



FIDUCONSULT ACTA

Société fiduciaire d'expertises et de révision – Conseils juridiques et fiscaux

Report of the statutory auditors
on the limited statutory examination
to the general meeting of the shareholders of

SVADS HOLDINGS SA, La Chaux-de-Fonds

Statement and notes for the year ended
March 31, 2016



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SVADS HOLDINGS SA, La Chaux-de-Fonds

As statutory auditors, we have examined the accompanying financial statements of SVADS Holdings SA, which comprise the balance sheet, income statement and notes for the year ended March 31, 2016.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

La Chaux-de-Fonds, Mai 9, 2016

FIDUCONSULT ACTA SA

Charles Bühlmann

Laszlo Kelemen

Auditor in charge
Licenced Audit Expert

Enclosures :

Financial statements (balance sheet, profit and loss statement, notes to the financial statements)

FIDUCONSULT ACTA SA Rue Fritz-Courvoisier 40 CH-2300 La Chaux-de-Fonds
Tél. +41 32 967 95 95 Fax +41 32 967 95 96 E-mail: lcf@fiduconsult.ch

SVADS Holding SA
La Chaux-de-Fonds

BALANCE SHEET AS OF MARCH 31,		2016	2015
	Notes	CHF	CHF
ASSETS			
CURRENT ASSETS			
Cash and cash equivalent and assets held for short-term disposal with a quote market price		415'816.07	35'313.29
Short-term loan to group companies	3.	13'250'372.97	12'693'451.97
Prepaid expenses and accrued incomes		1'576'767.76	1'216'145.97
TOTAL CURRENT ASSETS		15'242'956.80	13'944'911.23
NON-CURRENT ASSETS			
Participations	4.	12'225'768.06	12'225'768.06
Intangible assets		510'408.63	510'408.63
TOTAL NON-CURRENT ASSETS		12'736'176.69	12'736'176.69
TOTAL ASSETS		27'979'133.49	26'681'087.92

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BALANCE SHEET AS OF MARCH 31,		2016	2015
	Notes	CHF	CHF
LIABILITIES			
SHORT-TERM LIABILITIES			
Short-term loan	5.	13'664'732.72	12'693'451.72
Accrued expenses and deferred income		1'730'774.07	1'435'337.36
TOTAL SHORT-TERM LIABILITIES		15'395'506.79	14'128'789.08
LONG-TERM LIABILITIES			
Shares application money received and pending allotment of shares		0.00	9'191.29
TOTAL LONG-TERM LIABILITIES		0.00	9'191.29
SHAREHOLDERS' EQUITY			
Share capital	6.	12'788'136.00	12'778'945.00
Balance sheet result			
(Loss) carried forward		(235'837.45)	(234'341.87)
Profit / (loss) for the period		31'328.15	(1'495.58)
TOTAL SHAREHOLDERS' EQUITY		12'583'626.70	12'543'107.55
TOTAL LIABILITIES		27'979'133.49	26'681'087.92

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PROFIT AND LOSS STATEMENT		2016	2015
	Notes	CHF	CHF
Income		0.00	0.00
TOTAL INCOMES		0.00	0.00
Other operating expenses			
Other operating expenses		(25'804.00)	(22'644.39)
TOTAL OTHER OPERATING EXPENSES		(25'804.00)	(22'644.39)
OPERATING INCOME		(25'804.00)	(22'644.39)
Other incomes / expenses			
Interest income		587'663.88	333'182.29
Interest payable on loans		(529'908.39)	(305'849.75)
Other financial expenses		(71.77)	(194.83)
Currency exchange gain		5'136'800.64	2'324'566.28
Currency exchange loss		(5'137'140.31)	(2'325'892.43)
TOTAL AUTRES PRODUITS/(CHARGES), net		57'344.05	25'811.56
RESULT BEFORE TAXES		31'540.05	3'167.17
Taxes		(211.90)	(4'662.75)
PROFIT / (LOSS) FOR THE PERIOD		31'328.15	(1'495.58)

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2016

A INTRODUCTION

1. GENERAL

The company was incorporated on March 23, 2006. Its principal activity is the holding of investments in subsidiaries.

2. SUMMARY OF ACCOUNTING PRICIPLES

Accounting principles – The accounts have been established in accordance with the "Generally accepted accounting principles in Switzerland", and under the "Historical cost" and "Going concern" conventions.

B INFORMATIONS AND EXPLANATIONS RELATING TO ITEMS ON THE BALANCE SHEET AND THE INCOME STATEMENT

3. OTHER SHORT-TERM RECEIVABLES

	2016		2015
Shasun Pharma Solutions Limited	9'901'770.73	*	9'305'212.73
Shasun Pharma Inc.	3'348'602.24	*	3'388'239.24
Total related parties other short-term receivables	13'250'372.97		12'693'451.97

* These current accounts are unsecured, have no fixed repayment term. The interest rate is based on a GBP 6 month Libor + 450 bps.

4. PARTICIPATIONS

The company is holding the following subsidiaries:

Shasun Pharma Solutions Ltd, Northumberland, United Kingdom – 100% of the share capital composed of 4'965'706 ordinary shares of GBP 1.00 each fully paid. The principal activity of this company consists in research and manufacturing for pharmaceutical industry.

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Shasun Pharma Solutions Inc., Piscataway, United States of America – 100% of the share capital composed of 52'395'000 ordinary shares of USD 0.01 each fully paid. The principal activity of this company consists in stock and sale of pharmaceutical products.

Stabilis Pharma Inc (SPI) , Delaware, United States of America – 100% of the share capital composed of 100'000 ordinary shares of USD 0.01 each fully paid. The principal activity of this company consists to stock and sell finished products of SP and also do marketing for SPL's existing as well as new products. It also assists SPL in procurement of reference standards and other regulatory related activities with the end customers.

5. SHORT-TERM INTEREST BEARING LIABILITIES

	2016	2015
Bank : AXIS Bank	8'382'464.48	9'305'212.48
Total third parties short-term liabilities	8'382'464.48	9'305'212.48
Actionnaires : Shasun Pharmaceuticals Limited	5'282'268.24 *	3'388'239.24
Total related parties short-term liabilities	5'282'268.24	3'388'239.24
Total	13'664'732.72	12'693'451.72

* These accounts are unsecured, have no fixed repayment term and bear interest at 3.75%.

6. SHAREHOLDERS' EQUITY

The company's share capital is composed of 12'788'136 registered shares of CHF 1.00 fully paid.

7. RISK ANALYSIS

The Company's risk assessment conducted in the year 2009/2010 and formally approved by the Board of Directors on 18 June 2009 was renewed for the year 2015/2016.

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PROPOSAL FOR INCOME EMPLOYMENT
 OF THE BALANCE SHEET AS OF MARCH 31

	2016 CHF	2015 CHF
Available earnings		
Profit carried forward	(235'837.45)	(234'341.87)
Profit / (Loss) for the period	31'328.15	(1'495.58)
	(204'509.30)	(235'837.45)
Proposal of the Board of Directors		
Allocation to the legal retained reserve	0.00	0.00
Dividend	0.00	0.00
Carried forwards	(204'509.30)	(235'837.45)
	(204'509.30)	(235'837.45)