

Ranbaxy (Poland) Sp. z o.o.

**Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2013**

The opinion contains 2 pages
The supplementary report contains 8 pages
Opinion of the independent auditor
and supplementary report on the audit
of the financial statements
for the financial year ended
31 December 2013

OPINION OF THE INDEPENDENT AUDITOR

To the Shareholders' Meeting of Ranbaxy (Poland) Sp. z o.o.

Opinion on the Financial Statements

We have audited the accompanying financial statements of Ranbaxy (Poland) Sp. z o.o., with its registered office in Warsaw, Kubickiego 11 ("the Company"), which comprise the introduction to the financial statements, the balance sheet as at 31 December 2013, the profit and loss account, the statement of changes in equity and the cash flow statement for the year then ended and the supplementary information and explanations.

Management's Responsibility for the Financial Statements

Management of the Company is responsible for the correctness of the accounting records, the preparation and fair presentation of these financial statements and preparation of the Report on the Company's activities in accordance with the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) ("the Accounting Act") and related bylaws, and other applicable regulations. Management of the Company is also responsible 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.

According to the Accounting Act, Management of the Company and members of the Supervisory Board is required to ensure that the financial statements and the report on the Company's activities are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit. We conducted our audit in accordance with section 7 of the Accounting Act, National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accounting records from which they are derived are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the Company, 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 opinion.

Opinion

In our opinion, the accompanying financial statements of Ranbaxy (Poland) Sp. z o.o. have been prepared and present fairly, in all material respects, the financial position of the Company as at 31 December 2013 and its financial performance and its cash flows for the year then ended in accordance with the accounting principles applicable to the territory of the Republic of Poland as set out in the Accounting Act and related bylaws, are in compliance with the respective regulations and the provisions of the Company's articles of association that apply to the Company's financial statements and have been prepared from accounting records that, in all material respects, have been properly maintained.

Specific Comments on Other Legal and Regulatory Requirements

Report on the Company's Activities

As required under the Accounting Act, we report that the accompanying report on the Company's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and the information is consistent with the financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Chłodna 51
00-867 Warsaw

Signed on the Polish original

.....
Magdalena Paulinek
Key Certified Auditor
Registration No. 11528

15 April 2014

Signed on the Polish original

.....
Mirosław Grabarek
Limited Liability Partner
with power of attorney

Ranbaxy (Poland) Sp. z o.o.

**Supplementary report
on the audit of the
financial statements
Financial Year ended
31 December 2013**

The supplementary report contains 8 pages
The supplementary report on the audit
of the financial statements
for the financial year ended
31 December 2013

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1. General

1.1. General information about the Company

1.1.1. Company name

Ranbaxy (Poland) Sp. z o.o.

1.1.2. Registered office

ul. Kubickiego 11
02-954 Warsaw

1.1.3. Registration in the National Court Register

Registration court:	District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Department of the National Court Register
Date:	27 November 2011
Registration number:	KRS 0000066017
Share capital as at the balance sheet date:	PLN 4,291,000.00

1.1.4. Management of the Company

The Management Board is responsible for management of the Company.

As at 31 December 2013, the Management Board of the Company was comprised of the following members:

- Przemysław Chromiec – Member of the Management Board,
- Ranjan Chakravarti – Member of the Management Board,
- Rajiv Gulati – Member of the Management Board,
- Sanjeev Indravadan Dani – Member of the Management Board.

1.2. Key Certified Auditor and Audit Firm Information

1.2.1. Key Certified Auditor information

Name and surname:	Magdalena Paulinek
Registration number:	11528

1.2.2. Audit Firm information

Name:	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Address of registered office:	ul. Chłodna 51, 00-867 Warsaw
Registration number:	KRS 0000339379
Registration court:	District Court for the Capital City of Warsaw in Warsaw, XII Commercial Department of the National Court Register
NIP number:	527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered into the register of audit firms, maintained by the National Council of Certified Auditors, under number 3546.

1.3. Prior period financial statements

The financial statements as at and for the financial year ended 31 December 2012 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. and received an unqualified opinion.

The financial statements were approved at the Shareholders' Meeting on 24 May 2013 where it was resolved to allocate the net profit for the prior financial year of kPLN 761,9 to the reserve capital.

The financial statements were submitted to the Registry Court on 27 May 2013.

1.4. Audit scope and responsibilities

This report was prepared for the Shareholders' Meeting of Ranbaxy (Poland) Sp. z o.o. with its registered office in Warsaw, ul. Kubickiego 11 and relates to the financial statements comprising: the introduction to the financial statements, the balance sheet as at 31 December 2013, the profit and loss account, the statement of changes in equity and the cash flow statement for the year then ended and the supplementary information and explanations.

The financial statements were audited in accordance with the contract dated 15 November 2013, concluded on the basis of the resolution of the Shareholders' Meeting dated 24 May 2013 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) ("the Accounting Act"), National Standards on Auditing issued by the National Council of Certified Auditors, and International Standards on Auditing.

We audited the financial statements at the Company during the period from 25 to 27 November 2013 and from 20 to 24 January 2014.

Management of the Company is responsible for the correctness of the accounting records and the preparation and fair presentation of the financial statements and preparation of the report on the Company's activities in accordance with the Accounting Act and in compliance with the respective bylaws and other applicable regulations.

Our responsibility is to express an opinion and to prepare a supplementary report on the audit of the financial statements and whether the financial statements have been prepared from properly maintained accounting records based on our audit.

Management of the Company submitted a statement, dated as at the same date as this report, as to the true and fair presentation of the accompanying financial statements, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the financial statements.

The Key Certified Auditor and the Audit Firm fulfill the independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and Their Self-Government, Audit Firms and Public Oversight dated 7 May 2009 (Official Journal from 2009 No. 77, item 649 with amendments).

2. Financial analysis of the Company

2.1. Summary analysis of the financial statements

2.1.1. Balance sheet

		INR	PLN	% of Total	INR	PLN	% of Total
		31.12.2013	31.12.2013		31.12.2012	31.12.2012	
ASSETS							
Non current assets							
	Other intangible fixed assets	61.60	3.00	-	128.11	7.20	0.06
	Fixed assets	3,449.69	168.00	1.18	2,886.12	162.20	1.29
	Deferred tax asset	13,895.28	676.70	4.75	10,284.70	578.00	4.59
		17,406.57	847.70	5.96	13,298.93	747.40	5.94
Current assets							
	Short-term receivables	96,513.35	4,700.20	33.02	90,873.67	5,107.10	40.58
	Short-term investments	177,320.33	8,635.50	60.67	104,160.14	5,853.80	46.51
	Short-term prepayments and deferred expenses	1,034.91	50.40	0.35	15,612.10	877.40	6.97
		274,868.58	13,386.10	94.04	210,645.91	11,838.30	94.06
TOTAL ASSETS		292,275.15	14,233.80	100.00	223,944.84	12,585.70	100.00
EQUITY AND LIABILITIES							
Equity							
	Share capital	88,110.88	4,291.00	30.15	76,352.31	4,291.00	34.09
	Reserve capitals	96,671.46	4,707.90	33.08	70,213.52	3,946.00	31.35
	Net profit	22,375.77	1,089.70	7.66	13,556.94	761.90	6.05
		207,158.11	10,088.60	70.88	160,122.78	8,998.90	71.50
Liabilities and provisions for liabilities							
	Provisions for liabilities	73,000.00	3,555.10	24.98	54,113.88	3,041.20	24.16
	Short-term liabilities	12,117.04	590.10	4.15	9,708.19	545.60	4.34
		85,117.04	4,145.20	29.12	63,822.06	3,586.80	28.50
TOTAL EQUITY AND LIABILITIES		292,275.15	14,233.80	100.00	223,944.84	12,585.70	100.00

