

Report on the financial statements of Pharmacor Limited, Kenya, a foreign subsidiary of Alkem Laboratories Limited, India required for the purposes of Section 129(3) of the Companies Act, 2013 and its consolidation with the financial statements of the holding company.

**Independent Auditor's Report**

To,  
The Board of Directors,  
**Alkem Laboratories Limited, India**

**Report on the Standalone Ind AS Financial Statements:**

We have audited the accompanying standalone Ind AS financial statements of **Pharmacor Limited, Kenya** ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the statement of Profit & Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements") prepared by its management in its reporting currency in Kenyan Shilling. These financial statements are translated by the management of its holding company M/s Alkem Laboratories Ltd., India in Indian currency (INR) and is also presented in the formats and as per requirements of Division II of Schedule III to the Companies Act, 2013 and as per Ind AS, for the purpose of presenting to its shareholders as required by Section 129(3) of the Companies Act, 2013 and for the purpose of its consolidation with the financial statements of the holding company Alkem Laboratories Limited, India.

**Management's Responsibility for the Standalone Financial Statements:**

The Company's Board of Directors is responsible for preparation of these Ind AS standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone 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 standalone Ind AS 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 to the extent applicable.

We conducted our audit 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 standalone Ind AS financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 the 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 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 standalone 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 standalone Ind AS financial statements give the information required 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, of the financial position of the Company as at 31<sup>st</sup> March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and regulatory Requirements:**

1. This audit is for the purpose of presenting the standalone Ind AS financial statements in Indian currency (INR) and in the formats and as per requirements of Division II of Schedule III to the Companies Act, 2013 as per Ind AS, for the purpose of presenting it to the shareholders of the holding company as required by Section 129(3) of the Companies Act, 2013 and for the purpose of its consolidation with the financial statements of the holding company Alkem Laboratories Limited, India and is not a report under Section 143 of the Companies Act, 2013, and accordingly does not include any statement on the matters specified in and required by Section 143 (11), 143(3)(g) and 143(3)(i) of the Companies Act, 2013 and Rule 11 of the Companies (Audit and Auditors') Rules, 2014 including the Companies (Auditors' Report) Order, 2016;
2. 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;
3. 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;
4. The Balance Sheet, the Statement of Profit and Loss, the Cash Flows Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
5. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013.



6. In our opinion, the standalone Ind AS financial statements dealt with by this report are translated from Kenyan Shilling to Indian Rupees by adopting the applicable rates of foreign currency for the year in accordance with Ind AS-21 prescribed by the Companies (Indian Accounting Standard) Rules, 2015.

For **R.S.SANGHAI & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 109094W

  
**R.S.SANGHAI**

Partner

Membership No.: 036931

Mumbai: 22<sup>nd</sup> May, 2017



PHARMACOR LIMITED  
SEPARATE FINANCIAL STATEMENTS  
BALANCE SHEET AS ON 31ST MARCH, 2017

Particulars	Note No.	As at	As at	As at	As at	As at	As at
		31st March, 2017	31st March, 2017	31st March, 2016	31st March, 2016	1 April, 2015	1 April, 2015
		KES	Rs.	KES	Rs.	KES	Rs.
<b>I. ASSETS</b>							
<b>1 Current assets</b>							
(a) Financial Assets							
(i) Cash and cash equivalents	2.1	73,171	45,157	78,450	50,305	83,730	55,609
<b>Total Current assets</b>		<b>73,171</b>	<b>45,157</b>	<b>78,450</b>	<b>50,305</b>	<b>83,730</b>	<b>55,609</b>
<b>TOTAL ASSETS</b>		<b>73,171</b>	<b>45,157</b>	<b>78,450</b>	<b>50,305</b>	<b>83,730</b>	<b>55,609</b>
<b>II. EQUITY AND LIABILITIES</b>							
<b>1 Equity</b>							
(a) Equity Share Capital	2.2	1,00,000	65,892	1,00,000	65,892	1,00,000	65,892
(b) Other Equity		(26,830)	(20,735)	(21,550)	(15,587)	(16,270)	(10,283)
<b>Total Equity</b>		<b>73,171</b>	<b>45,157</b>	<b>78,450</b>	<b>50,305</b>	<b>83,730</b>	<b>55,609</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>73,171</b>	<b>45,157</b>	<b>78,450</b>	<b>50,305</b>	<b>83,730</b>	<b>55,609</b>

