised cost	6,484,359	3,202,955	4,122,964
	6,484,359	3,202,955	4,122,964

NOTE : 11
 TRADE PAYABLES

	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Trade payables to micro, small and medium enterprises	11,466,589	3,346,156	1,611,393
Trade payables to related parties	1,198,767	505,230	317,383
Others			
	12,665,356	3,851,386	1,928,776

NOTE : 12
 SHORT TERM PROVISIONS

	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Employee Benefits	186,891	224,293	162,258
Product returns	382,068	166,566	103,178
	568,959	390,859	265,436

SUN PHARMACEUTICAL INDUSTRIES (EUROPE) B.V.
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE : 13
OTHER CURRENT LIABILITIES

	As at 31-Mar-18	As at 31-Mar-17	in Euro As at 01-Apr-16
Statutory remittances	460,207	205,176	118,704
Advance from customers		89,290	
	460,207	294,466	118,704

NOTE : 14
REVENUE FROM OPERATIONS

	Year ended 31-Mar-18	Year ended 31-Mar-17	in Euro
Sale of products (including excise duty)	17,231,871	6,723,889	
	17,231,871	6,723,889	

NOTE : 15
OTHER INCOME

	Year ended 31-Mar-18	Year ended 31-Mar-17	in Euro
Interest income on : Others	-	-	
Other non-operating income (net of expenses directly attributable to such income)			
Gain on sale of financial assets measured at fair value through profit and loss, net		9,387	
Sundry balances written back, net		4,033	
Miscellaneous income	5,256,928	5,805,428	
	5,256,928	5,818,848	

NOTE : 16
CHANGES IN INVENTORIES

	Year ended 31-Mar-18	Year ended 31-Mar-17	in Euro
Inventories at the beginning of the year	1,309,431	1,171,129	
Inventories at the end of the year	(8,293,822)	(1,309,431)	
	(6,984,391)	(138,302)	

NOTE : 17
EMPLOYEE BENEFITS EXPENSE

	Year ended 31-Mar-18	Year ended 31-Mar-17	in Euro
Salaries and wages	4,404,454	4,528,248	
Contribution to provident and other funds	542,546	399,386	
Staff welfare expenses	192,499	177,633	
	5,139,499	5,105,267	

NOTE : 18
FINANCE COSTS

	Year ended 31-Mar-18	Year ended 31-Mar-17	in Euro
Interest expense on borrowing and others	77,977	79,991	
	77,977	79,991	

SUN PHARMACEUTICAL INDUSTRIES (EUROPE) B.V.
 NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE : 19

OTHER EXPENSES

	in Euro	
	Year ended 31-Mar-18	Year ended 31-Mar-17
Rent	227,223	174,868
Insurance	22,186	20,580
Selling and distribution	14,460	66,516
Commission and discount		243,733
Others	25,569	44,933
Printing and stationery	22,681	13,644
Travelling and conveyance	179,572	222,798
Overseas travel and export promotion	205,045	93,463
Communication	50,551	68,947
Professional, legal and consultancy	994,320	840,572
Net (gain) / loss on foreign currency transactions and translation	(1,846)	10,154
Payments to auditors (net of input credit, where applicable)		
As auditors	2,500	2,000
Miscellaneous expenses	408,261	152,630
	2,150,521	1,954,838
Less : Receipts from Research Activities		
	2,150,521	1,954,838

SUN PHARMACEUTICAL INDUSTRIES (EUROPE) B.V.
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR YEAR ENDED MARCH 31, 2018

NOTE : 20

(A) ACCOUNTING POLICIES :

1. Basis of Accounting

The Company has prepared financial statements for the year ended March 31, 2018 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, 2017.

