



LUPIN JAPAN & ASIA PACIFIC K.K.

**FOR THE PERIOD FROM MARCH 13, 2017
TO MARCH 31, 2017**

1-23-3 Toranomon, Minato-ku, Tokyo 105-6305

**Independent Auditor's Report
To the Board of Directors of Lupin Japan & Asia Pacific K. K.**

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **LUPIN JAPAN & ASIA PACIFIC K. K., Japan** ('the Company') which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, which are prepared and presented only to facilitate the preparation of the consolidated financial statements of the Ultimate Holding Company – Lupin Limited, in terms of Section 129(3) of the Indian Companies Act, 2013 ('the Act') and in accordance with the requirements of Schedule III to the Act.

These financial statements / financial information are "special purpose financial statements / financial information" and do not constitute a set of statutory financial statements in accordance with the local laws in which the Company is incorporated and cannot be used for any purpose other than the aforesaid.

Management's Responsibility for the Financial Statements

The Ultimate Holding Company and Company's Board of Directors are responsible for the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (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. This responsibility also includes maintenance of adequate accounting records for safeguarding of 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 Ind AS financial statements based on our audit.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India and in particular SA 800 'Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks'. 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 the 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. 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 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 a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, and its profit / loss (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

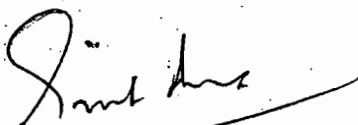
We report that:

- (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 for preparation of these financial statements have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) 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 for which there were any material foreseeable losses. There were no derivative contracts.
 - (iii) The provisions relating to the Investor Education and Protection Fund are not applicable to the Company.

Other Matter

This report is issued solely for the purpose of consolidation of financial statements of the Company's ultimate holding Company Lupin Limited, India and to comply with the provisions of Section 129 (3) of the Companies Act, 2013 and should not be used for any other purposes.

For Arora & Arora
Chartered Accountants
Firm's Registration No: 100544W



Girish Arora
Partner
Membership No.: 41019
Mumbai, 21 APR 2017



LUPIN JAPAN & ASIA PACIFIC K.K.
BALANCE SHEET AS AT MARCH 31, 2017

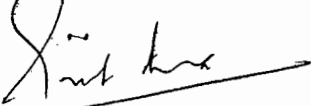
	Note	As at 31.03.2017 JPY	As at 31.03.2017 INR
ASSETS			
Current Assets			
a. Financial Assets			
(i) Other Bank Balances	2	5,000,000	2,900,000
b. Other Current Assets	3	86,071	49,921
		5,086,071	2,949,921
TOTAL		5,086,071	2,949,921
EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	4	5,000,000	2,962,516
b. Other Equity	5	(1,075,893)	(686,534)
		3,924,107	2,275,982
Current Liabilities			
a. Financial Liabilities			
(i) Trade Payable	6	1,161,964	673,939
TOTAL		5,086,071	2,949,921

See accompanying notes forming part of the financial statements .



In terms of our report attached

For Arora & Arora
Chartered Accountants
Registration No. 100544W



Girish Arora
Partner
Membership No. 41019

For Lupin Japan & Asia Pacific K.K.



Fabrice Egros
Chairman



Ashutosh Agarkar
Director

Place : Mumbai
Dated :

21 APR 2017

Place : Tokyo
Dated : April 14, 2017

Place : Tokyo
Dated : April 14, 2017



LUPIN JAPAN & ASIA PACIFIC K.K.

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM MARCH 13, 2017 TO MARCH 31, 2017

	Note	For the Period from March 13, 2017 to March 31, 2017 JPY	For the Period from March 13, 2017 to March 31, 2017 INR
INCOME:			
Total Income		-	-
EXPENSES:			
Other Expenses	7	1,075,893	686,534
Total Expenses		1,075,893	686,534
Profit / (Loss) before Tax		(1,075,893)	(686,534)
Tax Expense / (Benefit):			
- Current Tax		-	-
Profit / (Loss) for the period		(1,075,893)	(686,534)
Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss:		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss:		-	-
B. (i) Items that will be reclassified to profit or loss:		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss:		-	-
Other Comprehensive Income for the period, net of tax		-	-
Total Comprehensive Income/ (Loss) for the period		(1,075,893)	(686,534)
Earnings per equity share	9		
Basic		(10,758.93)	(6,865.34)
Diluted		(10,758.93)	(6,865.34)
Face Value of Equity Share is JPY 50,000			

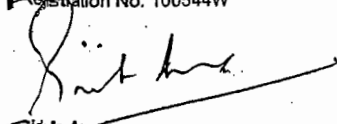
See accompanying notes forming part of the financial statements



In terms of our report attached

For Arora & Arora
Chartered Accountants
Registration No. 100544W

For Lupin Japan & Asia Pacific K.K.



