

Balance Sheet as at March 31, 2017

(All amounts in US Dollars)

	Note	March 31, 2017	March 31, 2016
ASSETS			
Non-current assets			
Loans and advances	3	14,083	-
Total non-current assets		14,083	-
Current assets			
Inventories	5	223,461	-
Financial assets			
(i) Cash and cash equivalent	6	100,469	400,000
Other current assets	4	243,557	-
Total current assets		567,487	400,000
TOTAL		581,570	400,000
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	1,400,000	400,000
Other equity	8	(1,517,014)	(48,161)
Total equity		(117,014)	351,839
Current liabilities			
Financial Liabilities			
(i) Trade payables	9	698,584	48,161
Total current liabilities		698,584	48,161
TOTAL		581,570	400,000

The accompanying notes are an integral part of the financial statements.

for and on behalf of the Board of Directors of Biocon Pharma Inc.

Kiran Mazumdar-Shaw
Director

Kumar Mazumdar
Director

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

(All amounts in US Dollars)

	Note	Year ended March 31, 2017	Year ended March, 31, 2016
EXPENSES			
Purchases of traded goods		223,461	-
Changes in inventories of finished goods, traded goods and work-in-progress	10	(223,461)	-
Employee benefits expense	11	1,129,080	-
Other expenses	12	339,773	48,161
Total expenses (II)		1,468,853	48,161
Total comprehensive income/(expenses) for the year			
Earnings per share			
Basic and diluted (in USD)			
Weighted average no. of shares used in calculating earnings per share		(10.49)	(1.20)
Basic and Diluted		140,000	40,000

The accompanying notes are an integral part of the financial statements.

for and on behalf of the Board of Directors of Biocon Pharma Inc.

Kiran Mazumdar-Shaw
Director

Kumar Mazumdar
Director

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Notes to the financial statements

for the year ended March 31, 2017

(All amounts are in US Dollars, except share data unless otherwise stated)

1. Company Overview

1.1 Reporting entity

Biocon Pharma Inc ("the Company"), wholly owned subsidiary of Biocon Pharma Limited, was incorporated on July 27, 2015 with registered office in the state of Delaware, the United States of America. The company was incorporated with the main objective of development and marketing of pharmaceutical formulations for sale in the US.

1.2 Basis of preparation of financial statements

a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's standalone financial statements up to and for the year ended March 31, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP").

These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2017. These standalone financial statements were authorised for issuance by the Company's Board of Directors on April 27, 2017.

Details of the Company's accounting policies are included in Note 2.

b) Functional and presentation currency

These standalone financial statements are presented in United States Dollar (USD), which is also the functional currency of the Company.

c) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 1.2(b) — Assessment of functional currency

2 Significant accounting policies

a. Financial instruments

i. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

b. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

c. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive 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 determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

d. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

e. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

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	March 31, 2017	March 31, 2016
3. Loans and advances (unsecured, considered good) - Non-current		
Deposits	14,083	
	14,083	-
4. Other assets - (current)		
Prepayments	243,557	
	243,557	-
5. Inventories		
Traded goods	223,461	
	223,461	-
6. Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
On current accounts	100,469	400,000
	100,469	400,000
	100,469	400,000
7. Share capital		
Authorised		
500,000 (March 31, 2016 - 40,000) equity shares of \$ 10 each	5,000,000	400,000
Issued, subscribed and fully paid-up		
140,000 (March 31, 2016 - 40,000) equity shares of \$ 10 each	1,400,000	400,000
8. Other equity		
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	(48,161)	-
Profit/(loss) for the year	(1,468,853)	(48,161)
Net surplus/(deficit) in the statement of profit and loss	(1,517,014)	(48,161)
Total other equity	(1,517,014)	(48,161)
9. Trade payables		
Trade payables	698,584	48,161
	698,584	48,161

	March 31, 2017	March 31, 2016
10. Changes in inventories of finished goods, traded goods and work-in-progress		
Inventory at the beginning of the year		
Traded goods	-	-
Inventory at the end of the year		
Traded goods	223,461	-
	(223,461)	-
11. Employee benefits expense		
Salaries, wages and bonus	1,056,628	-
Staff welfare expenses	72,452	-
	1,129,080	-
12. Other expenses		
Rent	68,111	-
Communication expenses	11,568	-
Travelling and conveyance	100,907	-
Professional charges	88,945	48,161
Insurance	12,092	-
Rates, taxes and fees, net of refunds of taxes	6,670	-
Sales promotion expenses	9,238	-
Foreign exchange fluctuation, net	0	-
Printing and stationery	3,624	-
Miscellaneous expenses	38,617	-
	339,773	48,161