

Company registration number: 05485056

Sun Pharmaceuticals UK Limited

Financial statements

31 March 2016

Sun Pharmaceuticals UK Limited

Company information

Directors	Mrs Hellen de Kloet Mrs Helen Knowles Mr Prashant Savla Mr Neeraj Sharma	(Resigned 2 September 2015) (Appointed 3 September 2015)
Company number	05485056	
Registered office	Hyde Park Hayes 3 11 Millington Road, 5th Floor Hayes Middlesex UB3 4AZ	
Auditors	Anderson Shaw Chartered Certified Accountants Statutory Auditors Scottish Provident House 76 - 80 College Road Harrow Middlesex HA1 1BQ	

Sun Pharmaceuticals UK Limited

Contents

	Page
Strategic report	1
Directors report	2 - 3
Independent auditor's report to the shareholders	4 - 5
Statement of income and retained earnings	6
Statement of financial position	7
Notes to the financial statements	8 - 15

Sun Pharmaceuticals UK Limited

Strategic report Year ended 31 March 2016

Business overview

As set out in the Directors' report and note 2 to the financial statements the company is insolvent and is not a going concern and accordingly has adopted the break up basis of accounting for the year. As a consequence the remaining assets and liabilities have been disclosed at values at which they are expected to be realised.

Financial overview

The business has been impacted by supply issues during the year resulting in a number of products being unavailable adversely impacting both sales and gross profit.

The main key performance indicators used to monitor the business during the year are based on a total percentage of work-plan revenue and expenses. Due to the strong competition within the generic pharmaceutical sector and the impact supplies mentioned above, the revenue and the KPI for percentage of work-plan were below expectations in the year.

During the year support activities were undertaken by other group entities resulting in the restructure of operations. This restructure has resulted in one off costs being incurred.

As a result of the above factors the company has made a net loss for the year.

Future Developments

The company is no longer operating as a going concern and the ongoing business has been transferred to a fellow subsidiary company effective 1 April 2016.

Principal risks and uncertainties facing the company

In light of the transfer of the business to other group entities there will be no further ongoing business and accordingly there will be no material risks faced by the company going forward.

This report was approved by the board of directors on 10 May 2016 and signed on behalf of the board by:

Neeraj Sharma
Director

Sun Pharmaceuticals UK Limited

Directors report Year ended 31 March 2016

The directors present their report and the financial statements of the company for the year ended 31 March 2016.

Directors

The directors who served the company during the year were as follows:

Hellen de Kloet	
Helen Knowles	(Resigned 2 September 2015)
Prashant Savla	
Neeraj Sharma	(Appointed 3 September 2015)

Dividends

The directors do not recommend the payment of a dividend.

Financial Instruments

The Company has no third party debt. It obtains all financial support from its Parent Company by way of loans which bear commercial rates of interest.

Events after the end of the reporting period

Particulars of events after the reporting period are detailed in note 17 to the financial statements.

Going concern

The company has made the decision to stop trading and will transfer the remaining business to a fellow subsidiary company effective 1 April 2016. As the company is insolvent, the directors consider it inappropriate to prepare the financial statements on a going concern basis and therefore the directors have prepared these financial statements on a break-up basis as set out under the basis of preparation - note 2.

Statement of directors responsibilities

The directors are responsible for preparing the strategic report, directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Sun Pharmaceuticals UK Limited

**Directors report (continued)
Year ended 31 March 2016**

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 10 May 2016 and signed on behalf of the board by:

Neeraj Sharma
Director

Sun Pharmaceuticals UK Limited

Independent auditor's report to the shareholders of Sun Pharmaceuticals UK Limited Year ended 31 March 2016

We have audited the financial statements of Sun Pharmaceuticals UK Limited for the year ended 31 March 2016 which comprise the statement of income and retained earnings, statement of financial position and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors responsibilities statement set out on pages 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors report and the Strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the notes to the financial statements. The directors have resolved to cease trading on 1 April 2016 and the financial statements have not been prepared on a going concern basis. The financial statements have been prepared on a break up basis which in the main, use the accounting policies notes in respect of (i) basis of preparation, (ii) going concern and (iii) stocks, to which we draw your attention to.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors report and the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Sun Pharmaceuticals UK Limited

**Independent auditor's report to the shareholders of
Sun Pharmaceuticals UK Limited (continued)
Year ended 31 March 2016**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and the returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Bharatkumar L Shah (senior statutory auditor)

For and on behalf of
Anderson Shaw
Chartered Certified Accountants and Statutory Auditors
Scottish Provident House
76 - 80 College Road
Harrow
Middlesex
HA1 1BQ

