

Independent Auditor's Report

**To the Members of
M/S GUFIC PHARMA LTD**

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **M/S GUFIC PHARMA LTD ("the Company")** which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss (including Other Comprehensive Income) for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 of the company, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 of the Ind AS financial statements that give a true and fair view 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 Company's directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS:

- (a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2017;
- (b) In the case of the Statement of Profit and Loss, of the profit including Other Comprehensive Income for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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 in terms of section 143(11) of the Act, we give in the "Annexure A" 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 purpose 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 and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 control over financial reporting of the company and operating effectiveness of such control, refer to our separate report in "Annexure B" attached.
- g. 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, 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.
 - iv. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and Disclosure are in accordance with the books of accounts maintained by the company."

Date: 24th May, 2017

Place: New Delhi

For HDSG & Associates
Chartered Accountants
FRN: 002871N

(Dalbir Gulati)
Partner
M. No. 081024

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

Report in terms of Companies (Auditor's Report) Order, 2016 ("the Order")

- 1) In respect of its Fixed Assets:
The company has no Fixed Assets. Accordingly, Para 3(i) of the order is not applicable.
- 2) In respect of its Inventories:
As there was no inventory at the end of the year, hence the valuation of inventory does not arise. Accordingly, Para 3(ii) of the order is not applicable.
- 3) 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 Act. Accordingly, Para 3 (iii) (a) to (C) of the Order are not applicable.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures. Accordingly, Para 3(viii) of the order is not applicable.
- 9) Based upon the audit procedures performed and the information and explanations given

by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, Para 3(ix) of the order is not applicable.

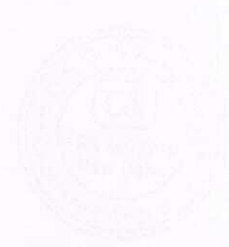
- 10) According to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- 11) According to the information and explanation given to us, no managerial remuneration has been paid or provided. Accordingly, Para 3(xi) of the order is not applicable.
- 12) In our opinion, the Company is not a Nidhi Company. Accordingly, Para 3(xii) of the order is not applicable.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, 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, Para 3(xiv) of the order is not applicable.
- 15) Based upon the audit procedures performed and 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. Accordingly, Para 3(xv) of the order is not applicable.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, Para 3(xvi) of the order is not applicable.

For HDSG & Associates
Chartered Accountants
FRN: 002871N

Date: 24th May, 2017

Place: New Delhi

(Dalbir Gulati)
Partner
M. No. 081024



"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of M/S GUFIC PHARMA LTD

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 **M/S GUFIC PHARMA LTD** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

Date: 24th May 2017

Place: New Delhi

**For HDSG & Associates
Chartered Accountants
FRN: 002871N**

**(Dalbir Gulati)
Partner
M. No. 081024**

Gufic Pharma Limited

Balance Sheet as at 31st March 2017

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

	Note	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
I. ASSETS				
(1) NON-CURRENT ASSETS				
a) Financial Assets				
i) Investments	3	10,000	2,928,278	2,828,524
b) Deferred Tax Assets (Net)	4	142,878	169,618	194,144
c) Income tax assets (Net)	5	48,912	47,129	45,809
Total non-current assets		201,790	3,145,025	3,068,477
(2) CURRENT ASSETS				
a) Financial Assets				
i) Cash & Cash Equivalents	6	611,706	418,751	259,380
ii) Bank balances other than (i) above	7	700,000	700,000	700,000
iii) Other Financial Assets	8	2,973,700	23,199	11,003
Total current assets		4,285,406	1,141,950	970,383
Total assets		4,487,196	4,286,975	4,038,860
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	9	500,000	500,000	500,000
(b) Other Equity		3,954,571	3,758,475	3,510,770
Total equity		4,454,571	4,258,475	4,010,770
LIABILITIES				
CURRENT LIABILITIES				
a) Other Current Liabilities	10	32,625	28,500	28,090
Total current liabilities		32,625	28,500	28,090
Total liabilities		32,625	28,500	28,090
Total equity and liabilities		4,487,196	4,286,975	4,038,860

Significant accounting policies

2

The accompanying note Nos 1 to 16 form an integral part of these financial statements