Significant Accounting Policies 1

Notes on Accounts 2

The accompanying notes are an integral parts of financial statements.

As per our attached report of even date

For R.S.SANGHAI & ASSOCIATES

Chartered Accountants

R.S.SANGHAI

Partner

Place : Mumbai

Dated : 22nd May, 2017



For and on behalf of the Board

P. V. Damodaran  
Director

Ashish Sinha  
Director

**PHARMACOR LIMITED**  
**SEPARATE FINANCIAL STATEMENTS**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	Note No.	For the Year ended	For the Year ended	For the Year ended	For the Year ended
		31st March, 2017	31st March, 2017	31st March, 2016	31st March, 2016
		KES	Rs.	KES	Rs.
<b>1 Income</b>					
(a) Revenue from Operations		-	-	-	-
(b) Other Income		-	-	-	-
<b>Total Income</b>		-	-	-	-
<b>2 Expenses</b>					
(a) Finance Costs	2.3	5,280	3,415	5,280	3,368
<b>Total Expenses</b>		5,280	3,415	5,280	3,368
<b>3 Profit before tax (1) - (2)</b>		(5,280)	(3,415)	(5,280)	(3,368)
<b>4 Tax expenses</b>					
(a) Current tax		-	-	-	-
(b) Deferred tax		-	-	-	-
		-	-	-	-
<b>5 Profit for the period (3) - (4)</b>		(5,280)	(3,415)	(5,280)	(3,368)
<b>6 Other Comprehensive Income</b>					
(a) Items that will be reclassified to profit or loss					
(i) Foreign Currency Translation Difference		-	(1,733)	-	(1,936)
(ii) Tax on Foreign Currency Translation Difference		-	-	-	-
<b>Total of Other Comprehensive Income for the period, net of tax</b>		-	(1,733)	-	(1,936)
<b>7 Total Comprehensive Income for the period (5) + (6)</b>		(5,280)	(5,148)	(5,280)	(5,304)
<b>8 Basic and diluted earnings per share</b>		(5.3)	(3.4)	(5.3)	(3.4)

As per our attached report of even date  
For R.S.SANGHAI & ASSOCIATES  
Chartered Accountants

R.S.SANGHAI  
Partner  
Place : Mumbai  
Dated : 22nd May, 2017



For and on behalf of the Board

P. V. Damodaran  
Director

Ashish Sinha  
Director

PHARMACOR LIMITED  
SEPARATE FINANCIAL STATEMENTS  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Year ending 31st March, 2017		Year ending 31st March, 2016	
	KES	Rs.	KES	Rs.
<b>A. Cash Flow from Operating activities</b>				
Profit before Tax	(5,280)	(3,415)	(5,280)	(3,368)
Operating Profit before Working Capital Changes	(5,280)	(3,415)	(5,280)	(3,368)
Adjustments for :				
Interest Expense	5,280	3,415	5,280	3,368
Cash (used in) / Generated from Operations	-	-	-	-
<b>Net cash (used in) /generated from operating activities</b>	-	-	-	-
<b>B. Cash Flow from Investing activities</b>				
<b>C. Cash Flow from Financing activities</b>				
Interest Expense	(5,280)	(3,415)	(5,280)	(3,368)
<b>Net cash (used in) /generated from Financing activities</b>	(5,280)	(3,415)	(5,280)	(3,368)
<b>Net Increase/(decrease) in cash and cash equivalents (A + B + C)</b>	(5,280)	(3,415)	(5,280)	(3,368)
Cash and cash equivalents at the beginning of the year	78,450	50,305	83,730	55,609
Cash and cash equivalents at the end of the year	73,170	46,890	78,450	52,241

