Lupin Middle East FZ-LLC
Dubai, UAE

Financial statements
Year ended 31 March 2018

Lupin Middle East FZ-LLC

Financial statements
Year ended 31 March 2018

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**Independent Auditor's Report
to the Shareholder of Lupin Middle East FZ-LLC
on the Audit of the Financial Statements
for the Year Ended 31 March 2018**

Opinion

We have audited the accompanying financial statements of **Lupin Middle East FZ-LLC** (the **Company**), **Dubai, UAE,** which comprise the statement of financial position as at **31 March 2018**, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 4 to 15.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Company as of 31 March 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities* for the *Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA code) and have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 (c) to the financial statements, which explains the reasons for prepartion of the financial statements on a going concern basis.

Our opinion is not modified in respect of this matter.

Key Audit Matters

We have determined that there are no key audit matters other than those emphasised above.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, requirements of The DCC Private Companies Regulations 2016 issued under Law No. (15) of 2014 Concerning the Creative Clusters in the Emirate of Dubai, read with the UAE Federal Law No. (2) of 2015 Concerning Commercial Companies and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company, or to cease operations, or has no realistic alternative but to do so.

Management and those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonable be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

As required by the requirements of The DCC Private Companies Regulations 2016 issued under Law No. (15) of 2014 Concerning the Creative Clusters in the Emirate of Dubai, read with the UAE Federal Law No. (2) of 2015 Concerning Commercial Companies, we further report that:

i) we have obtained all the information and explanations as we considered necessary for the purpose of our audit;
ii) the financial statements have been prepared and comply, in all material respects, with the provisions of the DCC Private Companies Regulations 2016 issued under Law No. (15) of 2014 Concerning the Creative Clusters in the Emirate of Dubai, read with the UAE Federal Law No. (2) of 2015 Concerning Commercial Companies;
iii) proper books of account have been kept by the Company;
iv) the financial information contained in the Directors' report, in so far as it relates to these financial statements is consistent with the books of account of the Company;
v) Note 19 to the financial statements discloses material related party transactions and the terms under which they were transacted; and
vi) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year under audit any of the applicable provisions of The DCC Private Companies Regulations 2016 issued under Law No. (15) of 2014 Concerning the Creative Clusters in the Emirate of Dubai, read with the UAE Federal Law No. (2) of 2015 Concerning Commercial Companies, which would have had a material effect on the business of the Company or on its financial position as at 31 March 2018.

We further report that the Company has complied with the requirements of the Federal Decree Law No. (8) of 2017 on Value Added Tax and the related Cabinet Decisions No. (52) of 2017 on the Executive Regulation of the Law and No. (36) of 2017 on Tax Procedures, as applicable for the period from 1 January 2018 to 31 March 2018.

Behl. Lad & Al Sayegh.

Behl, Lad & Al Sayegh
Vasant Lad
Partner
Registration No. 299

Dubai, United Arab Emirates
29 April 2018

باهل، لاد و الصايغ
محاسبون قانونيون
P.O. Box:25709
Dubai - U.A.E.
CHARTERED ACCOUNTANTS
BEHL, LAD & AL SAYEGH

Lupin Middle East FZ-LLC

Statement of profit or loss and other comprehensive income
Year ended 31 March 2018

	Notes	31 March 2018 USD	31 March 2017 USD
Sales		**3,336,863**	1,736,762
Cost of sales	6	**(2,098,873)**	(1,137,221)
Gross profit		**1,237,990**	599,541
Selling expenses	7	**(719,037)**	(382,207)
Administrative expenses	8	**(704,393)**	(463,896)
Foreign exchange losses (net)		-	(2,504)
Finance costs	9	**(2,522)**	(1,886)
Loss for the year		**(187,962)**	(250,952)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		**(187,962)**	(250,952)

The accompanying notes on pages 8 to 15 form an integral part of these financial statements.
The Independent Auditor's report is set forth on pages 2 & 3.

Approved by the Directors of the Company and authorised for issue on 29 April 2018.