For **HDSG & Associates**

Chartered Accountants

Firm Registration No.: 002871N of ICAI

For and on behalf of the Board of Directors

Gufic Pharma Limited

Dalbir Gulati

Partner

Membership No.: 081024

Sanjay Jerry

Director

Sandeep Mehandroo

Director

Place: New Delhi

Date: May 24, 2017

Place: Mumbai

Date: May 24, 2017

Place: Mumbai

Date: May 24, 2017

Gufic Pharma Limited

Statement of Profit and Loss for the year ended 31st March 2017

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

	Note	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Revenue			
Revenue from operations (gross)	11	240,000	240,000
Other Income	12	113,908	176,771
Total Revenue (I)		353,908	416,771
Expenses			
Other Expenses	13	88,054	101,779
Total Expenses (II)		88,054	101,779
Profit/(Loss) before Tax (III)=(I)-(II)		265,854	314,992
Income Tax expenses:	14		
Current tax		43,018	39,476
Minimum Alternative Tax credit Availment/(Entitlement)		26,740	24,524
Tax earlier year		-	3,287
Total Tax Expense (IV)		69,758	67,287
Profit/(Loss) for the year (V)=(III)-(IV)		196,096	247,705
Significant accounting policies	2		
Earnings per equity share			
Basic / Diluted earnings per share of Rs.100 each	15	39.22	49.54

The accompanying note Nos 1 to 16 form an integral part of these financial statements

For HDSG & Associates

Chartered Accountants

Firm Registration No.: 002871N of ICAI

For and on behalf of the Board of Directors

Gufic Pharma Limited

Dalbir Gulati

Partner

Membership No.: 081024

Sanjay Jerry

Director

Sandeep Mehandroo

Director

Place: New Delhi

Date: May 24, 2017

Place: Mumbai

Date: May 24, 2017

Place: Mumbai

Date: May 24, 2017

Gufic Pharma Limited

Cash Flow Statement for the period ended 31 March 2017

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

	For the year ended 31 March 2017	For the year ended 31 March 2016
A. Cash flows from operating activities		
Net (loss) / profit before tax	265,854	314,992
Adjustments :		
Interest income	(42,986)	(53,817)
Share in (profit) / loss of partnership firm	(55,099)	(122,954)
Excess provision W/back		
Operating profit before working capital changes	167,769	138,221
Adjustments :		
Increase / (decrease) in trade payables	4,125	410
	4,125	410
Cash generated from operations before taxes	171,894	138,631
Income taxes (paid) / refund	(44,801)	(44,081)
Net cash provided by operating activities	127,093	94,550
B. Cash flows from investing activities		
Realisation from investment in a partnership firm	-	23,200
Fixed deposit matured during the year/period	700,000	700,000
Investment in fixed deposits	(700,000)	(700,000)
Interest income on others	65,862	41,621
Net cash generated from / (used in) investing activities	65,862	64,821
Net increase / (decrease) in cash and cash equivalents (A+B)	192,955	159,371
Cash and cash equivalents as at the beginning of the period	418,751	259,380
Cash and cash equivalents as at the end of the period	611,706	418,751

Notes to Cash flow statement:

1 Components of cash and cash equivalents (Refer to note 6):

Balance with banks

- on current accounts

Cash and cash equivalents at the end of the period

611,706	418,751
611,706	418,751

2 The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' specified in Accounting Standard 3, Cash Flow Statement, notified by Central Government in the Companies (Accounting Standard) Rules, 2006.

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **HDSG & Associates**
Chartered Accountants
Firm Registration No.: 002871N

For and on behalf of the Board of Directors of
Gufic Pharma Limited

Dalbair Gulati
Partner
Membership No.: 081024

Sanjay Jerry
Director

Sandeep Mehandroo
Director

Place: New Delhi
Date: May 24, 2017

Place: Mumbai
Date: May 24, 2017

Place: Mumbai
Date: May 24, 2017

Gufic Pharma Limited

STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

	Equity share capital	Other equity			Total
		Reserve and surplus Retained earnings	Other comprehensive income (OCI) Equity instrument through OCI	Effective portion of cash flow hedges	
Balance as at April 1, 2015	500,000	3,510,770	-	-	4,010,770
Profit for the year	-	247,705	-	-	247,705
Balance as at March 31, 2016	500,000	3,758,475	-	-	4,258,475
Profit for the year	-	196,096	-	-	196,096
Balance as at March 31, 2017	500,000	3,954,571	-	-	4,454,571