2.1.2. Profit and loss account

	INR	PLN		INR	PLN	
	01.01.2013 - 31.12.2013	01.01.2013 - 31.12.2013	% of Sales	01.01.2012 - 31.12.2012	01.01.2012 - 31.12.2012	% of Sales
Net revenues and net revenue equivalents, including:						
Net revenues from the sale of finished products	666,644.4	35,998.8	100.0	565,745.9	34,510.5	100.0
	666,644.4	35,998.8	100.0	565,745.9	34,510.5	100.0
Operating expenses						
Depreciation	(2,798.1)	(151.1)	(0.4)	(2,008.2)	(122.5)	(0.4)
Materials and energy	(74,833.3)	(4,041.0)	(11.2)	(67,449.2)	(4,114.4)	(11.9)
External services	(302,392.6)	(16,329.2)	(45.4)	(261,482.0)	(15,950.4)	(46.2)
Taxes and charges including:	(6,705.6)	(362.1)	(1.0)	(8,095.1)	(493.8)	(1.4)
- excise tax	-	-	-	-	-	-
Payroll	(205,266.7)	(11,084.4)	(30.8)	(165,970.5)	(10,124.2)	(29.3)
Social security and other benefits	(39,625.9)	(2,139.8)	(5.9)	(32,167.2)	(1,962.2)	(5.7)
Other expenditures by kind	(4,185.2)	(226.0)	(0.6)	(6,544.3)	(399.2)	(1.2)
	(635,807.4)	(34,333.6)	(95.4)	(543,716.4)	(33,166.7)	(96.1)
Profit on sales	30,837.0	1,665.2	4.6	22,029.5	1,343.8	3.9
Other operating revenues						
Other operating revenues	368.5	19.9	0.1	1,878.7	114.6	0.3
	368.5	19.9	0.1	1,878.7	114.6	0.3
Other operating expenses						
Loss on the disposal of non-financial fixed assets	-	-	-	(1.6)	(0.1)	(0.0)
Other operating costs	(7,324.1)	(395.5)	(1.1)	(8,641.0)	(527.1)	(1.5)
	(7,324.1)	(395.5)	(1.1)	(8,642.6)	(527.2)	(1.5)
Operating profit	23,881.5	1,289.6	3.6	15,265.6	931.2	2.7
Financial revenue						
Interest	2,914.8	157.4	0.4	3,754.1	229.0	0.7
Other	346.3	18.7	0.1	-	-	-
	3,261.1	176.1	0.5	3,754.1	229.0	0.7
Financial expenses						
Interest, including:	(90.7)	(4.9)	(0.0)	(154.1)	(9.4)	(0.0)
Other	-	-	-	(765.6)	(46.7)	(0.1)
	(90.7)	(4.9)	(0.0)	(919.7)	(56.1)	(0.2)
Profit before taxation	27,051.9	1,460.8	4.1	18,100.0	1,104.1	3.2
Corporate income tax	(5,090.9)	(371.1)	(0.8)	(4,537.0)	(342.2)	(0.8)
Net profit	21,961.0	1,089.7	3.3	13,563.0	761.9	2.4

2.2. Selected financial ratios

	2013	2012	2011
1. Return on sales			
<u>net profit x 100%</u> net revenue	3,0%	2,2%	4,9%
2. Return on equity			
<u>net profit x 100%</u> equity - net profit	12,1%	9,2%	22,0%
3. Debtors' days			
<u>average trade receivables (gross) x 365 days</u> net revenue	39 days	43 days	48 days
4. Debt ratio			
<u>liabilities and provisions for liabilities x 100%</u> total equity and liabilities	29,1%	28,5%	27,5%
5. Current ratio			
<u>current assets</u> current liabilities	3,3	3,4	3,5

- Current assets exclude trade receivables due in more than 12 months.
- Current liabilities are comprised of short-term provisions for liabilities, short-term liabilities (excluding trade liabilities due in more than 12 months) and other short-term accruals.
- Net revenue includes revenue from sales of finished products, merchandise and raw materials.
- Average trade receivables represent the average of trade receivables from related parties and third parties at the beginning and at the end of the period, with no deduction made for allowances.

3. Detailed report

3.1. Accounting system

The Company maintains current documentation describing the applied accounting principles adopted by the Management Board to the extent required by Art. 10 of the Accounting Act.

During the audit of the financial statements, we tested, on a sample basis, the operation of the accounting system.

On the basis of the work performed, we have not identified any material irregularities in the accounting system which have not been corrected and that could have a material effect on the financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

The Company performed a physical verification of its assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act, and reconciled and recorded the result thereof in the accounting records.

3.2. Introduction and supplementary information and explanations to the financial statements

All information included in the introduction and the supplementary information and explanations to the financial statements is, in all material respects, presented correctly and completely. The introduction and supplementary information and explanations should be read in conjunction with the financial statements.

3.3. Report on the Company's activities

The report on the Company's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and the information is consistent with the financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Chłodna 51
00-867 Warsaw

Signed on the Polish original

.....
Magdalena Paulinek
Key Certified Auditor
Registration No. 11528

15 April 2014

Signed on the Polish original

.....
Mirosław Grabarek
Limited Liability Partner
with power of attorney

RANBAXY (POLAND) SP. Z O.O.

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2013**

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Ranbaxy (Poland) Sp. z o.o.
Financial statements for the year ended 31 December 2013

STATEMENT OF THE MANAGEMENT BOARD

In accordance with Art. 52, paragraph 1 of the Accounting Act of 29 September 1994 (Official Journal 2013 item 330 with amendments), the Management Board of Ranbaxy (Poland) Sp. z o.o. ("the Company") presents the financial statements, which consist of:

- 1) the introduction to the financial statements;
- 2) the balance sheet as at 31 December 2013 with total assets and total liabilities and equity of PLN 14,233.8 thousand;
- 3) the profit and loss account for the period from 1 January 2013 to 31 December 2013 with a net profit of PLN 1,089.7 thousand;
- 4) the statement of changes in equity for the period from 1 January 2013 to 31 December 2013 with an equity increase of PLN 1,089.7 thousand;
- 5) the statement of cash flows for the period from 1 January 2013 to 31 December 2013 with a net cash increase of PLN 2,781.7 thousand;
- 6) supplementary information and explanations.