For **Lupin Middle East FZ-LLC**

Sunil Makharia
Director

Yogesh Thombare
Director

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Lupin Middle East FZ-LLC

Statement of financial position
As at 31 March 2018

	Notes	31 March 2018 USD	31 March 2017 USD
Non-current assets			
Property and equipment	10	**14,256**	15,879
Intangible assets	11	**216,079**	-
Deposits with Dubai Creative Clusters Authority	12	**2,721**	2,041
		233,056	17,920
Current assets			
Trade and other receivables	13	**2,085,675**	406,219
Prepayments		**11,402**	6,507
Cash and cash equivalents	14	**265,648**	623,474
		2,362,725	1,036,200
Total assets		**2,595,781**	1,054,120
Shareholder's equity			
Share capital	15	**544,218**	544,218
Accumulated losses		**(929,436)**	(741,474)
Deficit		**(385,218)**	(197,256)
Non-current liabilities			
Borrowings	16	**100,000**	60,000
Provision for staff end-of-service gratuity	17	**31,106**	20,977
		131,106	80,977
Current liabilities			
Trade and other payables	18	**2,849,893**	1,170,399
Total liabilities		**2,980,999**	1,251,376
Total liabilities less deficit on Shareholder's equity		**2,595,781**	1,054,120

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Approved by the Directors of the Company and authorised for issue on 29 April 2018.

For **Lupin Middle East FZ-LLC**

Sunil Makharia
Director

Yogesh Thombare
Director

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Lupin Middle East FZ-LLC

Statement of changes in equity
Year ended 31 March 2018

	Share capital	Accumulated losses	Total
	USD	USD	USD
As at 31 March 2016	544,218	(490,522)	53,696
Loss for the year	-	(250,952)	(250,952)
As at 31 March 2017	544,218	(741,474)	(197,256)
Loss for the year	-	(187,962)	(187,962)
As at 31 March 2018	**544,218**	**(929,436)**	(385,218)

The accompanying notes on pages 8 to 15 form an integral part of these financial statements.
The Independent Auditor's report is set forth on pages 2 & 3.

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Lupin Middle East FZ-LLC

Statement of cash flows
Year ended 31 March 2018

	Notes	31 March 2018 USD	31 March 2017 USD
Cash flows from operating activities			
Loss for the year		**(187,962)**	(250,952)
Adjustments for:			
Depreciation of property and equipment	8	**2,848**	2,666
Interest expense	9	**2,522**	1,886
Operating loss before changes in operating assets and liabilities		**(182,592)**	(246,400)
Increase in trade and other receivables	13	**(1,673,923)**	(119,294)
(Increase)/decrease in prepayments		**(4,895)**	504
Increase in trade and other payables	18	**1,679,802**	511,322
Increase in staff end-of-service gratuity provision	17	**10,129**	20,977
Cash (used in)/generated from operations		**(171,479)**	167,109
Interest paid	9 & 18	**(2,830)**	(1,067)
Net cash (used in)/from operating activities (A)		**(174,309)**	166,042
Cash flows from investing activities			
Purchase of property and equipment	10 & 13	**(6,758)**	(129)
Payments for intangible assets	11	**(216,079)**	-
Increase in deposits	12	**(680)**	-
Net cash used in investing activities (B)		**(223,517)**	(129)
Cash flows from financing activities			
Proceeds from long-term loan	16	**40,000**	-
Net cash from financing activities (C)		**40,000**	-
Net (decrease)/increase in cash and cash equivalents (A+B+C)		**(357,826)**	165,913
Cash and cash equivalents at beginning of the year		**623,474**	457,561
Cash and cash equivalents at end of the year	14	**265,648**	623,474

The accompanying notes on pages 8 to 15 form an integral part of these financial statements.
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Notes to the financial statements
Year ended 31 March 2018