For HDSG & Associates

Chartered Accountants

Firm Registration No.: 002871N of ICAI

For and on behalf of the Board of Directors

Gufic Pharma Limited

Dalbir Gulati

Partner

Membership No.: 081024

Place: New Delhi

Date: May 24, 2017

Sanjay Jerry

Director

Place: Mumbai

Date: May 24, 2017

Sandeep Mehandroo

Director

Place: Mumbai

Date: May 24, 2017

Gufic Pharma Limited

Notes to the financial statements for the year ended 31 March 2017

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

1 Company overview

Gufic Pharma Limited ('the Company') was set up in 1983 to carry on the business of pharmaceuticals related and other products. The Company receives royalty income under the license user agreement with Sun Pharmaceutical Industries Limited (erstwhile Ranbaxy Laboratories Limited ("RLL")) the holding company, for the use of its trademarks Exel, Exel-G, Exel- M, Zole-F and Suprimox.

During the year under review, the Board of Directors of the Company at its meeting held on November 9, 2016 approved the Scheme of Arrangement for amalgamation of Gufic Pharma Limited alongwith Ranbaxy Drugs Limited, Vidyut Investments Limited and Sun Pharma Medisales Private Limited (collectively known as "Transferor Companies") into Sun Pharmaceutical Industries Limited ("Transferee Company") pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013, with the appointed date of April 01, 2017 or such other date as may be agreed/required by the Transferor Companies and the Transferee Company and/or by the National Company Law Tribunal ("NCLT"). The Scheme of Arrangement has been filed with the NCLT and subject to approval of the NCLT.

2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

a) Basis of preparation of financial statements

i) **Statement of Compliance:** The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof as well as with the additional requirements applicable to financial statements as set forth in Companies Act, 2013. These are company's first financial statements prepared in accordance with Ind AS and Ind AS 101, First time adoption of Ind AS has been applied.

ii) **Basis of measurement :** The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except as otherwise provided in relevant Ind AS.

iii) **Functional and presentation currency:** The financial statements are prepared in INR, which is the Company's functional currency.

b) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

c) Fixed assets and depreciation

Property, plant and equipment

The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Company's assets are estimated by management at the time the asset is acquired and reviewed during each financial year. Property, Plant and equipment are carried at cost of acquisition less accumulated depreciation and impairment loss, if any. The cost of an item of Property, Plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Advances paid towards acquisition of Property, Plant and equipment outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the period end, are shown as capital work-in-progress.

Depreciation on Property, Plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation is provided on a pro-rata basis i.e. from the date of acquisition/ installation. Tangible fixed assets, costing individually Rs. 5,000 or less, are depreciated at the rate of 100% p.a.

A Property, Plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under 'Other current assets'.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Intangible fixed assets

Intangible fixed asset comprises computer software which are stated at cost less accumulated amortization and impairment losses, if any. The cost of an item of intangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid towards acquisition of intangible fixed assets outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the period end, are shown as intangible fixed assets under development.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets consisting of software are amortised on straight line method from the date they are available for use, over the useful lives of the assets (6 years), as estimated by the Management.

Intangible assets are amortised in the Statement of Profit and Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Presently, these are being amortised on a straight line basis.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

d) Impairment of Assets

Impairment of financial assets

The loss allowance in respect of trade receivables and lease receivables has been measured at an amount equal to lifetime expected credit losses.

The loss allowance in respect of all other financial assets, which are required to be impaired, has been measured at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance shall be measured at an amount equal to 12-month expected credit losses.

Impairment of Non- Financial Assets

The carrying amount of cash generating units is reviewed at each balance sheet date where there is any indication of impairment. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

e) Revenue recognition

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand. It includes term deposits and other short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

g) Income taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expense is recognised in the Statement of Profit and Loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

h) Earnings per share ('EPS')

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

i) Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The provisions are measured on an undiscounted basis.

j) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

j) The Company held and transacted during the period 08/11/2016 to 30/12/2016 is provided in the Table below:

The Company held and transacted during the period 08/11/2016 to 30/12/2016 is provided in the Table below:

Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	-	-
(+) Permitted receipts	200,000	
(-) Permitted payments	200,000	
(-) Amount deposited in Banks	-	
Closing cash in hand as on 30.12.2016	-	-

k) First-time adoption of Ind-AS

Theses standalone Financial statement of Gufic Pharma Limited for the year ended March 31,2017 have been prepared in accordance with IND AS .For the purpose of transition to Ind AS , The company has followed the guidance Prescribed in Ind As 101 First time adoption of Indian Accounting Standard ,with April 1,2015 as the transiton date and IGAAP as the previous GAAP.The transition to Ind As has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles..