Notes :

1) Cash and Cash Equivalents include :

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	KES	Rs.	KES	Rs.
Cash and Bank balances (Refer Note 2.1)	73,171	46,157	78,450	50,305
Exchange difference (Unrealised (Gain) / Loss)	-	1,733	-	1,936
<b>Total</b>	<b>73,171</b>	<b>46,890</b>	<b>78,450</b>	<b>52,241</b>

2) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) on Cash Flow Statement.

As per our attached report of even date  
For R.S.SANGHAI & ASSOCIATES  
Chartered Accountants

R.S.SANGHAI  
Partner  
Place : Mumbai  
Dated : 22nd May, 2017



For and on behalf of the Board

P. V. Damodaran  
Director

Ashish Sinha  
Director

PHARMACOR LIMITED  
SEPARATE FINANCIAL STATEMENTS  
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2017

	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	1,000	1,00,000	1,000	1,00,000
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	1,000	1,00,000	1,000	1,00,000

	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	1,000	65,892	1,000	65,892
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	1,000	65,892	1,000	65,892

Particulars	KES		
	Reserves and Surplus Retained Earnings	Items of OCI Foreign Currency Translation Difference	Total other equity
Balance at 1st April, 2015	(16,270)	-	(16,270)
<b>Total Comprehensive</b>			
Profit for the year ended 31st March, 2016	(5,280)	-	(5,280)
Other Comprehensive Income	-	-	-
<b>Balance at 31st March, 2016</b>	<b>(21,550)</b>	<b>-</b>	<b>(21,550)</b>
<b>Total Comprehensive</b>			
Profit for the year ended 31st March, 2017	(5,280)	-	(5,280)
Other Comprehensive Income	-	-	-
<b>Balance at the end of the reporting period</b>	<b>(26,830)</b>	<b>-</b>	<b>(26,830)</b>

Particulars	Rs.		
	Reserves and Surplus Retained Earnings	Items of OCI Foreign Currency Translation Difference	Total other equity
Balance at 1st April, 2015	(10,283)	-	(10,283)
<b>Total Comprehensive</b>			
Profit for the year ended 31st March, 2016	(3,368)	-	(3,368)
Other Comprehensive Income	-	(1,936)	(1,936)
<b>Balance at 31st March, 2016</b>	<b>(13,651)</b>	<b>(1,936)</b>	<b>(15,587)</b>
<b>Total Comprehensive</b>			
Profit for the year ended 31st March, 2017	(3,415)	-	(3,415)
Other Comprehensive Income	-	(1,733)	(1,733)
<b>Balance at the end of the reporting period</b>	<b>(17,066)</b>	<b>(3,669)</b>	<b>(20,735)</b>



**1A General Information**

These financial statements are prepared solely for the purposes of consolidation by the holding company, Alkem Laboratories Ltd. The Company was incorporated on 15th May, 2012 in Kenya under the Corporations Act Its core business is to sale and distribution of pharmaceutical products throughout Kenya and to provide marketing services. The Company is a wholly- owned subsidiary of Alkem Laboratories Ltd.

**1B SIGNIFICANT ACCOUNTING POLICIES:****1.1 Basis of preparation of Financial Statements:**

The financial statements of the Company as at and for the year ended 31st March, 2017 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's equity and its net profit is provided in **Note 2.7.**

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) Expected to be realised or intended to sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) it is expected to be settled in normal operating cycle,
- b) it is held primarily for the purpose of trading,
- c) it is due to be settled within twelve months after the reporting period
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**1.2 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**1.3 Earnings per share ('EPS')**

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

**1.4 Foreign currencies Transactions & Translation****i. Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions. The functional currency of the Company is Kenyan Shilling (KES).