1 **Legal status and business activities**

a) **Lupin Middle East FZ-LLC** (the **Company**) is registered on 13 June 2012, as a free zone company with limited liability under Commercial Licence No. 91072 issued under The DCC Private Companies Regulations 2016 issued under Law No. (15) of 2014 Concerning the Creative Clusters in the Emirate of Dubai read with the UAE Federal Law No. (2) of 2015 Concerning Commercial Companies, Dubai, United Arab Emirates. The address of the registered office of the Company is Executive office No. 109, Floor No. 1, Building 3, Dubai International Academic City, Dubai, UAE.

b) The licensed activity of the Company are imports and re-exports, marketing and sales promotion and support services. Presently, the Company trades in pharmaceuticals products.

c) The Company is a wholly-owned subsidiary of M/s. Lupin Atlantis Holdings S.A. (the Parent company), a limited liability Company registered in the Switzerland. The address of the registered office of the Parent company is at Landis + Gyr-Strasse 1, 6300 Zug, Switzerland.

d) The Ultimate Holding company is Lupin Limited, India, with its registered office at Kalpataru Inspire, 3rd Floor, Off Western Express Highway, Santacruz (East), Mumbai 400055, India.

2 **Basis of preparation**

a) **Statement of compliance**

These financial statements are prepared under the historical cost convention, and in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and the requirements of The DCC Private Companies Regulations 2016 issued under Law No. (15) of 2014 Concerning the Creative Clusters in the Emirate of Dubai, read with the UAE Federal Law No. (2) of 2015 Concerning Commercial Companies.

The following standards and amendments are effective for the first time from the current year, however they do not apply to the Company or do not have any material impact on the Company's financial statements as they merely clarify the existing requirements and do not affect the Company's accounting policies or any other disclosures.

- Recognition of Deferred Tax Assets for Unrealized Losses - Amendments to IAS 12.
- Disclosure Initiative - Amendments to IAS 7.
- Annual Improvements 2014-2016 cycle: Amendments to IFRS 12 - The amendments clarify that the disclosure requirements of IFRS 12 apply to interests in entities that are classified as held for sale, except for the summarized financial information.

b) **Functional and presentation currency**

Though the functional currency of the Company is US Dollar (USD), these financial statements are presented in US Dollar (USD). The amounts in UAE Dirham (AED) have been translated into USD at the fixed parity are of 1 USD = 3.675 AED.

The figures have been rounded off to the nearest US Dollar.

c) **Going concern basis of accounting**

At the end of the reporting period, the Company had accumulated losses of USD 929,436 which have eroded the entire share capital of the Company. In addition, its current liabilities exceeded current assets by USD 487,168. Article 301 of the UAE Federal Law No. (2) of 2015 stipulates that the Directors shall propose before the General Assembly of the Company to dissolve the Company. However, the Ultimate Holding company has agreed to continue with the business operations of the Company as it has plans to launch many new products in the UAE including products from India which will enhance profitability of the Company and it has also agreed to provide its continuing financial support to the Company to enable the later to meet its payment obligations as and when they fall due for payment. Accordingly, these financial statements have been prepared on a going concern basis.

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2 **Basis of preparation (Continued)**

d) **Accrual basis of accounting**

The Company prepares the financial statements, except for cash flows information, using the accrual basis of accounting i.e. all items of assets, liabilities, equity, income and expenses are recognised as they arise.

e) **Use of significant estimates, assumptions and judgements**

In preparing the financial statements, based on the historical experience and reasonable expectations of future events, the management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingencies and commitments. The areas needing high degree of judgements, estimates and assumptions are property and equipment, provision for doubtful trade receivables and .These relate to lives of items of property and equipment, provision for doubtful trade receivables and staff end-of-service gratuity.

Impairment of assets

Financial assets are assessed at each reporting date to determine whether there is any evidence of impairment which is judged by default or delinquency by a debtor, the age of the debts, management experience and assessed creditworthiness of the debtor.

In the case of non-financial assets a review is made to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognised in the statement of profit or loss, if the carrying amount of the asset exceeds its recoverable amount.

f) **New and amended standards**

The Company intends to adopt the following new standards, if applicable when they become effective.