Gish Arora
Partner
Membership No. 41019



Fabrice Egros
Chairman



Ashutosh Agarkar
Director

Place : Mumbai
Date : 121 APR 2017

Place : Tokyo
Dated : April 14, 2017

Place : Tokyo
Dated : April 14, 2017



LUPIN JAPAN & ASIA PACIFIC K.K.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM MARCH 13, 2017 TO MARCH 31, 2017

(a) Equity share capital

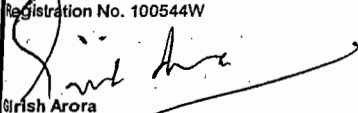
	As at 31.03.2017		
	No. of Shares	Amount	
		JPY	INR
Balance at the beginning of the Period			
Changes in equity share capital during the period	100	5,000,000	2,962,516
Balance at the end of the period	100	5,000,000	2,962,516

(b) Other equity

Particulars	Reserves & Surplus		Total	
	Retained earnings		JPY	INR
	JPY	INR		
Balance at March 13, 2017	-	-	-	-
Profit / (Loss) for the period	(1,075,893)	(686,534)	(1,075,893)	(686,534)
Other comprehensive income for the period				
Total comprehensive income for the period	(1,075,893)	(686,534)	(1,075,893)	(686,534)
Balance at March 31, 2017	(1,075,893)	(686,534)	(1,075,893)	(686,534)



For Arora & Arora
Chartered Accountants
Registration No. 100544W


Girish Arora
Partner
Membership No. 41019

Place : Mumbai
Dated :

21 APR 2017

For Lupin Japan & Asia Pacific K.K.


Fabrice Egros
Chairman

Place : Tokyo
Dated : April 14, 2017


Ashutosh Agarkar
Director

Place : Tokyo
Dated : April 14, 2017



LUPIN JAPAN & ASIA PACIFIC K.K.

CASH FLOW STATEMENT FOR THE PERIOD FROM MARCH 13, 2017 TO MARCH 31, 2017

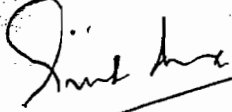
	For the Period from March 13, 2017 to March 31, 2017 JPY	For the Period from March 13, 2017 to March 31, 2017 INR
A. Cash Flow from Operating activities		
Profit before Tax	(1,075,893)	(686,534)
Adjustments :	-	-
Operating Loss before Working Capital Changes	(1,075,893)	(686,534)
Changes in working capital:		
Adjustments for :		
Trade Payables	1,161,964	673,939
Short-Term Loans and Advances	(86,071)	(49,921)
Cash used in / generated from Operations	1,075,893	624,018
Direct Taxes paid	-	-
Net Cash Used in Operating Activities	-	(62,516)
B. Cash Flow from Investing Activities		
Other Bank Balances	(5,000,000)	(2,900,000)
Net Cash Flow from Investing Activities	(5,000,000)	(2,900,000)
C. Cash Flow from Financing Activities		
Proceeds from issue of shares	5,000,000	2,962,516
Net Cash Flow from Financing Activities	5,000,000	2,962,516
Net increase in Cash and Cash equivalents	-	-
Cash and Cash equivalents at the end of the period	-	-

Note :

1) The cash flow statement has been prepared under the "indirect method" as set out in the Indian Accounting Standard 7 (Ind AS-7) "Statement of Cash Flows".



For Arora & Arora
Chartered Accountants
Registration No. 100544W




Girish Arora
Partner
Membership No. 41019



For Lupin Japan & Asia Pacific K.K.



Fabrice Egros
Chairman



Ashutosh Agarkar
Director

Place : Mumbai
Dated : 21 APR 2017

Place : Tokyo
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LUPIN JAPAN & ASIA PACIFIC K.K.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 A. OVERVIEW:

The Company was incorporated on March 13, 2017, in Japan to assist its affiliates in Asia-Pacific region, including Japan, with establishing strategies for management or productivity improvement and to provide them with information and consulting services related to business management. The Company is a wholly owned subsidiary of Lupin Atlantis Holdings SA, Switzerland.

1 B. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and accounting principles generally accepted in India. The financial statements have been prepared on accrual basis under the historical cost convention.

b) Use of Estimates

The preparation of the Standalone Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Standalone Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialize.

c) Foreign Currency Transactions / Translations :

- i) Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected.
- ii) Exchange difference arising on settlements during the year of short term monetary items denominated in foreign currency; and exchange difference arising on the reporting of short term monetary items denominated in foreign currency which are outstanding at the year-end using the exchange rates prevailing at the balance sheet date, are recognized in the Statement of Profit and Loss.

d) Foreign Currency Translation:

The local accounts are maintained in local currency, which is the Japanese Yen (JPY). The financial statements have been translated to Indian Rupees considering the functional currency of the Company as Indian Rupees on the following basis:

- i) All income and expenses are translated at the average rate of exchange prevailing during the period.
- ii) All monetary assets and liabilities are translated at the closing exchange rate as at the Balance sheet date.
- iii) Non-monetary assets and liabilities and Share capital are translated at the historical rates.
- iv) The resulting exchange difference is accounted as Exchange rate difference on Translation and recognised in the Statement of Profit and Loss.



e) Taxes on Income:

Income Tax is measured at the amount expected to be paid as per applicable tax rates in Japan.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

f) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the Notes to Financial Statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

g) Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.



