

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF  
SUN PHARMACEUTICAL INDUSTRIES (AUSTRALIA) PTY LTD  
A.B.N 64130119603**

**Report to Financial Report**

I have audited the accompanying financial report of Sun Pharmaceutical Industries ( Australia) Pty Ltd, (the Company), as set out on pages 1-15 comprising balance sheet as at 31<sup>st</sup> March 2015, trading, and profit and loss statements, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company.

**Directors Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state that financial report comprising the financial statements and notes complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**Auditors Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Independence**

In conducting our audit, i have complied with the independence requirements of the Corporations Act 2001.

**Auditor's Opinion**

- a) The financial report of Sun Pharmaceutical Industries (Australia) Pty Ltd is in accordance with the Corporations act 2001, including;
- i) Giving a true and fair view of the company financial position as at 31<sup>st</sup> March 2015 and of their performance for the year ended on that date; and
  - ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

**William. A. Nutton**

Registered Company Auditor No: 7915

Berwick, Victoria

Dated.....

27 APRIL 2015

---

# Financials Statements

Sun Pharmaceutical Industries (Australia) Pty Ltd

31 March 2015

Prepared by Apex Accounting Solutions Pty Ltd



# Contents

---

Compilation Report	3
Directors Declaration	4
Income Statement	5
Balance Sheet	7
Statement of Cash Flows	9
Notes to the Financial Statements	10
Depreciation Schedule	14
Change in Equity Statement	15

# Compilation Report

---

## Sun Pharmaceutical Industries (Australia) Pty Ltd For the year ended 31 March 2015

Compilation report to Sun Pharmaceutical Industries (Australia) Pty Ltd.

We have compiled the accompanying special purpose financial statements of Sun Pharmaceutical Industries (Australia) Pty Ltd, which comprise the income statement, balance sheet and statement of cash flows for the period ended 31 March 2015, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is to provide information relating to the performance and financial position of the company that satisfies the needs of the members.

### **The Responsibility of the Directors**

You are solely responsible for the information contained in the special purpose financial statements and have determined that the significant accounting policies adopted as set out in Note 1 to the financial statements are appropriate to meet your needs and for the purpose that the financial statements were prepared.

### **Our Responsibility**

On the basis of information provided by you, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors of the trustee company provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the members of Sun Pharmaceutical Industries (Australia) Pty Ltd. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Apex Accounting Solutions Pty Ltd

Dated: 27 April 2015

# Directors Declaration

---

## Sun Pharmaceutical Industries (Australia) Pty Ltd For the year ended 31 March 2015

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

- the financial statements and notes present fairly the company's financial position as at 31 March 2015 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
- in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director:

Signature:

Director:

Signature:

Dated: 27 April 2015

# Income Statement

## Sun Pharmaceutical Industries (Australia) Pty Ltd 1 April 2014 to 31 March 2015

	31 Mar 15	31 Mar 14
<b>Income</b>		
Sale of goods	3,885,507	1,464,156
<b>Total Income</b>	<b>3,885,507</b>	<b>1,464,156</b>
<b>Cost of Goods Sold</b>		
<b>Cost of Sales</b>		
Opening Stock	677,404	1,068,689
Purchases	2,941,055	1,010,240
Closing Stock	(224,955)	(648,892)
<b>Total Cost of Sales</b>	<b>3,393,505</b>	<b>1,430,037</b>
<b>Total Cost of Goods Sold</b>	<b>3,393,505</b>	<b>1,430,037</b>
<b>Gross Profit</b>	<b>492,002</b>	<b>34,120</b>
<b>Other Income</b>		
Interest Income	19,659	34,835
<b>Total Other Income</b>	<b>19,659</b>	<b>34,835</b>
<b>Total Operating Income</b>	<b>511,661</b>	<b>68,954</b>
<b>Expenses</b>		
Accounting Consultant	39,000	16,270
Advertisement	589	25,200
ATO - Interest Expense	810	-
Audit Fee	5,000	5,000
Auditor - reimbursement of expenses	509	-
Bank charges	867	630
Base Salary	207,954	195,057
Breakage & Expiry	1,257	-
Depreciation	61	785
Distribution fees (Symbion LipoDox - 1.5%)	45,746	-
Distribution fees (Symbion/CH2/CHS - 5%)	13,019	28,591
Electricity & Gas expenses	1,893	2,821
Fixed Bonus	48,000	-
Foreign currency gains and losses	841,272	432,592
Freight-Sample & Promotion Materials	129	-
Interest Expense - Overseas	6,701	5,531
Legal Consultant/Lawyer	5,000	7,150
Lunch & Refreshments	6,185	-
Marketing Consultant	58,745	-
Membership/Subscription	3,176	1,481
Misc Expenses	2,086	236
Postage and Courier	1,454	1,783
Printing & Stationery	3,115	-
Printing Material	-	1,079
Professional Fees	600	-