- IFRS 15 - Revenue from contracts with customers and associated amendments to various other standards. This establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 - Revenue, IAS 11 - Construction Contracts and IFRIC 13 - Customer Loyalty Programmes - Effective 1 January 2018.
- IFRS 16 - Leases - Effective date 1 January 2019.
- Disclosure Initiative - Amendments to IAS 1.
- Sale or contribution of assets between an investor and its associate or joint venture - Amendments to IFRS 10 and IAS 28.
- IFRS 9 Financial Instruments and associated amendments to various other standards - This standard published in July 2014. replaces the existing guidance in IAS 39 - Financial Instruments, Recognition and Measurements. This includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39 - Effective 1 January 2018.
- Classification and Measurement of Share-based Payment Transactions - Amendments to IRFS 2 - Effective 1 January 2018.
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4 - Effective 1 January 2018 or when the entity first applies IFRS 9.
- Annual Improvements 2014 - 2016 Cycle - Effective 1 January 2018.
- Transfer of Investment Property - Amendments to IAS 40 - Effective 1 January 2018.
- Interpretation 22 Foreign Currency Transactions and Advance Consideration - Effective 1 January 2018.
- IFRS 17 Insurance Contracts - Effective 1 January 2021.

3 **Summary of significant accounting policies**

The significant accounting policies adopted and which have been consistently applied are as follows:

a) **Sale of goods**

Revenue comprises the invoiced value of goods delivered as significant risks and rewards relating to the ownership of goods concerned are transferred to the customer, net of discounts and returns, recovery of the consideration is probable regardless of when the amount is settled, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of the revenue and the costs incurred and to be incurred can be measured reliably.

b) **Cost of sales**

Cost of sales includes costs of goods purchased, customs duty and freight and handling charges, which are directly identifiable with the costs of products sold.

c) **Borrowing costs**

Interest expense incurred on funds obtained from a fellow subsidiary is accrued and expensed out on period basis.

d) **Leases**

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to the statement of profit or loss on a straight line basis over the period of the lease.

e) **Foreign currency transactions and balances**

Transactions in foreign currencies are translated into US Dollar at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into US Dollar at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured at historical cost in a foreign currency are not translated. These items that are measured at a fair value in a foreign currency are translated into functional currency at the exchange rate when the fair value was determined.

Gains or losses resulting from settlement of foreign currency transactions and from the translation at the year-end exchange rates of monetory assets and liabilities are recognised in the statement of profit or loss on net basis as either foreign exchange gains or foreign exchange losses and included in other income or other expenses respectively.

f) **Property and equipment**

Item of property and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Gains/losses on disposal are determined by reference to their carrying amount and are included in the statement of profit or loss.

An assessment of residual value is undertaken at each end of the reporting period and if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Depreciation

The cost less estimated residual value, where material, is depreciated using the straight-line method from the date of acquisition to the estimated useful lives of the assets as follows:

Furniture & fixtures	10	years
Office equipment	3 - 5	years
Computer software	5	years

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3 **Summary of significant accounting policies (Continued)**

f) **Property and equipment (Continued)**

Impairment

At each end of the reporting period, management assesses the property and equipment to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

g) **Cash and cash equivalents**

Cash and cash equivalents comprise cash and balance in bank current accounts and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit.

h) **Trade and other payables**

Liabilities are recognized for amounts to be paid in future for goods and services rendered, whether or not billed to the Company.

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

i) **Staff end-of-service gratuity**

Provision is made for end-of-service gratuity payable to the staff at the end of the reporting period in accordance with the local labour laws assuming that all employees were to leave as at the end of the reporting period (Note 17).

j) **Statement of cash flows**

Cash flows are reported using the indirect method, whereby profit/(loss) is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future of cash receipts and payments and for items of income and expenses which are reflected in investing or financial activities. The cash flows from operating, investing and financing activities are segregated based on the nature of items.

k) **Non-derivative financial assets and liabilities**

Receivables

Receivables are those financial assets that have fixed or determinable payments and for which there is no active market are initially recognised at fair value plus any directly attributable transactions costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. These comprise trade and other receivables and bank balances.