**ii. Foreign Operations:**

The assets and liabilities of foreign operations, and fair value adjustments arising on acquisition, are translated into Indian Rupees at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the translation reserve.

When a foreign operation is disposed of in its entirety or partially, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.





PHARMACOR LIMITED

NOTE 2: NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

Particulars	As at 31st March, 2017 KES	As at 31st March, 2017 Rs.	As at 31st March, 2016 KES	As at 31st March, 2016 Rs.	As at 1st April, 2015 KES	As at 1st April, 2015 Rs.
<b>2.1 : Cash and Cash Equivalents:</b>						
Balance with Banks:						
In Current Accounts	73,171	45,157	78,450	50,305	83,730	55,609
<b>TOTAL</b>	<b>73,171</b>	<b>45,157</b>	<b>78,450</b>	<b>50,305</b>	<b>83,730</b>	<b>55,609</b>
<b>2.2 : SHARE CAPITAL:</b>						
<b>Authorised:</b>						
1,000 Units of KES 100/- each (Previous Year 1,000 Units of KES 100/- each)	1,00,000	65,892	1,00,000	65,892	1,00,000	65,892
	1,00,000	65,892	1,00,000	65,892	1,00,000	65,892
<b>Issued, subscribed &amp; paid-up :</b>						
1,000 Units of KES 100/- each (Previous Year 1,000 Units of KES 100/- each)	1,00,000	65,892	1,00,000	65,892	1,00,000	65,892
<b>TOTAL</b>	<b>1,00,000</b>	<b>65,892</b>	<b>1,00,000</b>	<b>65,892</b>	<b>1,00,000</b>	<b>65,892</b>
<b>OTHER EQUITY</b>						
<b>Retained Earnings:</b>						
At the commencement of the period/year	(21,550)	(13,651)	(16,270)	(10,283)	(11,030)	(5,512)
Add: Profit for the period/year	(5,280)	(3,415)	(5,280)	(3,368)	(5,240)	(4,771)
	(26,830)	(17,066)	(21,550)	(13,651)	(16,270)	(10,283)
<i>Less: Appropriations:</i>						
Transfer to General Reserve	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-
At the end of the period/year	(26,830)	(17,066)	(21,550)	(13,651)	(16,270)	(10,283)
<b>Other Comprehensive Income:</b>						
At the commencement of the period/year	-	(1,936)	-	-	-	-
Add: Profit for the period/year	-	(1,733)	-	(1,936)	-	-
At the end of the period/year	-	(3,669)	-	(1,936)	-	-
<b>TOTAL</b>	<b>(26,830)</b>	<b>(20,735)</b>	<b>(21,550)</b>	<b>(15,587)</b>	<b>(16,270)</b>	<b>(10,283)</b>
<b>Particulars</b>			<b>For the Year ended 31st March, 2017 KES</b>	<b>For the Year ended 31st March, 2017 Rs.</b>	<b>For the Year ended 31st March, 2016 KES</b>	<b>For the Year ended 31st March, 2016 Rs.</b>
<b>2.3 : FINANCE COST:</b>						
Interest on borrowings			-	-	-	-
Other borrowing cost			5,280	3,415	5,280	3,368
			<b>5,280</b>	<b>3,415</b>	<b>5,280</b>	<b>3,368</b>



**PHARMACOR LIMITED**

**NOTE 2: NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

**2.4 Earnings per share (EPS)**

Particulars			KES	
			Year ended 31st March, 2017	Year ended 31st March, 2016
Profit /(loss) after tax attributable to equity shareholders	KES	A	(5,280)	(5,280)
Weighted average number of equity shares outstanding during the year	Nos.	B	1,000	1,000
Basic and diluted earnings per equity share (Rs) - Face value of Rs. 100 per share	KES	(A / B)	(5.28)	(5.28)

Particulars			Rs.	
			Year ended 31st March, 2017	Year ended 31st March, 2016
Profit /(loss) after tax attributable to equity shareholders	Rs.	A	(3,415)	(3,368)
Weighted average number of equity shares outstanding during the year	Nos.	B	1000	1000
Basic and diluted earnings per equity share (Rs) - Face value of Rs. 100 per share	Rs.	(A / B)	(3.41)	(3.37)

2.5 Average exchange rate as on 31st March, 2017 considered for the purpose of translation as referred in note no 1.4 is **Rs. 0.6468/1KES** (Rs. 0.6379/1KES).