11 May 2016

Sun Pharmaceuticals UK Limited

**Statement of income and retained earnings
Year ended 31 March 2016**

	Note	2016 £	2015 £
Turnover	3	3,343,387	6,460,413
Cost of sales		(2,613,712)	(5,365,311)
Gross profit		<u>729,675</u>	<u>1,095,102</u>
Distribution costs		(43,008)	(134,757)
Administrative expenses		(928,283)	(766,078)
Other operating income	4	48,000	48,000
Operating (loss)/profit	5	<u>(193,616)</u>	<u>242,267</u>
Other interest receivable and similar income	8	663	671
Interest payable and similar charges	9	(17,384)	-
(Loss)/profit on ordinary activities before taxation		<u>(210,337)</u>	<u>242,938</u>
Tax on (loss)/profit on ordinary activities	10	-	(141)
(Loss)/profit for the financial year and total comprehensive income		<u><u>(210,337)</u></u>	<u><u>242,797</u></u>
Accumulated losses at the start of the year		<u>(912,984)</u>	<u>(1,155,781)</u>
Accumulated losses at the end of the year		<u><u>(1,123,321)</u></u>	<u><u>(912,984)</u></u>

All activities of the company have been discontinued as of 1 April 2016.

The notes on pages 8 to 15 form part of these financial statements.

Sun Pharmaceuticals UK Limited

**Statement of financial position
31 March 2016**

		2016		2015	
	Note	£	£	£	£
Fixed assets					
Tangible assets	11	-		1,490	
			-		1,490
Current assets					
Stocks	12	571,382		924,696	
Debtors	13	974,656		3,633,745	
Cash at bank and in hand		969,540		585,579	
		2,515,578		5,144,020	
Creditors: amounts falling due within one year	14	(3,637,899)		(6,057,494)	
Net current liabilities		(1,122,321)		(913,474)	
Total assets less current liabilities		(1,122,321)		(911,984)	
Net liabilities		(1,122,321)		(911,984)	
Capital and reserves					
Called up share capital	16	1,000		1,000	
Profit and loss account		(1,123,321)		(912,984)	
Shareholders deficit		(1,122,321)		(911,984)	

These financial statements were approved by the board of directors and authorised for issue on 10 May 2016, and are signed on behalf of the board by:

Neeraj Sharma
Director

Company registration number: 05485056

The notes on pages 8 to 15 form part of these financial statements.

Sun Pharmaceuticals UK Limited

Notes to the financial statements Year ended 31 March 2016

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' taking into account that as the company is not a going concern, the break up basis of accounting has been applied as stated in note 2 - accounting policies.

2. Accounting policies

Basis of preparation

As set out in the Directors' report, due to the company ceasing to trade, the directors have decided to prepare the financial statements on a basis other than that of a going concern. The financial statements have been prepared on a breakup basis at the year end. In adopting the break up basis at the year end the following policies and procedures were implemented.

- at 31 March 2016 all fixed assets are considered as realisable, hence reclassified as current assets
- all assets have been disclosed at values at which they are expected to be realised
- all liabilities reflect the full amount at which they are expected to materialise

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The company has made the decision to cease trading and will transfer the remaining business to a fellow subsidiary company effective 1 April 2016. As the company is insolvent, the directors consider it inappropriate to prepare the financial statements on a going concern basis and therefore the directors have prepared these financial statements on a break-up basis as set out above under the basis of preparation.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 20.

Disclosure exemptions

In preparing the financial statements of the company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Sun Pharmaceuticals UK Limited

Notes to the financial statements (continued) Year ended 31 March 2016

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

As set out in the basis of preparation the directors have decided to prepare the financial statements on a basis other than that of a going concern. Accordingly all tangible assets have been classified as current assets valued at the amounts realised post year end.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fittings fixtures and equipment - 25% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Stocks

As set out in the basis of preparation the directors have decided to prepare the financial statements on a basis other than that of a going concern vis break up basis. In respect of the year ended 31 March 2016, all stocks have been valued at the amounts realised post year end and not at cost.

Sun Pharmaceuticals UK Limited

Notes to the financial statements (continued) Year ended 31 March 2016

Pensions

The company does not operate any pension plans, but makes defined contributions to the personal pension arrangements of its directors and employees. The amounts charged to the profit and loss account in respect of pension costs are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or other debtors in the balance sheet.

3. Turnover

Turnover arises from:

	2016	2015
	£	£
Sale of goods	3,295,778	6,437,760
Distributing license fees receivable	47,609	22,653
	<u>3,343,387</u>	<u>6,460,413</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

Geographical markets

	2016	2015
	£	£
UK	3,144,518	6,311,514
Europe	198,869	148,899
	<u>3,343,387</u>	<u>6,460,413</u>

4. Other operating income

	2016	2015
	£	£
Other operating income	48,000	48,000
	<u>48,000</u>	<u>48,000</u>

Sun Pharmaceuticals UK Limited

Notes to the financial statements (continued)
Year ended 31 March 2016

5. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation of tangible assets	854	734
Foreign exchange differences - loss / (gain)	10,167	(8,328)
Defined pension contribution plans expense	52,063	57,368
Fees payable for the audit of the financial statements	11,580	10,525
	<u>11,580</u>	<u>10,525</u>

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016	2015
Total	4	8
	<u>4</u>	<u>8</u>

The aggregate payroll costs incurred during the year were:

	2016	2015
	£	£
Wages and salaries	448,730	408,245
Social security costs	46,446	49,070
Other pension costs	52,063	57,368
	<u>547,239</u>	<u>514,683</u>

Above includes staff redundancy payments amounting to £126,041 resulting from relocation of operations.