Rajiv Gulati
Member of the Management Board

Sanjeev Indravadan Dani
Member of the Management Board

Ranjan Chakravarti
Member of the Management Board

Przemysław Chromiec
Member of the Management Board

Małgorzata Czarnecka
Person responsible for Financial Accounting

Warsaw, 15 April 2014

Ranbaxy (Poland) Sp. z o.o.

Introduction to the financial statements

(All amounts are stated in PLN thousand)

1. General information on the Company

1. 1 Company name

Ranbaxy (Poland) Sp. z o.o., ("the Company")

1. 2 Registered office

Kubickiego 11
02-954 Warsaw

1. 3 Registration in the National Court Register

Seat of the court: District Court for the Capital City of Warsaw in Warsaw, XIII Commercial
Department of National Court Register

Date: 27 November 2001

Registration number: 0000066017

1. 4 Primary business activities and the period of the Company's activities

The Company's scope of business activities listed in its Deed include the following:

- wholesale trade of imported consumer merchandises, especially finished drug products,
- wholesale trade of imported pharmaceutical materials,
- import and export of pharmaceuticals,
- production of pharmaceutical materials and finished products,
- marketing services,
- distribution services,
- retail sales of pharmaceuticals,
- technological research.

The Company was established for an indefinite period.

1. 5 Reporting period

The Financial statement were prepared for the period from 1 January 2013 to 31 December 2013 and the comparative information is prepared for the period from 1 January 2012 to 31 December 2012.

1. 6 Going concern assumption

The financial statements were prepared under the assumption that the Company will continue to operate as a going concern for the foreseeable future.

There is no evidence indicating that the Company will not be able to continue its activities as a going concern.

Ranbaxy (Poland) Sp. z o.o.
Introduction to the financial statements

(All amounts are stated in PLN thousand)

2. Significant accounting policies

The significant accounting policies which have been followed in the preparation of these financial statements are as follows:

2. 1 Basis of financial statements preparation

The financial statements have been prepared in accordance with the practice followed by enterprises in Poland, based on accounting standards promulgated in the Accounting Act dated from 29 September 1994 (Official Journal 2013 item 330 with amendments) and respective bylaws and regulations.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. 2 Revenue and expenses

Revenue and expenses are recognized on the accrual basis in the period to which they relate, regardless of the period in which related payments are made or received.

The Company records expenses by type of expenditure and prepares its profit and loss account by type of expenditure.

Sales revenue

Revenue from sales of finished goods, merchandise and raw materials is recognized in the profit and loss account when the rewards of ownership have been transferred to the buyer. Revenue from sales of services with an execution period shorter than 6 months is recognized upon completion of service.

2. 3 Interest

Interest received are recognized based on accrual basis (using the effective interest rate method).

2. 4 Statement of cash flows

The statement of cash flows is presented using the indirect method.

Ranbaxy (Poland) Sp. z o.o.
Introduction to the financial statements

(All amounts are stated in PLN thousand)

2. 5 Intangible fixed assets

Intangible fixed assets are recognized at cost i.e. either at acquisition price or directly attributable expenditures and are depreciated using the straight line method applying the following depreciation rates:

Goodwill	20%
Software	20%

Depreciation period and depreciation rates are subject to analysis at the end of each financial year causing respective adjustment of future depreciation.

2. 6 Tangible fixed assets

Tangible fixed assets are initially recognized at cost i.e. either at acquisition price or construction cost less accumulated and any impairment.

The acquisition price or construction cost includes all costs incurred in the construction, assembly, installation and improvement process up to the date when the asset was brought into use. The cost includes borrowing costs and related foreign exchange gains and losses, net of related investment income.

Subsequent expenditure on improvements such as re-construction, extension or modernization is capitalized and increases the initially recognized cost of an asset. Subsequent expenditure is capitalized only if it increases the economic benefit embodied in the asset.

Tangible fixed assets are depreciated using a straight-line method. Depreciation commences in the next month after the asset was brought into use.

The example depreciation rates are as follows:

Computers	30%
Technical equipment and machinery	14%
Other tangible assets	20%

Depreciation periods and depreciation rates are subject to analysis at the end of each financial year causing respective adjustment of future depreciation.

Ranbaxy (Poland) Sp. z o.o.
Introduction to the financial statements

(All amounts are stated in PLN thousand)

2. 7 *Impairment*

The carrying amounts of the assets or group of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised in the amount of the difference between the carrying amount of an asset and its estimated recoverable amount. Impairment losses are recognised in profit or loss. If the results of revaluation of assets previously increased the revaluation reserve, the impairment losses reduce the amount of such reserve and the remaining part is recognised in profit or loss.

2. 8 *Debtors, claims and creditors, other than those classified as financial assets and financial liabilities*

Debtors are presented at the amounts due, taking into consideration the prudence principle. Debtors are adjusted by an allowance for doubtful debtors taking into consideration the likelihood of future debt collection. The allowance is charged either to operating expenses or to financial expenses depending on the type of receivable to which it relates.

Creditors are presented at the amounts due.

Debtors and creditors denominated in foreign currencies are translated to Polish zloty at the average exchange rate published by the National Bank of Poland (NBP) at the date preceding the transaction date.

At the balance sheet date, debtors and creditors denominated in foreign currencies are translated to Polish zloty at the average exchange rate on that date as published by the National Bank of Poland (NBP).

2. 9 *Prepayments and accruals*

Expenses relating to the future reporting periods are charged to prepayments. The Company keeps an account of accrued expenses in the amount of probable liabilities relating to the current reporting period. Examples of prepayments are: car insurance, prepayments for services, or costs which refer to the future revenues of the Company.

2. 10 *Provision for liabilities*

Provisions are raised for liabilities whose timing or amount are uncertain.

Ranbaxy (Poland) Sp. z o.o.
Introduction to the financial statements

(All amounts are stated in PLN thousand)

2. 11 Income tax

Corporate income tax, as presented in the profit and loss account, comprises current and deferred income tax.

Current income tax is determined in accordance with the relevant tax regulations. Deferred tax presented in the profit and loss account is comprised of the difference between deferred tax liabilities and deferred tax assets as at the beginning and the end of the financial period.

Deferred tax assets and liabilities relating to equity transactions are charged or credited to equity.

Deferred tax assets are recognized only to the extent that it is expected the the related amount will be used to reduce taxable profits in the future with respect to tax deductible temporary differences and tax losses carryforwards calculated under the prudence principle.

Deferred tax liabilities are recorded at the amount of corporate income tax payable in the future and are created based on taxable temporary differences that will increase taxable profits in the future.

Deferred tax assets and liabilities are determined based on the enacted tax rate binding for the year in which the tax obligation arises.

Deferred tax assets and liabilities are presented separately in the balance sheet.