Trade receivables represent amounts due from customers for goods delivered in the ordinary course of business. If collection is expected in one year or less they are classified as current assets otherwise as non-current assets. These are carried at the invoiced amounts less an estimate of provision for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off when identified.

Non-derivative financial liabilities

The non-derivative financial liabilities comprise borrowing and trade and other payables.

Derecognition of financial assets and liabilities

The Company derecognizes a financial asset when the contractual rights to the cash flow from the assets cease and any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

3 **Summary of significant accounting policies (Continued)**

k) **Non-derivative financial assets and liabilities (Continued)**

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4 **Risk management**

The Company's activities are exposed to a variety of financial risks such as credit, market and liquidity risks as follows:

a) **Credit risk**

This is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's customers and the bank. The credit risk, where relevant is explained in the notes on the related account balance, namely trade receivables (Note 13) and bank balances (Notes 12 & 14).

b) **Market risk**

These are the risks arising from changes in market prices which would affect the Company's income or the value of its holdings of financial instruments. The management strives to manage market risk exposures within acceptable parameters, while optimizing the return.

- ***Currency risk***

The Company is not exposed to any currency risk as its transactions are made in UAE Dirham or in US Dollar to which the Dirham is fixed.

- ***Interest rate risk***

Loan from a fellow subsidary is subject to a fixed rate of interest and is therefore exposed to a fair value interest rate risk.

c) **Liquidity risk**

This is the risk where the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management monitors its cash flows to determine its cash requirements to meet its payment obligations on time. If necessary, funds are made available by Shareholder to ensure that payment obligations are met on time.

5 **Capital management**

The Company manages its capital with an objective to ensure that adequate funds are available on an on-going basis to operate as a going concern. If required, funds are obtained from the Shareholder as and when required to ensure the continuity of the business operations. The Company strives to maintain financial ratios at acceptable levels under the prevailing economic conditions and the risks encountered to achieve reasonable rate of returns to the Shareholder.

	31 March 2018	31 March 2017
	USD	USD
6 **Cost of sales**		
Purchases (including direct expenses) - (Note 19)	**2,098,873**	1,137,221

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		31 March 2018 USD	31 March 2017 USD
7	**Selling expenses**		
	Sales commission	**294,639**	132,106
	Business promotion expenses	**424,398**	250,101
		719,037	382,207
8	**Administrative expenses**		
	Staff salaries and benefits	**372,791**	316,774
	Staff end-of-service gratuity (Note 17)	**10,130**	20,977
	Rent	**34,395**	28,723
	Depreciation (Note 10)	**2,848**	2,666
	Service charges (Note 19)	**133,583**	-
	Legal & consultancy charges (Note 19)	**61,344**	-
	Other administrative expenses	**89,302**	94,756
		704,393	463,896
9	**Finance costs**		
	Interest on long-term loan from a fellow subsidiary (Notes 16 & 19)	**2,522**	1,886

10 **Property and equipment**

	Furniture & fixtures USD	Office equipment USD	Computer software USD	Total USD
Net book values				
As at 31 March 2018				
Cost	21,245	2,881	639	24,765
Accumulated depreciation	(8,836)	(1,395)	(278)	(10,509)
Net book value	**12,409**	**1,486**	**361**	**14,256**
As at 31 March 2017				
Cost	21,245	1,656	639	23,540
Accumulated depreciation	(6,766)	(749)	(146)	(7,661)
Net book value	14,479	907	493	15,879
Reconciliation of net book values				
As at 31 March 2016	16,490	1,301	625	18,416
Additions during the year	129	-	-	129
Depreciation for the year	(2,140)	(394)	(132)	(2,666)
As at 31 March 2017	14,479	907	493	15,879
Additions during the year	-	1,225	-	1,225
Depreciation for the year	(2,070)	(646)	(132)	(2,848)
As at 31 March 2018	**12,409**	**1,486**	**361**	**14,256**

11 **Intangible assets**

Advances have been paid for acquisition of intangible assets, namely Product Brands, the amortization will commence once the final payments are made and the related activities commence.