	As at 31.03.2017 JPY	As at 31.03.2017 INR
2. Other Bank Balances		
Earmarked Balances with Banks - Deposits - Capital Contribution	5,000,000	2,900,000
Total	<u>5,000,000</u>	<u>2,900,000</u>
3. OTHER CURRENT ASSETS		
Balances with Government Authorities (VAT)	86,071	49,921
Total	<u>86,071</u>	<u>49,921</u>



EQUITY SHARE CAPITAL

a) Share Capital

Particulars	As at 31.03.2017		
	No. of Shares	JPY	INR
Authorised Equity Shares of JPY 50,000 each	300	15,000,000	8,887,500
Issued, Subscribed and Paid up Equity Shares of JPY 50,000 each fully paid (All shares are held by Lupin Atlantis Holdings SA, Switzerland, the holding company)	100	5,000,000	2,962,516
Total	100	5,000,000	2,962,516

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2017		
	No. of Shares	JPY	INR
Equity Shares outstanding at the beginning of the year	-	-	-
Equity Shares issued during the year	100	5,000,000	2,962,516
Equity Shares outstanding at the end of the year	100	5,000,000	2,962,516

c) Rights attached to Equity Shares

The Company has only one class of equity shares with voting rights having a par value of JPY 50,000 per share. The Company declares and pays dividends in JPY, if declared.

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shares held by each shareholder holding more than 5% equity shares

Name of Shareholder	As at 31.03.2017	
	No. of Shares	% of Holding
Lupin Atlantis Holdings SA, Switzerland	100	100

g) The Company is incorporated in current year. Hence no disclosures arises for shares issued without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the Balance sheet date.

5. OTHER EQUITY

Surplus in the Statement of Profit and Loss

Opening Balance as per last Balance Sheet
Add : Profit / (Loss) for the period
Balance as at the period end

	As at 31.03.2017 JPY	As at 31.03.2017 INR
	(1,075,893)	(686,534)
	(1,075,893)	(686,534)
Total	(1,075,893)	(686,534)

6. TRADE PAYABLES

Trade Payable

	1,161,964	673,939
Total	1,161,964	673,939



	For the Period from March 13, 2017 to March 31, 2017 JPY	For the Period from March 13, 2017 to March 31, 2017 INR
Other Expenses		
Legal and Professional Charges	1,075,893	624,018
Exchange Difference on Translation(net)	-	62,516
Total	<u>1,075,893</u>	<u>686,534</u>



- 8) Considering the definition of operating segment contained in Indian Accounting Standard 108 (Ind AS 108) "Operating Segments", the management is of the opinion that there is only one reportable business segment i.e. 'Rendering Management services to Lupin Group companies' the results of which are disclosed in the financial statements.

9) Earnings per Share:-

Particulars	From 13.03.2017 to 31.03.2017	
	JPY	INR
Net Profit / (Loss) after tax attributable to Shareholders	(1,075,893)	(686,534)
Weighted average number of Ordinary shares – Basic and Diluted	100	100
Basic and Diluted Earnings per Share	(10,758.93)	(6,865.34)

10) Related Party Disclosures:-

- a) Names of Related Parties and description of relationship:-

Category I: Companies whose control exist:

- Lupin Atlantis Holdings SA, Switzerland (Holding Company)
- Lupin Limited (Ultimate Holding Company)

Category II: Key Management Personnel:

- Fabrice Egros
- Damien Villeneuve
- Ashutosh Agarkar

- b) Related Party Transactions:

Sr. No.	Description and Nature of Transaction	Description of Relationship	From 13.03.2017 to 31.03.2017	
			JPY	INR
1.	Capital Contribution - Lupin Atlantis Holdings SA, Switzerland	Holding Company	5,000,000	2,962,516

- c) Balance due from / to related parties: None

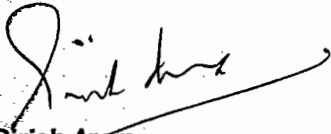
Related Party relationship is as identified by the Company and relied upon by the Auditors.

- 11) These financial statements are the first financial statements of the Company from its date of incorporation i.e. from March 13, 2017 to March 31, 2017. Accordingly, no comparative information for the previous year is applicable.
- 12) These financial statements are prepared for sole purpose of consolidation with the financial statements of the ultimate holding company, Lupin Limited and to comply with the provision of Section 129(3) of the Companies Act, 2013 and should not be used for any other purposes. As such, these financial statements do not constitute as the statutory financial statements of the Company. Accordingly, these financial statements are not the general purpose financial statements of the Company.
- 13) Closing exchange rate as on March 31, 2017 considered for the purpose of translation as referred in 1B.(d)(ii) above is INR 0.58 per 1 JPY.



Signature to note 1 to 13

For Arora & Arora
Chartered Accountants
Registration No. 100544W



Girish Arora
Partner
Membership No. 41019
Place : Mumbai
Dated : 21 APR 2017

For Lupin Japan & Asia Pacific K.K.



Fabrice Egros
Chairman
Place : Tokyo
Dated : April 14, 2017



Ashutosh Agarkar
Director
Place : Tokyo
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