2. 12 Foreign exchange differences

Foreign exchnge defferencies resulting from periodic revaluation and settlement of monetary assets and liabilities denominated in foreign currencies, excluding long-term investments, and from the sale of foreign currencies are recorded as financial revenue or expense. Eligible foreign exchange defferencies are capitalised to finished goodsand merchandise, tangible fixed assets, construction in progress or intangible fixed assets.

The following exchange rates were used for the valuation of monetary items denominated in foreign currencies [PLN]:

	31.12.2013	31.12.2012
EUR	4.1472	4.0882
USD	3.0120	3.0996
GBP	4.9828	5.0119

Ranbaxy (Poland) Sp. z o.o.
Introduction to the financial statements

(All amounts are stated in PLN thousand)

2. 13 Financial instruments

2. 13.1 Classification of financial instruments

Financial instruments are accounted for in accordance with the Decree of the Ministry of Finance dated 12 December 2001 which specifies specific provisions for the recognition, valuation methods, scope of disclosure and manner of presentation of financial instruments in financial statements.

Classification of financial assets: financial assets held for trading, loans and receivables originated by the enterprise, financial assets held to maturity and financial assets available for sale.

Classification of financial liabilities: financial liabilities held for trading and other financial liabilities.

During the year and at the balance sheet day the Company does not have any significant financial instruments except for bank deposits classified as loans and receivables.

Sanjeev Indravadan Dani
Member of the Management Board

Rajiv Gulati
Member of the Management Board

Ranjan Chakravarti
Member of the Management Board

Przemysław Chromiec
Member of the Management Board

Małgorzata Czarnecka
Person responsible for Financial Accounting

Warsaw, 15 April 2014

Ranbaxy (Poland) Sp. z o.o.
Balance Sheet

ASSETS	Note	INR		PLN	
		31.12.2013	31.12.2012	31.12.2013	31.12.2012
Fixed assets		17,406.6	13,298.9	847.7	747.4
Intangible fixed assets	1				
Other intangible fixed assets		61.6	128.1	3.0	7.2
		<u>61.6</u>	<u>128.1</u>	<u>3.0</u>	<u>7.2</u>
Tangible fixed assets	2				
Fixed assets		3,449.7	2,886.1	168.0	162.2
technical equipment and machinery		3,324.4	2,633.5	161.9	148.0
other tangible fixed assets		125.3	252.7	6.1	14.2
		<u>3,449.7</u>	<u>2,886.1</u>	<u>168.0</u>	<u>162.2</u>
Prepayments and deferred expenses					
Deferred tax asset	12.3	13,895.3	10,284.7	676.7	578.0
		<u>13,895.3</u>	<u>10,284.7</u>	<u>676.7</u>	<u>578.0</u>
Current assets		274,868.6	210,645.9	13,386.1	11,838.3
Short-term receivables					
Receivables from related parties		66,614.0	68,638.8	3,244.1	3,857.5
trade receivables	3.1	66,614.0	68,638.8	3,244.1	3,857.5
Receivables from third parties		29,899.4	22,234.9	1,456.1	1,249.6
trade receivables	3.2	10,663.2	3.6	519.3	0.2
taxation and social security debtors		12,846.0	17,665.5	625.6	992.8
other		6,390.1	4,565.8	311.2	256.6
		<u>96,513.3</u>	<u>90,873.7</u>	<u>4,700.2</u>	<u>5,107.1</u>
Short-term investments					
Short-term financial assets		177,320.3	104,160.1	8,635.5	5,853.8
cash and cash equivalents	4.1	177,320.3	104,160.1	8,635.5	5,853.8
		<u>177,320.3</u>	<u>104,160.1</u>	<u>8,635.5</u>	<u>5,853.8</u>
Short-term prepayments and deferred expenses	5	1,034.9	15,612.1	50.4	877.4
TOTAL ASSETS		<u>292,275.2</u>	<u>223,944.8</u>	<u>14,233.8</u>	<u>12,585.7</u>

Ranbaxy (Poland) Sp. z o.o.
Balance Sheet

EQUITY AND LIABILITIES	Note	INR		PLN	
		31.12.2013	31.12.2012	31.12.2013	31.12.2012
Equity					
Share capital	6.1	64,487.6	64,487.6	4,291.0	4,291.0
Reserve capitals		74,279.4	60,716.3	4,707.9	3,946.0
Accumulated profit/(loss) from previous years		-	-	-	-
Net profit		21,961.0	13,563.0	1,089.7	761.9
CT		46,430.2	21,355.8		
		<u>207,158.1</u>	<u>160,122.8</u>	<u>10,088.6</u>	<u>8,998.9</u>
Liabilities and provisions for liabilities		85,117.0	63,822.1	4,145.2	3,586.8
Provisions for liabilities					
Deferred tax liability	12.3	-	23.1	-	1.3
Provision for retirement and similar benefits	7.1	1,464.1	1,188.6	71.3	66.8
- long-term		1,464.1	1,188.6	71.3	66.8
Other provisions		71,535.9	52,902.1	3,483.8	2,973.1
- short-term	7.2	<u>71,535.9</u>	<u>52,902.1</u>	<u>3,483.8</u>	<u>2,973.1</u>
		<u>73,000.0</u>	<u>54,113.9</u>	<u>3,555.1</u>	<u>3,041.2</u>
Short-term liabilities					
Related party liabilities		199.2	65.8	9.7	3.7
	8.1	199.2	65.8	9.7	3.7
Liabilities due to third parties		8,685.8	8,000.0	423.0	449.6
trade liabilities	8.2	2,538.0	964.4	123.6	54.2
taxation and social security creditors		6,147.8	7,035.6	299.4	395.4
other		-	-	-	-
Special funds		<u>3,232.0</u>	<u>1,642.3</u>	<u>157.4</u>	<u>92.3</u>
		<u>12,117.0</u>	<u>9,708.2</u>	<u>590.1</u>	<u>545.6</u>
TOTAL EQUITY AND LIABILITIES		<u>292,275.2</u>	<u>223,944.8</u>	<u>14,233.8</u>	<u>12,585.7</u>