Gufic Pharma Limited

Notes to Financial Statements for the year ended 31st March 2017

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

Note: 3 Investments

Unquoted investments (at cost)

Investment in equity instruments in Fellow Subsidiary

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1000 shares with face value of Rs.10 each fully paid up in Sun Pharma Medisales Pvt Ltd *	10,000	-	-
Investment in Solrex Pharmaceuticals Company a Partnership Firm *	-	2,928,278	2,828,524
	10,000	2,928,278	2,828,524

Note :

* Company had invested in Solrex Pharmaceutical Company (partnership firm) as partner having 0.01% profit share upto 31.07.2016 and 1% from 01.08.2016 to 22.09.2016. On 23.09.2016, Sun Pharma Medisales Private Limited came into existence by conversion of a partnership firm in the name and style of "Solrex Pharmaceuticals Company" into a company in the name and style of Sun Pharma Medisales Private Limited on September 23, 2016 under the provisions of part I of Chapter XXI of the Companies Act, 2013 with its running business activities and SPMPL issued paid up share capital of Rs. 1,000,000/- (Rs. 10 each fully paid up) to the partners of partnership firm as the member of the Company and balance of partner's capital is treated as short term borrowings. Shareholding of the Company in SPMPL is Rs. 10,000/- (Rs. 10 each fully paid up) as Share Capital shown in non current investment and Rs.2,973,377/- as short term borrowing shown in current asset -Short term loans and advances.

Note :4 Deferred Tax Assets(Net)

	Opening balance 1st April,2015	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance 31st March, 2016
Deferred tax (liabilities)/ assets in relation to :				
Mat credit entitlement	194,144	24,526	-	169,618
	194,144	24,526	-	169,618

	Opening balance 1st April,2016	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance 31st March, 2017
Deferred tax (liabilities)/ assets in relation to :				
Mat credit entitlement	169,618	26,740	-	142,878
	169,618	26,740	-	142,878

Note :5 Income Tax Assets(Net) - Non current

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances Income tax (Net of Provision Rs.82,494 , March 31 2016 Rs.39,476, March 2015 Rs. 108,125)	48,912	47,129	45,809
	48,912	47,129	45,809

Gufic Pharma Limited

Notes to Financial Statements for the year ended 31st March 2017

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

Note: 6 Cash & Cash Equivalents

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with banks			
In Current accounts	611,706	418,751	259,380
	611,706	418,751	259,380

Note: 7 Bank balances other than disclosed in note 6 above

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deposits with Original Maturity of less than 12 months	700,000	700,000	700,000
	700,000	700,000	700,000

Note : 8 Other financial Assets (Current)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Carried at amortised cost			
Interest accrued but not due on Deposit Account	323	23,199	11,003
Other current assets *	2,973,377	-	-
	2,973,700	23,199	11,003

* Refer note no. 3

Note : 9 Equity Share Capital

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised						
Equity shares of Rs. 100 each	5000	500,000	5000	500,000	5000	500,000
	5000	500,000	5000	500,000	5000	500,000
Issued, subscribed and fully paid up						
Equity shares of Rs. 100 each	5000	500,000	5000	500,000	5000	500,000
	5000	500,000	5000	500,000	5000	500,000

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Reconciliation of shares outstanding at the beginning and at the end of the reporting period						
Equity shares of Rs. 100 each fully paid up						
At the commencement of the year	5000	500,000	5000	500,000	5000	500,000
At the end of the year	5000	500,000	5000	500,000	5000	500,000

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Shares held by holding/ ultimate holding company and/or their subsidiaries / associates						
Equity shares of Rs. 100 each fully paid up held by :						
Sun Pharmaceutical Industries Limited, the holding company along with its nominee	4900	490,000	4900	490,000	4900	490,000
Ranbaxy Drugs Limited, fellow subsidiary	100	10,000	100	10,000	100	10,000
	5000	500,000	5000	500,000	5000	500,000

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding
Equity Shares held by each shareholder holding more than 5 percent						
Equity Shares in the Company are as follows:						
Equity shares of Rs 100 each fully paid up held by :						
Sun Pharmaceutical Industries Limited, Along with its nominee	4,900	98%	4900	98%	4900	98%