Closing exchange rate as on 31st March, 2017 considered for the purpose of translation is as referred in note no. 1.4 is **Rs. 0.6172/1KES** (Rs. 0.6412/1KES).



**PHARMACOR LIMITED**

**NOTE 2: NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

**2.6 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31st March, 2017.**

**List of related parties and their relationship**

**A Company whose control exists**

Alkem Laboratories Limited

**B Fellow Subsidiaries**

Alkem Laboratories (NIG) Limited	Nigeria
Alkem Laboratories (PTY) Limited	South Africa
Alkem Pharma GmbH	Germany
Alkem Laboratories Corporation	Philippines
S & B Holdings B.V	Netherlands
Pharmacor Pty Limited	Australia
ThePharmaNetwork, LLC ( Wholly owned Subsidiary of S&B Holdings B.V)	United States of America
Ascend Laboratories SDN BHD	Malaysia
Ascend Laboratories SpA	Chile
Enzene Biosciences Ltd	India
Alkem Laboratories Korea Inc	Korea
S & B Pharma Inc.	United States of America
The PharmaNetwork, LLP	Kazakhstan
Ascend Laboratories, LLC ( Wholly owned by ThePharmanetwork, LLC)	United States of America
Ascend Laboratories (UK) Ltd.	United Kingdom
Cachet Pharmaceuticals Pvt. Ltd (w e.f 27 March 2015)	India
Indchemie Health Specialities Pvt. Ltd.(w e.f 30 March 2015)	India

**C Key Managerial Personnel ("KMP")**

Mr P. V. Damodaran	Director
Mr Ashish Sinha	Director



**PHARMACOR LIMITED**

**NOTE 2: NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

**2.7 First- time adoption of Ind AS**

**I. First-time adoption of Ind AS**

The financial statements for the year ended 31st March, 2017 have been prepared in accordance with Ind AS as issued and effective as at 31st March, 2016. The Company's opening Ind AS balance sheet was prepared as at 1st April 2015, the Company's date of transition to Ind AS. In preparing the opening balance sheet, the Company has applied the mandatory exceptions and certain optional exemptions from full retrospective application of Ind AS in accordance with the guidance in Ind AS 101 'First Time Adoption of Indian Accounting Standards'.

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements to Ind AS, in the opening balance sheet as at 1st April, 2015 and in the financial statements as at and for the year ended 31st March, 2016.

**II. Exemptions from retrospective application**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**a) Cumulative translation difference for foreign operations**

The Company has elected to use exemption from recognising and accumulating cumulative translation differences of its foreign operations in a separate component of equity on the date of transition. Hence, the cumulative translation differences for all the foreign operations are deemed to be zero at the date of the transition to Ind AS.

The remaining voluntary exemptions as per Ind AS 101 - First time adoption either do not apply or are not relevant to the Company

**III. Exceptions from full retrospective application:**

The mandatory exceptions either do not apply or are not relevant to the Company.