# Income Statement

---

	<b>31 Mar 15</b>	<b>31 Mar 14</b>
Regulatory Consultant (excluding TGA) - existing	67,109	-
Regulatory Consultant (PV)	11,786	-
Regulatory Consultant (TGA annual fees)	79,343	-
Regulatory Expenses	-	120,638
Storage Cost (Levetiracetam)	1,836	-
Storage Cost (Symbion 3PL - 3%)	87,910	-
Storage Cost (Symbion 3PL - LipoDox)	7,034	-
Superannuation Expense	19,646	20,043
Telephone/Fax/Mobile/Internet	3,882	3,277
Tender Fee/ Rebate	174	-
Travel and accommodation	40,942	16,958
Work Cover Insurance	848	3,824
<b>Total Expenses</b>	<b>1,613,677</b>	<b>888,946</b>
<b>Profit/(Loss) before Taxation</b>	<b>(1,102,016)</b>	<b>(819,991)</b>
<b>Net Profit/(Loss) for the Year</b>	<b>(1,102,016)</b>	<b>(819,991)</b>

# Balance Sheet

## Sun Pharmaceutical Industries (Australia) Pty Ltd As at 31 March 2015

		31 Mar 2015	31 Mar 2014
<b>Assets</b>			
<b>Current Assets</b>			
Cash & cash equivalents	8.	371,490	678,447
Inventory	3.	224,955	677,404
Reimbursable expenses - Unallocated		24,634	-
Trade & other receivables	2.	442,033	438,160
<b>Total Current Assets</b>		<b>1,063,112</b>	<b>1,794,011</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	4.	1,703	221
<b>Total Non-Current Assets</b>		<b>1,703</b>	<b>221</b>
<b>Total Assets</b>		<b>1,064,815</b>	<b>1,794,232</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	9.	(45,656) <sup>1</sup>	(16,909)
GST		6,471	(66,198)
Loan - Geoff Zippel	9.	17,196	-
PAYG Withholdings	9.	13,832	15,396
Rounding		-	-
Sundry Provisions	9.	5,000	5,000
Superannuation Payable	9.	3,167	-
Taxation		(3,728)	(538)
Wages Payable - Payroll	9.	67,501	-
<b>Total Current Liabilities</b>		<b>63,783</b>	<b>(63,249)</b>
<b>Non-Current Liabilities</b>			
Loan - Alkaloida		318,203	202,116
Loan - Sun Pharma		2,695,717	2,566,239
<b>Total Non-Current Liabilities</b>		<b>3,013,921</b>	<b>2,768,355</b>
<b>Total Liabilities</b>		<b>3,077,704</b>	<b>2,705,105</b>
<b>Net Assets</b>		<b>(2,012,889)</b>	<b>(910,873)</b>
<b>Equity</b>			
Share Capital		100	100
<b>Retained Earnings</b>			
Retained earnings		(2,012,989)	(910,973)
<b>Total Retained Earnings</b>		<b>(2,012,989)</b>	<b>(910,973)</b>
<b>Total Equity</b>		<b>(2,012,889)</b>	<b>(910,873)</b>

### Notes

# Balance Sheet

---

1

Figures converted into Australian Dollar using the following rate:  
0.759963 USD United States Dollar per AUD. Rate provided by XE.com on 31 Mar 2015.