Gufic Pharma Limited

Notes to Financial Statements for the year ended 31st March 2017

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

Note: 10 Other Current Liabilities

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Audit fee payable	28,875	28,500	28,090
Statutory Dues			
Tax Deducted at source payable	3,750	-	-
	32,625	28,500	28,090

Note : 11 Revenue from operation (gross)

	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Sale of services (Royalty income)	240,000	240,000
	240,000	240,000

Note : 12 Other Income

	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Interest income		
Term Deposits	42,986	53,817
Others	15,823	-
(A)	58,809	53,817
Other non-operating income		
Share in Profit from Partnership firm	55,099	122,954
(B)	55,099	122,954
(A+B)	113,908	176,771

Note : 13 Other expenses

	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Rates and taxes	6,400	3,600
Auditors' remuneration:		
Audit Fee	31,625	28,500
Out of pocket expenses	3,125	2,120
	34,750	30,620
Legal & Professional Charges	46,692	19,504
Bank Charges	-	48,055
Miscellaneous expenses	212	-
	46,904	67,559
	88,054	101,779

Gufic Pharma Limited

Statement of Profit and Loss for the year ended 31st March 2017

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

Note : 14 Income Tax Expense

	Year Ended 31st March, 2017	Year Ended 31st March, 2016
(a) Income Tax Expense		
<u>Current Tax</u>		
Current Tax on Profits for the year	43,018	39,476
Adjustments for Current Tax of prior periods (MAT)	26,740	24,524
Total Current tax expense (A)	69,758	64,000
<u>Deferred Tax</u>		
Decerease (increase) in deferred tax assets	-	-
(Decerease) increase in deferred tax liabilities	-	-
Total Deferred Tax Expense / (benfits) (B)	-	-
Income Tax Expense for the current year (A+B)	69,758	64,000
<u>Income tax expense is attributable to :</u>		
Profit from Continuing operation	69,758	64,000
Profit from discontinuing operation	-	-
	69,758	64,000
(b) Reconciliation of current tax expenses and accounting profit multiplied by India's tax rate		
Profit before tax	265,854	314,992
Enacted income tax rate	30.90%	30.90%
	82,149	97,358
Tax expense		
Effect of income that is exempt from taxation	(17,026)	(37,993)
Disallowance u/s 14A	4,635	4,635
Income tax expense recognised in profit and loss	69,758	64,000

Gufic Pharma Limited

Notes to Financial Statements for the year ended 31st March 2017

(All amounts are in Indian Rupees except share data, per share data and unless otherwise stated)

Note 15 Earning per Equity Share:

	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Profit/(Loss) after Tax	196,096	247,705
Number of Equity shares	5000	5000
Face value per share (₹)	10	10
Basic / Diluted earnings per share (₹)	39.22	49.54

The Company has not issued any security which will have the effect of diluting earnings on equity.

Note 16 Related Party Disclosures

A) Nature of Relationship

- Holding company

Name of the Related Party

Sun Pharmaceutical Industries Limited

B) Nature of Relationship

- Fellow subsidiary

- Enterprises under the common control of the holding Company

Name of the Related Party

Sun Pharma Medisales Private Limited

Solrex Pharmaceuticals Company

c) Transactions with Related parties:

Related party	Nature of transaction	Description of relationship	For the year ended 31 March 2017	for the year ended 31 March 2016
Solrex Pharmaceuticals Company	Share of Profit	Enterprises	55,099	122,954
Solrex Pharmaceuticals Company	Withdrawal from partnership firm	Enterprises	-	23,200
Sun Pharmaceutical Industries Limited	Royalty income	Holding Company	240,000	240,000

d) Balances due from/to related parties

Related party	Nature of transaction	Description of relationship	For the year ended 31 March 2017	for the year ended 31 March 2016
Sun Pharma Medisales Private Limited	Investments	Fellow subsidiary	10,000	-
Sun Pharma Medisales Private Limited	short term loan receivable	Fellow subsidiary	2,973,377	-
Solrex Pharmaceuticals Company	Investments	Enterprises	-	2,928,278

For HDSG & Associates

Chartered Accountants

Firm Registration No.: 002871N of ICAI

For and on behalf of the Board of Directors

Gufic Pharma Limited

Dalbir Gulati

Partner

Membership No.: 081024

Sanjay Jerry

Director

Sandeep Mehandroo

Director

Place: New Delhi

Date: May 24, 2017

Place: Mumbai

Date: May 24, 2017

Place: Mumbai

Date: May 24, 2017