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Małgorzata Czarnecka

Person responsible for Financial Accounting

Warsaw, 15 April 2014

Ranbaxy (Poland) Sp. z o.o.
Profit and Loss Account

	Note	INR		PLN	
		01.01.2013 - 31.12.2013	01.01.2012 - 31.12.2012	01.01.2013 - 31.12.2013	01.01.2012 - 31.12.2012
Net revenues and net revenue equivalents, including:	9				
- from related parties		626,263.0	548,677.0	33,818.2	33,469.3
Net revenues from the sale of finished products		666,644.4	565,745.9	35,998.8	34,510.5
		<u>666,644.4</u>	<u>565,745.9</u>	<u>35,998.8</u>	<u>34,510.5</u>
Operating expenses					
Depreciation		(2,798.1)	(2,008.2)	(151.1)	(122.5)
Materials and energy		(74,833.3)	(67,449.2)	(4,041.0)	(4,114.4)
External services		(302,392.6)	(261,482.0)	(16,329.2)	(15,950.4)
Taxes and charges including:		(6,705.6)	(8,095.1)	(362.1)	(493.8)
- excise tax		-	-	-	-
Payroll		(205,266.7)	(165,970.5)	(11,084.4)	(10,124.2)
Social security and other benefits		(39,625.9)	(32,167.2)	(2,139.8)	(1,962.2)
Other expenditures by kind		(4,185.2)	(6,544.3)	(226.0)	(399.2)
		<u>(635,807.4)</u>	<u>(543,716.4)</u>	<u>(34,333.6)</u>	<u>(33,166.7)</u>
Profit on sales		30,837.0	22,029.5	1,665.2	1,343.8
Other operating revenues					
Other operating revenues		368.5	1,878.7	19.9	114.6
		<u>368.5</u>	<u>1,878.7</u>	<u>19.9</u>	<u>114.6</u>
Other operating expenses					
Loss on the disposal of non-financial fixed assets		-	(1.6)	-	(0.1)
Other operating costs		(7,324.1)	(8,641.0)	(395.5)	(527.1)
		<u>(7,324.1)</u>	<u>(8,642.6)</u>	<u>(395.5)</u>	<u>(527.2)</u>
Operating profit		23,881.5	15,265.6	1,289.6	931.2
Financial revenue					
Interest	10	2,914.8	3,754.1	157.4	229.0
Other		346.3	-	18.7	-
		<u>3,261.1</u>	<u>3,754.1</u>	<u>176.1</u>	<u>229.0</u>
Financial expenses					
Interest, including:	11	(90.7)	(154.1)	(4.9)	(9.4)
Other		-	(765.6)	-	(46.7)
		<u>(90.7)</u>	<u>(919.7)</u>	<u>(4.9)</u>	<u>(56.1)</u>
Profit before taxation		27,051.9	18,100.0	1,460.8	1,104.1
Corporate income tax	z noty 12	(5,090.9)	(4,537.0)	(371.1)	(342.2)
Net profit		<u>21,961.0</u>	<u>13,563.0</u>	<u>1,089.7</u>	<u>761.9</u>

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Ranbaxy (Poland) Sp. z o.o.
Statement of Changes in Equity

		PLN	PLN	INR	INR
	Note	01.01.2013 - 31.12.2013	01.01.2012 - 31.12.2012	01.01.2013 - 31.12.2013	01.01.2012 - 31.12.2012
Equity at the beginning of the period		8,998.9	8,237.0	160,122.8	128,302.7
Share capital at the beginning of the period	6.1	4,291.0	4,291.0	64,487.6	64,487.6
Share capital at the end of the period		<u>4,291.0</u>	<u>4,291.0</u>	<u>64,487.6</u>	<u>64,487.6</u>
Reserve capital at the beginning of the period		3,946.0	1,754.9	60,716.3	26,373.6
Changes in reserve capital					
Additions relating to:		761.9	2,191.1	13,563.0	34,342.7
- profit allocation		761.9	2,191.1	13,563.0	34,342.7
Reserve capital at the end of the period		<u>4,707.9</u>	<u>3,946.0</u>	<u>74,279.4</u>	<u>60,716.3</u>
Accumulated profit from previous years at the beginning of the period		761.9	2,191.1	13,563.0	34,342.7
Deduction relating to:		(761.9)	(2,191.1)	(13,563.0)	(34,342.7)
- profit allocation (statutory)		(761.9)	(2,191.1)	(13,563.0)	(34,342.7)
Accumulated profit/(loss) from previous years at the end of the period		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net profit/(loss) after taxation for the financial year					
net profit		1,089.7	761.9	21,961.0	13,563.0
Currency translation adj. at the beginning of the period				21,355.8	3,098.8
Increase for the year				25,074.4	18,257.0
Currency translation adj. at the end of the period				46,430.2	21,355.8
Equity at the end of the period		<u>10,088.6</u>	<u>8,998.9</u>	<u>207,158.1</u>	<u>160,122.8</u>
Equity after proposed profit distribution/coverage of loss	6.2	<u>8,998.9</u>	<u>8,998.9</u>	<u>185,197.2</u>	<u>160,122.8</u>

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Ranbaxy (Poland) Sp. z o.o.
Statement of Cash Flows

	PLN	PLN	INR	INR
<u>Note</u>	<u>01.01.2013 - 31.12.2013</u>	<u>01.01.2012 - 31.12.2012</u>	<u>01.01.2013 - 31.12.2013</u>	<u>01.01.2012 - 31.12.2012</u>
Cash flow from operating activities				
Net profit	1,089.7	761.9	21,961.0	13,563.0
Total adjustments:				
Depreciation and amortization	151.1	122.5	2,798.1	2,008.2
FX	13.4	-	248.1	
Interest and share in profits (dividend income)	4.9	-	90.7	-
Profit on investing activity	13.1	0.1	-	1.6
Change in provisions	513.9	1,216.9	18,886.1	25,698.0
Change in receivables	406.9	104.1	(5,639.7)	(9,702.3)
Change in short-term liabilities (excluding loans and bank credits)	13.2	(752.1)	2,408.9	(10,505.2)
Change in prepayments, accruals and deferred income and expenses	728.3	(1,097.2)	10,966.6	(20,317.4)
Currency translation adj.			24,607.0	17,840.9
Other adjustments	7.2	2.5	133.3	41.0
	<u>1,870.2</u>	<u>(403.2)</u>	<u>54,499.3</u>	<u>5,064.8</u>
Net cash flow from operating activities	<u>2,959.9</u>	<u>358.7</u>	<u>76,460.2</u>	<u>18,627.9</u>
Cash flow from investing activities				
Proceeds:	-	0.1	-	1.6
Disposal of tangible and intangible fixed assets	-	0.1	-	1.6
Disbursements:	(173.3)	(75.0)	(3,209.3)	(1,229.5)
Purchase of tangible and intangible fixed assets	13.3	(75.0)	(3,209.3)	(1,229.5)
Net cash flow from investing activities	<u>(173.3)</u>	<u>(74.9)</u>	<u>(3,209.3)</u>	<u>(1,227.9)</u>

Cash flow from financing activities				
Proceeds:				
Other financial proceeds	(4.9)	-	(90.7)	-
Disbursements:				
Net cash flow from financing activities	<u>(4.9)</u>	<u>-</u>	<u>(90.7)</u>	<u>-</u>
Net cash flow	<u>2,781.7</u>	<u>283.8</u>	<u>73,160.2</u>	<u>17,400.0</u>
Balance sheet change in cash, including:	2,781.7	283.8	73,160.2	17,400.0
Cash at the beginning of the financial year	5,853.8	5,570.0	104,160.1	86,760.1
Cash at the end of the financial year, including:	4.1			
- restricted cash	<u>8,635.5</u>	<u>5,853.8</u>	<u>177,320.3</u>	<u>104,160.1</u>
	<u>-</u>	<u>-</u>		<u>-</u>
			0.0	- 0.0