PHARMACOR LIMITED

NOTE 2: NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

2.7 (IV) Reconciliations under Ind AS 101

(i) Reconciliation of Equity as at 1st April, 2015

Particulars	Note Ref.	KES			Rs.		
		As at 1st April, 2015			As at 1st April, 2015		
		Previous GAAP	Adjustments	IND AS	Previous GAAP	Adjustments	IND AS
<b>ASSETS</b>							
<b>Current Assets</b>							
(a) Financial Assets							
Cash and Cash Equivalents		83,730	-	83,730	55,609	-	55,609
<b>TOTAL ASSETS</b>		<b>83,730</b>	<b>-</b>	<b>83,730</b>	<b>55,609</b>	<b>-</b>	<b>55,609</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity Share Capital		1,00,000	-	1,00,000	65,892	-	65,892
(b) Other Equity		(16,270)	-	(16,270)	(10,283)	-	(10,283)
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>83,730</b>	<b>-</b>	<b>83,730</b>	<b>55,609</b>	<b>-</b>	<b>55,609</b>



PHARMACOR LIMITED

NOTE 2: NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

2.7 (IV) Reconciliations under Ind AS 101

(ii) Reconciliation of Equity as at 31st March, 2016

Particulars	Note Ref.	KES			Rs.		
		As at 31st March, 2016			As at 31st March, 2016		
		Previous GAAP	Adjustments	IND AS	Previous GAAP	Adjustments	IND AS
<b>ASSETS</b>							
<b>Current Assets</b>							
(a) Financial Assets							
Cash and Cash Equivalents		78,451	-	78,451	50,305	-	50,305
<b>TOTAL ASSETS</b>		<b>78,451</b>	<b>-</b>	<b>78,451</b>	<b>50,305</b>	<b>-</b>	<b>50,305</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity Share Capital		1,00,000	-	1,00,000	65,892	-	65,892
(b) Other Equity		(21,550)	-	(21,550)	(15,587)	-	(15,587)
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>78,451</b>	<b>-</b>	<b>78,451</b>	<b>50,305</b>	<b>-</b>	<b>50,305</b>



## 2.7 (IV) Reconciliations under Ind AS 101

(iii) Reconciliation of profit or loss for the year ended 31st March, 2016

KES

Rs.

Particulars	Note Ref.	For the Year ended 31st March, 2016			For the Year ended 31st March, 2016		
		Previous GAAP	Adjustments	IND AS	Previous GAAP	Adjustments	IND AS
I Revenue from Operations		-	-	-	-	-	-
II Other Income		-	-	-	-	-	-
III <b>Total Income (I+II)</b>		-	-	-	-	-	-
IV <b>EXPENSES</b>							
Finance Cost		5,280	-	5,280	3,368	-	3,368
Other expenses		-	-	-	1,936	(1,936)	-
<b>Total Expenses (IV)</b>		<b>5,280</b>	<b>-</b>	<b>5,280</b>	<b>5,304</b>	<b>(1,936)</b>	<b>3,368</b>
V <b>(Loss)/Profit before tax (III-IV)</b>		<b>(5,280)</b>	<b>-</b>	<b>(5,280)</b>	<b>(5,304)</b>	<b>1,936</b>	<b>(3,368)</b>
VI <b>Tax expenses</b>							
Current tax		-	-	-	-	-	-
Deferred tax		-	-	-	-	-	-
VII <b>Profit/(Loss) for the year (V-VI)</b>		<b>(5,280)</b>	<b>-</b>	<b>(5,280)</b>	<b>(5,304)</b>	<b>1,936</b>	<b>(3,368)</b>
VIII <b>Other Comprehensive Income</b>							
(i) Items that will be reclassified to profit or loss		-	-	-	-	(1,936)	(1,936)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-	-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,936)</b>	<b>(1,936)</b>
IX <b>Total Comprehensive Income for the period (Comprising profit/ (Loss) and Other Comprehensive Income for the period)</b>		<b>(5,280)</b>	<b>-</b>	<b>(5,280)</b>	<b>(5,304)</b>	<b>-</b>	<b>(5,304)</b>

As per our attached report of even date  
for R.S.SANGHAI & ASSOCIATES  
Chartered Accountants

R.S.SANGHAI  
Partner  
Place : Mumbai  
Dated : 22nd May, 2017



For and on behalf of the Board

P. V. Damodaran  
Director

Ashish Sinha  
Director