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

7. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	75,397	142,221
Company contributions to pension schemes in respect of qualifying services	6,793	15,968
	<u>82,190</u>	<u>158,189</u>

During the year, the company contributed to one of the director's defined contribution personal pension scheme.

Sun Pharmaceuticals UK Limited

Notes to the financial statements (continued)
Year ended 31 March 2016

8. Other interest receivable and similar income	2016	2015
	£	£
Bank deposits	663	671
	<u> </u>	<u> </u>
9. Interest payable and similar charges	2016	2015
	£	£
Loans from group undertakings	17,384	-
	<u> </u>	<u> </u>
10. Tax on (loss)/profit on ordinary activities		
Major components of tax expense	2016	2015
	£	£
Current tax:		
UK current tax expense	-	141
	<u> </u>	<u> </u>
Tax on (loss)/profit on ordinary activities	<u> </u>	<u> </u>
	-	141
	<u> </u>	<u> </u>
Reconciliation of tax expense		
The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 21%).		
A reconciliation is given below:		
	2016	2015
	£	£
(Loss)/profit on ordinary activities before taxation	(210,337)	242,938
	<u> </u>	<u> </u>
(Loss)/profit on ordinary activities by rate of tax	(42,067)	51,017
Effect of expenses not deductible for tax purposes	84	211
Utilisation of tax losses	-	(51,140)
Unrelieved tax losses	41,812	-
Depreciation for period in excess of capital allowances	171	53
	<u> </u>	<u> </u>
Tax on (loss)/profit on ordinary activities	<u> </u>	<u> </u>
	-	141
	<u> </u>	<u> </u>

Sun Pharmaceuticals UK Limited

Notes to the financial statements (continued)
Year ended 31 March 2016

11. Tangible assets

	Fixtures, fittings and equipment £
Cost	
At 1 April 2015	20,511
Disposals	(17,994)
Reclassify	(2,517)
At 31 March 2016	<u>-</u>
Depreciation	
At 1 April 2015	19,021
Charge for the year	854
Disposals	(17,994)
Reclassify	(1,881)
At 31 March 2016	<u>-</u>
Carrying amount	
At 31 March 2016	<u>-</u>
At 31 March 2015	<u>1,490</u>

12. Stocks

	2016 £	2015 £
Finished goods	<u>571,382</u>	<u>924,696</u>

All stocks at 31 March 2016 have been valued at realisable value based on confirmed sales to a fellow subsidiary company subsequent to the year end. On this basis, stocks at 31 March 2016 are higher than cost by £128,525.

13. Debtors

	2016 £	2015 £
Trade debtors	963,658	3,589,088
Prepayments and accrued income	-	39,531
Other debtors	10,998	5,126
	<u>974,656</u>	<u>3,633,745</u>

Sun Pharmaceuticals UK Limited

Notes to the financial statements (continued)
Year ended 31 March 2016

14. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	2,057,097	3,733,568
Amounts owed to group undertakings	1,017,383	-
Accruals and deferred income	538,538	1,932,578
Corporation tax	-	141
Social security and other taxes	24,881	388,048
Other creditors	-	3,159
	3,637,899	6,057,494

The loan from the parent company (group undertakings) is unsecured and bears interest at commercial rates.

15. Employee benefits

Defined pension contribution plans

The amount recognised in profit or loss in relation to defined contribution plans was £52,063 (2015:£57,368).

16. Called up share capital

Authorised share capital

	2016		2015	
	No	£	No	£
Ordinary shares shares of £ 10.00 each	1,000	10,000	1,000	10,000

Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary shares shares of £ 10.00 each	100	1,000	100	1,000

17. Events after the end of the reporting period

Subsequent to the balance sheet date, on 1 April 2016, the Company transferred its business including some of the assets and liabilities to a fellow subsidiary company and ceased trading activities.

Sun Pharmaceuticals UK Limited

Notes to the financial statements (continued) Year ended 31 March 2016

18. Related party transactions

The company has taken advantage of the exemption from related party disclosures available in Financial Reporting Standard No. 8 - Related Party Disclosures, as the consolidated financial statements of the ultimate parent company are publicly available.

19. Controlling party

The company is a wholly owned subsidiary of Alkaloida Chemical Company Zrt (formerly known as Alkaloida Chemical Company Exclusive Group Limited), a company incorporated in Hungary, which in turn is a wholly owned subsidiary of Sun Pharma Global Inc. BVI, incorporated in British Virgin Islands.

Sun Pharmaceutical Industries Limited, a company incorporated in India, is the ultimate parent company.

The company is controlled by its ultimate parent company, Sun Pharmaceutical Industries Limited.

20. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2014.

Reconciliation of equity

No transitional adjustments were required.

Reconciliation of profit or loss for the year

No transitional adjustments were required.