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12 **Deposits with Dubai Creative Clusters Authority**

These are kept as security for staff employment visas issued by the Dubai Creative Clusters Authority and are intended to be held for a period longer than one year from the end of the reporting period.

	31 March 2018 USD	31 March 2017 USD
13 Trade and other receivables		
Trade receivables	**2,043,159**	377,613
Advance for capital expenditure	**8,363**	2,830
Advances to staff	**30,961**	23,055
VAT receivable	**471**	-
Deposits	**2,721**	2,721
	2,085,675	406,219

a) As per the credit policy of the Company, customers are extended credit period of up to 3 months on the basis of assessment of their creditworthiness judged by their conduct in the past, management's trade experience, their reputation of financial standing, market information and the market in which they operate. The management regularly monitors the outstanding amounts and follows up for recovery with periodic calls and visits to the customers.

b) The entire trade receivables were outstanding for less than three months as at the end of the reporting period and they were due from from 3 customers situated in UAE (previous year: entire balances due from 2 customers situated in the UAE out of that 40% were from a customer situated in Yemen).

14 **Cash and cash equivalents**

Balances in current accounts with banks	**265,648**	623,474

The Company places its bank accounts with reputed banks.

15 **Share capital**

2,000 shares of AED 1,000 each (converted at 1 USD = AED 3.675)	**544,218**	544,218

16 **Borrowing**

Opening balance	**60,000**	60,000
Received during the year	**40,000**	-
Closing balance	**100,000**	60,000

This loan is from a fellow subsidiary without any fixed repayment schedule, however it is regarded as long-term since it is not repayable in the near future (Note 19). The loan carries an interest of 3.10% per annum For interest expense, refer Note 9.

17 **Provision for staff end-of-service gratuity**

Opening balance	**20,977**	-
Provision for the year (Note 8)	**10,129**	20,977
Closing balance	**31,106**	20,977

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		31 March 2018 USD	31 March 2017 USD
18	**Trade and other payables**		
	Trade payables (Note 19)	**2,348,225**	972,167
	Advance received from a customer	**2,683**	
	Service charges payable (Note 19)	**133,583**	-
	Interest payable (Note 19)	**776**	1,084
	Accruals	**364,626**	197,148
		2,849,893	1,170,399

19 **Related parties**

Related parties which fall within the definition of a related party as contained in International Accounting Standard 24 comprise Ultimate Holding company, the Parent company, fellow subsidiaries, Shareholders and Directors of the Company. Significant balances with related parties were as follows:

Ultimate Holding company		
Included in trade payables (Note 18)	**2,348,225**	972,167
Fellow subsidiary		
(Lupin Holdings B.V., Netherlands)		
Service charges payable (Note 18)	**133,583**	-
Disclosed as borrowing (Note 16):	**100,000**	60,000
Disclosed as interest payable (Note 18)	**776**	1,084

Significant transactions with related parties during the year, which the management considers to be in the normal course of business and at terms which correspond with the terms with third parties, were as follows:

Ultimate Holding company		
Purchases (Note 6)	**2,098,873**	1,137,221
Legal & consultancy charges (Note 8)	**61,344**	-
Fellow subsidiary		
Service charges (Note 8)	**133,583**	-
Interest expense (Note 9)	**2,522**	1,886

20 **Fair values of financial instruments**

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of the financial assets and financial liabilities which are required to be carried at cost or at amortised cost approximates to their carrying amounts, except for the long-term loan from a fellow subsidiary for which due to its inherent nature the fair value is below its carrying value.

21 **Approval of financial statements**

These financial statements were approved by the Directors of the Company and authorised for issue on 29 April 2018.

For **Lupin Middle East FZ-LLC**

Sunil Makharia
Director

Yogesh Thombare
Director

BEHL, LAD & AL SAYEGH DUBAI