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. 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, 2018	Year ended 31st March, 2017
Profit for the year - used as Numerator for calculating Earnings Per Share	773,440	382,245
Weighted Average number of Shares used in computing Basic Earnings Per Share	180	180
Add: Dilution effect of Employee Stock Options	-	-
Weighted Average number of Shares used in computing Diluted Earnings Per Share	180	180
Nominal value per share (in Euro)	100	100
Basic Earnings Per Share (in Euro)	4,297	2,124
Diluted Earnings Per Share (in Euro)	4,297	2,124

5.b Related Party Transactions

	Year ended 31st March, 2018	Year ended 31st March, 2017
Sales of Goods		
Alkaloida Sweden	33,425	-
Sun Pharmaceuticals Germany GmbH	976,139	
Sun Pharmaceuticals France	48,082	
Ranbaxy Pharmacie Generiques SAS	930,434	
Other Income (incl Management Fees)		
Sun Pharma Global (FZE)	1,086,872	-
Sun Pharmaceutical Spain SLU	-	-
Sun Pharmaceuticals Italy SRL	-	-
Sun Pharmaceutical UK Ltd.	-	-
Sun Pharmaceuticals Germany GmbH	337,608	269,568
Sun Pharmaceuticals France	44,262	49,023
Alkaloida Sweden AB	258,427	441,060
Alkaloida Chemical Company Zrt.	53,968	-
Basics GmbH	1,458,637	1,561,979
Laboratorios SL	780,844	826,276
Ranbaxy Italia SpA	798,283	817,347
Ranbaxy Pharmacie Generiques SAS	634,803	685,540
Ranbaxy (UK) Ltd	874,319	1,016,837
Ranbaxy GmbH	3,180	
Terapia SA	17,861	44,548
Purchase of Goods		
Sun Pharma Global (FZE)	10,126,067	3,767,749
Sun Pharmaceutical Industries Ltd	8,744,681	80,821
Terapia SA	239,009	189,172
Ranbaxy Laboratorios Ltd		839,869
Ranbaxy UK Ltd		8,586
Alkaloida Sweden AB	2,099,506	
Sun Pharmaceuticals France	8,100	14,580
Interest Expense		
Alkaloida Chemical Company Zrt.	78,899	79,991
Other Expenses (incl Management Fees)		
Sun Pharmaceuticals France	377,162	
Alkaloida Chemical Company Zrt.	884,442	211,662
Basics GmbH	121,913	
Terapia SA	1,416,285	356,618
Ranbaxy UK Ltd	839,909	
Trade Receivables		
Sun Pharmaceutical Industries Ltd	1,533,384	66,096
Sun Pharmaceutical Spain, SL.		-
Sun Pharmaceuticals Italia S.R.L.		-
Sun Pharmaceutical UK Ltd.		-
Sun Pharmaceuticals Germany GmbH	38,980	43,836
Sun Pharmaceuticals France	22,623	-
Alkaloida Chemical Company Zrt.	5,071	
Alkaloida Sweden AB		96,818
Ranbaxy UK Ltd		-
Ranbaxy Italia SpA	83,609	-
Sun Pharma Global (FZE)		596,305
Ranbaxy Laboratorios Ltd	69,583	4,837
Basics GmbH	234,121	270,975
Laboratorios Ranbaxy S.L.		187,427
Ranbaxy Italia S.p.A		173,026
Ranbaxy Pharmacie Generiques SAS	987,845	143,348
Ranbaxy (U.K.) Ltd.	120,426	205,627
Terapia S.A.	199,082	215,433
Sun Pharma Laboratories Ltd. (formerly Sun Resins & Polymers Pvt Limited)	2,544	535
Sun Pharmaceutical Medicare Ltd.	267,599	
Loans Taken		
Alkaloida Chemical Company Zrt.	6,484,359	3,202,955
Trade Payable		
Alkaloida Chemical Company Zrt.	166,969	80,618
Alkaloida Sweden AB	19,336	
Sun Pharma Global (FZE)	6,279,648	2,659,704
Sun Pharmaceutical Industries Ltd	4,543,693	
Sun Pharmaceutical Industries Inc	1,037	
Terapia SA	453,047	224,859
Ranbaxy Laboratorios Ltd	14,602	210,039
Basics GmbH		-
Sun Pharmaceuticals France		22,836
Ranbaxy Italia S.p.A		4,552
Ranbaxy (U.K.) Ltd.	22,559	125,447
Ranbaxy Ireland Ltd.		13,899
Ranbaxy Poland Sp Zoo	4,370	4,202

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.

In terms of our report of even date attached

For Valia & Timbadia
Chartered Accountants
FRN:112241W

For and on behalf of the Board

Hiten C Timbadia
Partner
Member No:038429
Date: 24th of April 2018

Prashant Savla
Director

Date: 24th of April 2018

Place: Hoofddorp, The Netherlands

Place: Hoofddorp, The Netherlands