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Warsaw, 15 April 2014

1. Intangible fixed assets

Changes in intangible fixed assets

	PLN	PLN		INR	INR	
	Other intangible fixed assets		Total	Other intangible fixed assets		Total
	Goodwill	fixed assets		Goodwill	fixed assets	
Gross book value						
As at 01.01.2013	10.2	58.7	68.9	181.5	1,044.5	1,226.0
Additions	-	1.1	1.1	-	20.4	20.4
Disposals	(10.2)	-	(10.2)	(188.9)	-	(188.9)
CT				7.4	163.1	170.5
As at 31.12.2013	-	59.8	59.8	0.0	1,228.0	1,228.0
				-	1,227.9	1,227.9
	-	-	-	0.0	-	0.0
Accumulated depreciation						
As at 01.01.2013	(10.2)	(51.5)	(61.7)	(181.5)	(916.4)	(1,097.9)
Additions	-	(5.3)	(5.3)	-	(98.1)	(98.1)
Disposals	10.2	-	10.2	188.9	-	188.9
CT				(7.4)	(151.8)	(159.2)
As at 31.12.2013	-	(56.8)	(56.8)	(0.0)	(1,166.3)	(1,166.3)
	-	-	-	-	1,166.3	1,166.3
	0.0	-	0.0	0.0	-	0.0
Net book value						
As at 01.01.2013	-	7.2	7.2	-	128.1	128.1
As at 31.12.2013	-	3.0	3.0	-	61.6	61.6

2. Tangible fixed assets

2.1 Changes in tangible fixed assets

	PLN	PLN				
	Technical equipment and machinery	Other tangible fixed assets	Total	Technical equipment and machinery	Other tangible fixed assets	Total
Gross book value						
As at 01.01.2013	424.7	130.1	554.8	7,556.9	2,314.9	9,871.9
Additions	165.4	6.8	172.2	3,063.0	125.9	3,188.9
Disposals	(32.7)	(39.8)	(72.5)	(605.6)	(737.0)	(1,342.6)
	1,431.2	290.0	1,721.2			
As at 31.12.2013	557.4	97.1	654.5	11,445.5	1,993.8	13,439.4
	11,445.6	1,993.8	13,439.4			
	0.0	0.0	0.0			
Accumulated depreciation						
As at 01.01.2013	(276.7)	(115.9)	(392.6)	(4,923.5)	(2,062.3)	(6,985.8)
Additions	(130.9)	(14.9)	(145.8)	(2,424.1)	(275.9)	(2,700.0)
Disposals	12.1	39.8	51.9	224.1	737.0	961.1
	(997.7)	(267.4)	(1,265.1)			
As at 31.12.2013	(395.5)	(91.0)	(486.5)	(8,121.2)	(1,868.6)	(9,989.8)
	- 8,121.1	- 1,868.6	- 9,989.7			
	0.0	- 0.0	0.0			
Net book value						
As at 01.01.2013	148.0	14.2	162.2	2,633.5	252.7	2,886.1
As at 31.12.2013	161.9	6.1	168.0	3,324.4	125.3	3,449.6

Ranbaxy (Poland) Sp. z o.o.
Supplementary information and explanations

3. Short-term receivables

3. 1 Ageing of short-term trade receivables from related parties

	PLN 31.12.2013	PLN 31.12.2012	INR 31.12.2013	INR 31.12.2012
<i>Remaining term</i>				
Due within 12 months	3,244.1	3,857.5	66,614.0	68,638.8
	<u>3,244.1</u>	<u>3,857.5</u>	<u>66,614.0</u>	<u>68,638.8</u>
Gross trade receivables	3,244.1	3,857.5	66,614.0	68,638.8
Net trade receivables	<u>3,244.1</u>	<u>3,857.5</u>	<u>66,614.0</u>	<u>68,638.8</u>

3. 2 Ageing of short-term trade receivables from other parties

	31.12.2013	31.12.2012	31.12.2013	31.12.2012
<i>Remaining term</i>				
Due within 12 months	519.3	0.2	10,663.2	3.6
	<u>519.3</u>	<u>0.2</u>	<u>10,663.2</u>	<u>3.6</u>
Gross trade receivables	519.3	0.2	10,663.2	3.6
Net trade receivables	<u>519.3</u>	<u>0.2</u>	<u>10,663.2</u>	<u>3.6</u>

4. Short-term investments

4. 1 Cash and cash equivalents

	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Cash on hand and in bank	8,635.5	5,853.8	177,320.3	104,160.1
	<u>8,635.5</u>	<u>5,853.8</u>	<u>177,320.3</u>	<u>104,160.1</u>

5. Short-term prepayments and deferred expenses

	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Advertising Expense	-	841.3	-	14,969.8
Other	50.4	36.1	1,034.9	642.3
	<u>50.4</u>	<u>877.4</u>	<u>1,034.9</u>	<u>15,612.1</u>

6. Share capital

6. 1 Ownership structure of share capital

Shareholders	Number of shares held	Nominal value of shares	% held
Ranabxy (Netherlands) B. V.	8,580	4,290.0	100.0%
Ranbaxy (Holding) UK LTD	2	1.0	0.0%
	<u>8,582</u>	<u>4,291.0</u>	<u>100.0%</u>

	Number of shares held	Nominal value of shares	% held
Ranabxy (Netherlands) B. V.	8,580	64,472.6	100.0%
Ranbaxy (Holding) UK LTD	2	15.0	0.0%
	<u>8,582</u>	<u>64,487.6</u>	<u>100.0%</u>

6. 2 Proposals for profit distribution or coverage of losses

7. Provisions

7. 1 Provision for retirement and similar benefits

	PLN Retirement awards	Total
As at 01.01.2013	66.8	66.8
Raised	4.5	4.5
CT		
As at 31.12.2013	<u>71.3</u>	<u>71.3</u>
<i>including:</i>		
long-term portion	71.3	71.3

7. 2 Short-term provisions

PLN

	Costs	Total
As at 01.01.2013	2,973.1	2,973.1
Raised	3,485.0	3,485.0
Used	(1,896.4)	(1,896.4)
Released	(1,077.9)	(1,077.9)
CT		
As at 31.12.2013	<u>3,483.8</u>	<u>3,483.8</u>

7. 1 Provision for retirement and similar benefits

	INR Retirement awards	Total
As at 01.01.2013	1,188.6	1,188.6
Raised	83.3	83.3
CT	192.1	192.1
As at 31.12.2013	<u>1,464.0</u>	<u>1,464.0</u>
<i>including:</i>		
long-term portion	1,464.1	1,464.1

7. 2 Short-term provisions

	INR Costs	Total
As at 01.01.2013	52,902.1	52,902.1
Raised	64,537.0	64,537.0
Used	(35,118.5)	(35,118.5)
Released	(19,961.1)	(19,961.1)
CT	9,176.4	9,176.4
As at 31.12.2013	<u>71,535.9</u>	<u>71,535.9</u>

8. Short-term liabilities

8. 1 Short-term trade liabilities to group companies of PLN 9,7 thousand are due within 12 months from balance sheet date.