# Statement of Cash Flow

## Sun Pharmaceutical Industries (Australia) Pty Ltd For year ended 31 March 2015

### Cash Flow From Operating Activities

	2015	2014
	\$	\$
<b>Cash Flows from operating activities</b>		
Receipts from customers	3,440,238	
Payments to suppliers and employees	( 3,765,311 )	( 1,332,471 )
Interest received	19,659	34,835
Dividends received	-	
Other Income	-	
Borrowing costs	-	
Income tax paid	-	-
	<hr/>	<hr/>
Net cash provided from operating activities	( 305,414 )	( 1,297,636 )
<b>Cash Flows from investing activities</b>		
Proceeds from sale of property, plant & equipment	( 1,543 )	
Purchase of property, plant & equipment	-	
Purchase of intangible assets	-	
Proceeds from sale of investments	-	
Purchase of investments	-	
	<hr/>	
Net cash provided from investing activities	( 1,543 )	
<b>Cash Flows from financing activities</b>		
Members contributions	-	
Dividends paid	-	
Proceeds from borrowings	-	
Repayment of borrowings	-	
	<hr/>	
Net cash provided from financing activities	-	
Net increase / (decrease) in cash held	( 306,957 )	( 1,297,636 )
Cash at the beginning of the year	<hr/> 678,447	<hr/> 1,976,083
Cash at the end of the year	<hr/> <hr/> 371,490	<hr/> <hr/> 687,447

# Notes to the Financial Statements

---

## Sun Pharmaceutical Industries (Australia) Pty Ltd For the year ended 31 March 2015

### 1. Statement of Significant Accounting Policies

The directors have determined that the company is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The accounting policies that have been adopted in the preparation of the statements are as follows:

#### Income Tax

The income tax expense for the year comprises current income tax expense. The company does not apply deferred tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at 31 March 2015. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

#### Inventories

Inventories are carried at the lower of cost or net realisable value. Cost is based on the first-in, first out method and includes expenditure incurred in acquiring the inventories and bringing them to the existing condition and location.

#### Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Freehold land and buildings are measured at their fair value, based on periodic, but at least triennial, valuations by independent external valuers, less subsequent depreciation for buildings.

Increases in the carrying amount of land and buildings arising on revaluation are credited in equity to a revaluation surplus. Decreases against previous increases of the same asset are charged against fair value reserves in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

#### Intangibles

Goodwill is recognised as the excess of the purchase price for a business acquired over the fair value of the net assets at the date of acquisition. Goodwill is assessed for impairment annually and is carried at cost less accumulated impairment losses.

#### Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

#### Financial Assets

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

# Notes to the Financial Statements

---

## Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 31 March 2015. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

## Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to 31 March 2015. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related costs.

## Provisions

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

## Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

## Revenue Recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers.  
 Revenue from the rendering of services is recognised upon the delivery of the services to customers.  
 Revenue from commissions is recognised upon delivery of services to customers.  
 Revenue from dividends is recognised when the entity has a right to receive the dividend.

All revenue is stated net of the amount of goods and services tax (GST).

## Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

## Leases

Finance leases are leases of fixed assets where substantially all of the risks and benefits incidental to the ownership of the asset are transferred to the entity, but the legal ownership is not transferred to the entity.

Finance leases are capitalised by recording an asset and a corresponding liability at the lower of the amounts equal to the fair value of the leased asset, or the minimum lease payments measured at present value including any residual values.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Operating lease payments are charged to the income statement on a straight-line basis over the term of the lease.

Lease incentives are deferred and amortised over the period of the lease.

Profits and losses on sale and leaseback transactions are recognised in the reporting period in which they occur.

