

Independent Auditor's Report

To the Board of Directors of Sun Pharma Japan Ltd.

We have audited the accompanying reporting package of Sun Pharma Japan Ltd. (the "Company"), which comprises the information of financial position as of March 31, 2016, the related information of comprehensive income, and the information of changes in net assets for the year then ended (the "Financial Information").

Responsibility for the Financial Information

The Company's management (the "Management") is responsible for the preparation of Financial Information that gives a true and fair view in accordance with accounting principles generally accepted in India and the reporting requirements of the parent company. The Management is also responsible for establishing and maintaining the Company's internal control in order to prepare Financial Information that is free from material misstatement made due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on Financial Information based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether Financial Information is free from material misstatement.

An audit includes performing procedures to obtain evidence supporting the amounts and disclosures in Financial Information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Financial Information, whether due to fraud or error. In assessing those risks, the auditor considers the Company's internal control that is relevant to preparation and presentation of Financial Information in order to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the internal control. An audit also includes assessing the accounting policies used and estimates made by Management, as well as evaluation the overall presentation of Financial Information.

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

Opinion

In our opinion, Financial Information gives a true and fair view of the Company's financial position as of March 31, 2016 and its operating results for the year then ended in accordance with accounting principles generally accepted in India and the reporting requirements of the parent company.

Interest Pertaining to an Auditor

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act in Japan.

Toranomon Audit LLC
Certified Public Accountants

May 12, 2016
Tokyo, Japan

Balance Sheet
Sun Pharma Japan Ltd.

As end of March 2016
unit: JPY

Assets

Current Asset			
	Cash and Cash Equivalents	53,102,752	
	Trade Receivable	115,506	
	Inventories	6,291,394	
	Prepaid Expenses	557,119	
	Consumption Tax Receivable	8,849,719	
	Total for Current Assets		68,916,490
Non-Current Asset			
	Fixed Assets		
	Office Equipment	2,837,651	
	Furniture and Fixtures	4,057,861	
	Accumulated Depreciation	△4,500,791	
	Total for Fixed Assets		2,394,721
	Other Assets		
	Security Deposit	5,238,100	
	Total Other Assets		5,238,100
	Total for Non Current Assets		7,632,821
	Total Assets		76,549,311

Liabilities and Equity

Current Liabilities			
	Accrued Payable-Others	3,214,708	
	Income Tax Payable	580,400	
	Advance Received	150,660	
	Statutory Remittance	1,911,203	
	Total for Current Liabilities		5,856,971
Non Current Liabilities			
	Long-Term Loan	648,148,229	
	Total for Non Current Liabilities		648,148,229
	Total for Liabilities		654,005,200

Equities

	Share Capital	158,000,000	
	Reserve and Surplus	△735,455,889	
	Total for Reserve and Surplus		△577,455,889
	Total Shareholders Fund		△577,455,889
	Total Net Assets		△577,455,889
	Total Assets and Liabilities		76,549,311

Profit and Loss Sheet
Sun Pharma Japan Ltd.

For the period from April 2015 to March 2016
unit: JPY

Sales			0
	Sales	29,864,500	
	Sales Returned	139,500	
	Total Sales		29,725,000
Cost of Sales			
	Purchase of Stock-in-Trade	5,490,300	
	Cost of Purchased Goods	13,061,635	
	Ending of Finished Goods	198,528	
	Total cost of sales		18,353,407
	Gross Profit		11,371,593
Expenses			
	Expenses	189,462,313	
	Total Expenses		189,462,313
	Operating Loss		△178,090,720
Other Income			
	Interest Income	6,924	
	Others	487,944	
	Total Other Income		494,868
Other Expenses			
	Interest Expenses	522,956	
	Miscellaneous Loss	819,537	
	Total Other Expenses		1,342,493
	Ordinary Loss		△178,938,345
	Loss before Tax		△178,938,345
	Total Tax		291,404
	Loss for the Year		△179,229,749

Expenses Details
Sun Pharma Japan Ltd.

unit: JPY

For the period from April 2015 to March 2016

Directors Commissions	4,440,000
Salaries and Wages	52,600,008
Insurance-Medical and Workmen	6,201,231
Employee Welfares	736,695
Freight	264,329
Advertisement	789,100
Entertainment	692,085
Meeting	143,302
Travels	11,906,712
Office Consumable Expenses_communications	579,944
Office Consumable Expenses_others	191,287
Printing and Stationeries	605,346
Laundry and Cleaning	272,400
Utilities	251,438
Newspapers and Books	1,545,774
Membership Fees and Subscriptions	426,900
Miscellaneous Bank Charges	405,238
Rent	6,261,843
Insurance - Others	54,130
Rate and Taxes	582,880
Audit Fees	2,200,000
Professional Fees	97,436,723
Depreciation Expenses	662,076
Training	212,872
Total Expenses	189,462,313