PLN	9.7
INR	199.2

8. 2 Short-term trade liabilities to third parties of PLN 123,6 thousand are due within 12 months from balance sheet date.

PLN	123.6
INR	2,538.0

9. Structure of revenues from sales

	<u>01.01.2013 -</u> <u>31.12.2013</u>	<u>01.01.2012 -</u> <u>31.12.2012</u>	<u>01.01.2013 -</u> <u>31.12.2013</u>	<u>01.01.2012 -</u> <u>31.12.2012</u>
<i>Geographical structure</i>				
Revenues from the sale of finished products				
Domestic	2,180.6	1,041.2	40,381.5	17,068.9
Export	33,818.2	33,469.3	626,263.0	548,677.0
	<u>35,998.8</u>	<u>34,510.5</u>	<u>666,644.4</u>	<u>565,745.9</u>

10. Interest received

(including on debt financial instruments, loans granted and the receivables originated by the enterprise)

in the period from 1 January 2013 to 31 December 2013

	Amt in PLN	Interest unrealised, allocated by			Total
		Interest realised	< 3 months	3-12 months	
Other non-financial assets	157.4	-	-	-	157.4
	<u>157.4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>157.4</u>

in the period from 1 January 2012 to 31 December 2012

	Amt in PLN	Interest unrealised, allocated by			Total
		Interest realised	< 3 months	3-12 months	
Other non-financial assets	229.0	-	-	-	229.0
	<u>229.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229.0</u>

	Amt in INR	Interest unrealised, allocated by			Total
	Interest realised	< 3 months	3-12 months	>12 months	
Other non-financial assets	2,914.8				2,914.8
	2,914.8				2,914.8

in the period from 1 January 2012 to 31 December 2012

	Interest realised	Interest unrealised, allocated by			Total
		< 3 months	3-12 months	>12 months	
Other non-financial assets	3,754.1				3,754.1
	3,754.1				3,754.1

11. Interest payable

(including interest on financial liabilities)

in the period from 1 January 2013 to 31 December 2013

	Amt in PLN	Interest unrealised, allocated by			Total
	Interest realised	< 3 months	3-12 months	>12 months	
financial liabilities	4.9	-	-	-	4.9
	4.9	-	-	-	4.9

in the period from 1 January 2012 to 31 December 2012

	Interest realised	Interest unrealised, allocated by			Total
		< 3 months	3-12 months	>12 months	
financial liabilities	9.4	-	-	-	9.4
	9.4	-	-	-	9.4

in the period from 1 January 2013 to 31 December 2013

	Amt in INR	Interest unrealised, allocated by			Total
	Interest realised	< 3 months	3-12 months	>12 months	
financial liabilities	90.7				90.7
	90.7				90.7

in the period from 1 January 2012 to 31 December 2012

	Interest realised	Interest unrealised, allocated by			Total
		< 3 months	3-12 months	>12 months	
financial liabilities	154.1				154.1
	154.1				154.1

12. Corporate income tax

12. 1 Structure of corporate income tax

	PLN		INR	
	<u>01.01.2013 - 31.12.2013</u>	<u>01.01.2012 - 31.12.2012</u>	<u>01.01.2013 - 31.12.2013</u>	<u>01.01.2012 - 31.12.2012</u>
Current tax	471.1	593.8	8,724.5	9,733.9
Change in deferred tax	(100.0)	(251.6)	(3,633.6)	(5,197.0)
	<u>371.1</u>	<u>342.2</u>	<u>5,090.9</u>	<u>4,537.0</u>

12. 2 Calculation of corporate income tax

	<u>01.01.2013 - 31.12.2013</u>	<u>01.01.2012 - 31.12.2012</u>	<u>01.01.2013 - 31.12.2013</u>	<u>01.01.2012 - 31.12.2012</u>
Profit before tax	1,460.8	1,104.1	27,051.9	18,100.0
Amounts increasing the tax base				
Rent of cars	131.6	130.1	2,437.0	2,132.8
Representation costs	45.3	163.2	838.9	2,675.4
PFRON	117.1	112.7	2,168.5	1,847.5
FX	13.3	-	246.3	-
Car insurance	3.6	3.3	66.7	54.1
Provisions for services	2,059.3	1,958.8	38,135.2	32,111.5
Provisions for unused holiday	475.1	385.9	8,798.1	6,326.2
Provisions for bonuses	1,020.6	694.2	18,900.0	11,380.3
Other	195.1	253.5	3,613.0	4,155.7
Revenue adjustment	-	139.4	-	2,285.2
Bad debt allowance	-	-	-	-
	<u>4,061.0</u>	<u>3,841.1</u>	<u>75,203.7</u>	<u>62,968.9</u>
Amounts reducing the tax base				
Realised provision from previous year	1,196.0	616.5	22,148.1	10,106.6
Realised provision for bonuses	700.3	384.9	12,968.5	6,309.8
Released provision for unused holidays	385.9	340.7	7,146.3	5,585.2
Released provision for costs	764.9	561.4	14,164.8	9,203.3
Released provision for bonus	(6.0)	(97.2)	(111.1)	(1,593.4)
Foreign exchange differences	0.1	6.8	1.9	111.5
	<u>3,041.2</u>	<u>1,813.1</u>	<u>56,318.5</u>	<u>29,723.0</u>
Tax base	2,480.6	3,132.1	45,937.0	51,345.9
Donations	(1.0)	(7.0)	(18.5)	(114.8)
Taxable profit	<u>2,479.6</u>	<u>3,125.1</u>	<u>45,918.5</u>	<u>51,231.1</u>
Current tax	<u>471.1</u>	<u>593.8</u>	<u>8,724.5</u>	<u>9,733.9</u>

12. 3 *Deferred tax assets and liabilities*

	<u>31.12.2013</u>	<u>31.12.2012</u>	<u>31.12.2013</u>	<u>31.12.2012</u>
Deductible temporary differences:				
FX	6.6	-	135.5	-
Provisions	3,555.1	3,042.0	73,000.0	54,128.1
	<u>3,561.7</u>	<u>3,042.0</u>	<u>73,135.5</u>	<u>54,128.1</u>
Gross value of deferred tax asset	<u>676.7</u>	<u>578.0</u>	<u>13,895.7</u>	<u>10,284.3</u>
Net value of deferred tax asset	<u>676.7</u>	<u>578.0</u>	<u>13,895.7</u>	<u>10,284.3</u>
Taxable temporary differences:				
Foreign exchange gains	0.2	6.8	4.1	121.0
	<u>0.2</u>	<u>6.8</u>	<u>4.1</u>	<u>121.0</u>
Deferred tax liability	<u>-</u>	<u>1.3</u>	<u>0.8</u>	<u>23.0</u>
Deferred tax asset presented in the balance sheet	<u>676.7</u>	<u>578.0</u>	<u>13,895.7</u>	<u>10,284.3</u>
Deferred tax liability presented in the balance sheet	<u>-</u>	<u>1.3</u>	<u>0.8</u>	<u>23.0</u>
Net change of deferred tax asset / liability	<u>100.0</u>	<u>251.6</u>	<u>3,633.6</u>	<u>5,197.0</u>
Change in deferred tax recognised in the income	<u>100.0</u>	<u>251.6</u>	<u>3,633.6</u>	<u>5,197.0</u>