## 2. Receivables

	31-Mar-15	31-Mar-14
<b>Current</b>		
Accounts Receivable	387,563	402,502
Reimbursable Expenses - SPIL	42,295	-

# Notes to the Financial Statements

Reimburseable Expenses - Sun Pharma Global FZE	12,175	35,630
Samples Reimbursement - Sun Global	-	29
<b>Total Current</b>	<b>442,033</b>	<b>438,160</b>
<b>Total Receivables</b>	<b>442,033</b>	<b>438,160</b>

## 3. Inventory

	31-Mar-15	31-Mar-14
Inventory	224,955	677,404
<b>Total Inventory</b>	<b>224,955</b>	<b>677,404</b>

## 4. Property, Plant and Equipment

	31-Mar-15	31-Mar-14
<b>Total Land and Buildings at cost</b>	-	-
<b>Total Land and Buildings at fair value</b>	-	-
<b>Plant and Equipment</b>		
Plant and equipment at cost	3,131	1,588
Accumulated depreciation of plant and equipment	(1,428)	(1,367)
<b>Total Plant and Equipment</b>	<b>1,703</b>	<b>221</b>
<b>Total Property, Plant and Equipment</b>	<b>1,703</b>	<b>221</b>

## 5. Financial Assets

	31-Mar-15	31-Mar-14
--	-----------	-----------

## 6. Intangibles

	31-Mar-15	31-Mar-14
<b>Total Intangibles</b>	-	-

## 7. Provisions

	31-Mar-15	31-Mar-14
--	-----------	-----------

## 8. Cash & Cash Equivalents

	31-Mar-15	31-Mar-14
--	-----------	-----------

<b>Bank Accounts</b>		
ANZ 95282	475	247,087
ANZ Cheque Account	371,015	431,360
<b>Total Bank Accounts</b>	<b>371,490</b>	<b>678,447</b>
<b>Total Cash &amp; Cash Equivalents</b>	<b>371,490</b>	<b>678,447</b>

## 9. Payables

	31-Mar-15	31-Mar-14
--	-----------	-----------

### Current

Accounts Payable	(45,656) <sup>1</sup>	(16,909)
------------------	-----------------------	----------

# Notes to the Financial Statements

Loan - Geoff Zippel	17,196	-
PAYG Withholdings	13,832	15,396
Sundry Provisions	5,000	5,000
Superannuation Payable	3,167	-
Wages Payable - Payroll	67,501	-
<b>Total Current</b>	<b>61,040</b>	<b>3,487</b>
<b>Total Payables</b>	<b>61,040</b>	<b>3,487</b>

## 10. Financial Liabilities

31-Mar-15

31-Mar-14

### Notes

1

Figures converted into Australian Dollar using the following rate:

0.759963 USD United States Dollar per AUD. Rate provided by XE.com on 31 Mar 2015.

# Depreciation Schedule

## Sun Pharmaceutical Industries (Australia) Pty Ltd 1 April 2014 to 31 March 2015

Name	Number	Type	Cost	Rate	Purchased	Disposed	1-Apr-14	Purchases	Depreciation	Disposals	Accum Dep	31-Mar-15
<b>Office Equipments</b>												
Filing Cabinet	FA-0002	Office Equipment	225	10.0%DV	19 Sep 2010		156	-	16	-	85	141
HP Printer	FA-0003	Office Equipment	226	40.0%DV	22 Sep 2010		38	-	15	-	203	23
Laptop -Geoff	FA-0004	Office Equipment	1,543	50.0%DV	26 Mar 2015		-	1,543	13	-	13	1,530
Laptop with 3 year warranty	3FA-0001	Office Equipment	1,136	66.67%DV	10 Sep 2010		26	-	18	-	1,128	9
<b>Total Office Equipments</b>			<b>3,131</b>				<b>221</b>	<b>1,543</b>	<b>61</b>	<b>-</b>	<b>1,428</b>	<b>1,703</b>
<b>Total</b>			<b>3,131</b>				<b>221</b>	<b>1,543</b>	<b>61</b>	<b>-</b>	<b>1,428</b>	<b>1,703</b>

# Change in Equity Statement

---

## Sun Pharmaceutical Industries (Australia) Pty Ltd For year ended 31 March 2015

	2015	2014
Opening Balance	(910,973)	(90,982)
Profits/(Loss) for the year	(1,102,016)	(819,991)
Closing Balance	(2,012,889)	(910,973)