13. Cash and cash equivalents structure for the cash flows statement

13. 1 Profit on investing activity

	PLN		INR	
	<u>01.01.2013 - 31.12.2013</u>	<u>01.01.2012 - 31.12.2012</u>	<u>01.01.2013 - 31.12.2013</u>	<u>01.01.2012 - 31.12.2012</u>
Loss on investment disposals	-	0.1	-	1.6
	<u>-</u>	<u>0.1</u>	<u>-</u>	<u>1.6</u>

13. 2 Change in short-term liabilities (excluding loans and bank credits)

	<u>01.01.2013 - 31.12.2013</u>	<u>01.01.2012 - 31.12.2012</u>	<u>01.01.2013 - 31.12.2013</u>	<u>01.01.2012 - 31.12.2012</u>
Change in short-term liabilities	44.5	(752.1)	2,408.9	(10,505.2)
	<u>44.5</u>	<u>(752.1)</u>	<u>2,408.9</u>	<u>(10,505.2)</u>

13. 3 Purchase of intangible fixed assets and tangible fixed assets

	<u>01.01.2013 - 31.12.2013</u>	<u>01.01.2012 - 31.12.2012</u>	<u>01.01.2013 - 31.12.2013</u>	<u>01.01.2012 - 31.12.2012</u>
Increase in intangible fixed assets	(1.1)	(6.2)	(20.4)	(101.6)
Increase in tangible fixed assets	(172.2)	(68.8)	(3,188.9)	(1,127.9)
	<u>(173.3)</u>	<u>(75.0)</u>	<u>(3,209.3)</u>	<u>(1,229.5)</u>

14. Related party transactions

14. 1 Balances outstanding as at balance sheet date

	<u>Receivables</u>	<u>Liabilities</u>	<u>Receivables</u>	<u>Liabilities</u>
Ranbaxy Ireland	1,759.2	-	36,123.2	-
Ranbaxy India	-	-	-	-
Ranbaxy Europe	41.6	9.7	854.2	199.2
Ranbaxy Rumunia	1,443.3	-	29,636.6	-
	<u>3,244.1</u>	<u>3.7</u>	<u>66,614.0</u>	<u>199.2</u>

14. 2 Revenues from related party transactions for the year

	<u>Sales revenue</u>	<u>Sales revenue</u>
Ranbaxy Ireland	30,155.1	558,427.8
Ranbaxy Europe	199.1	3,687.0
Ranbaxy Romania	3,464.0	64,148.1
	<u>33,818.2</u>	<u>626,263.0</u>

14. 3 Costs of related party transactions for the year

	<u>Purchase of raw materials and goods</u>	<u>Purchase of services</u>	<u>Purchase of raw materials and goods</u>	<u>Purchase of services</u>
Ranbaxy UK	-	43.7	-	809.3
Ranbaxy Rumunia	-	23.5	-	435.2
BASICS GmbH	-	12.4	-	229.6
	<u>10.4</u>	<u>124.1</u>	<u>-</u>	<u>1,474.1</u>

15. Employment

Average level of employment during the year by group of employees:	114
Employees on non-worker positions	114

16. Remuneration, loans and related benefits provided to members of the management and supervisory boards or

The remuneration of the members of the Management Board amounted to PLN 624,4 thousand (2012: PLN 575,2 thousand).

	2013	2012
PLN	624.4	575.2
INR	11,563.0	9,429.5

17. Information about the consolidated financial statements

Consolidated financial statements at the ultimate parent level, which includes the Company as a subsidiary are prepared by Daiichi Sankyo Limited seated in Tokyo.

Carrying value

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Consolidated financial statements at the lowest level in the group, which includes the Company as a subsidiary and are included in the group mentioned above was prepared by Ranbaxy Laboratories Limited seated in New Delhi.

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18. Contingent liabilities

Regulations regarding VAT, corporate profits tax, personal income tax and social security contributions are subject to frequent changes. These changes result in there being little point of reference and few established precedents that may be followed. The binding regulations also contain uncertainties, resulting in differences in opinion regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies. Tax and other settlements (e.g. customs or foreign currency settlements) may be subject to inspection by administrative bodies authorised to impose significant penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with interest. The above circumstances mean that tax exposure is significantly greater in Poland than in countries that have a more established taxation system.

Tax settlements may become subject to inspection by the tax authorities for a period of five years from the end of the calendar year in which tax payment was due. Accordingly, the amounts shown in the financial statements may change at a later date as a result of the final decision of the tax authorities.

19. Financial instruments

19.1 Objectives and principles of risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Primary policies for managing risk

Management has overall responsibility for the establishment and oversight of the Company's risk management framework, including identification and analysis of the risks faced by the Company, setting appropriate limits and controls, and monitoring the risks and their adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. According to credit policy the Management Board monitors credit risk on an ongoing basis. No additional security is required by the Company from its clients in relation to financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial instrument. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses, or risking damage to the Company's reputation. For this purpose, the Company monitors its cash flows, maintains lines of credit and keeps cash in amount sufficient to cover anticipated operating expenses and expected cash outflows on current financial liabilities, and maintains anticipated liquidity ratios.

Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and equity prices will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

a) Foreign exchange risk

The Company bears the currency fluctuations risk which has influence on the financial results and the cash flow. The risk is connected with the fact that part of revenues and costs of the Company is denominated in foreign currency. The Company does not apply any hedges against the change in foreign exchange rates.

b) Interest rate risk

As at 31 December 2013, except from cash in bank, practically there were no instruments bearing interest rate risk and therefore the Company did not apply hedges. The Managements Board considers the possible impact of interest rate risk on the financial statements as not significant.

19. 2 Classification of financial instruments

Portfolio	Description (quantity)	Carrying value	future cash flows
Loans and receivables originated by the enterprise	Overnight deposit	8,472.3	2.02%
	Cash on hand and in bank	163.2	non-interest bearing

[Sanjeev Indravadan Dani](#)

Member of the Management Board

[Rajiv Gulati](#)

Member of the Management Board

[Ranjan Chakravarti](#)

Member of the Management Board

[Przemysław Chromiec](#)

Member of the Management Board

[Wojciech Krzemień](#)

Person responsible for Financial Accounting

Warsaw, 15 April 2014

Note : Conversion rate used against Indian Rupees for the year 2013 and 2012 are:

i) Items relating to Profit and Loss account at Average rate: 1 Polish= 0.0540 [2012: 1 Polish =0.0610]

ii) Items relating to Balance sheet at Closing rate: 1 Polish = 0.0487 [2012: 1 Polish=0.0562]