

**Independent Auditor's Report, Financial  
Statements and management report for the  
year ended March 31<sup>ST</sup>, 2017**

**LABORATORIOS RANBAXY, S.L.U.**

Barcelona, May 2017

This report corresponds to the translation of the original report issued in Spanish at May 12<sup>th</sup>, 2017



## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the sole partner of  
**LABORATORIOS RANBAXY, S.L.U.**

### Report on the financial statements

We have audited the attached financial statements of the company LABORATORIOS RANBAXY, S.L.U. which comprise the statement of financial position as at March 31<sup>ST</sup>, 2017, the Profit and Loss Account, statement of changes in equity, the cash flow statement and the report for the year then ended.

### *Board of directors' responsibility for the Financial Statements*

The managers are responsible for the preparation of Financial Statements that present a true and fair view, in accordance with the regulatory framework of financial information that is identified in Note 2 to the attached report, and for such internal control as directors determine is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the attached financial statements based on our audit. We conducted our audit in compliance with International Audit Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements 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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 the management, 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 audit qualified opinion.

AUREN AUDITORES SP. S.L.P. inscrita en el R. M. de Madrid, número 33.829, Sección 8, Folio 89, Hoja M-629799, Inscripción 1. C.I.F. B78735747. Avda. Génova, Peñón, 3B - 28020 Madrid.

Member of



Mallorca 260, 08008 Barcelona  
Tel. +34 932 155 989  
www.auren.es

AUDITORIA ASSURANCE



### *Basis of qualified opinion*

In note 12 of the financial statements the company has at March 31<sup>st</sup>, 2017 tax loss carry-forwards pending compensation amounting to 9.016.955 euros, for which it has not recognized in the accompanying balance the corresponding tax credits. According to the accounting principles and criteria contained in the financial reporting framework applicable to the company, the accounting of assets and liabilities should always be done and when it is probable that the Company will obtain tax benefits to compensate for the aforementioned negative tax bases and temporary differences within a period not exceeding ten years. However, the company, due to its current business model cannot estimate in a precise way a business plan long term, so it has not been able to provide budgets or financial projections to estimate the amount that should be recorded as "deferred tax assets" on the balance sheet at March 31<sup>st</sup>, 2017 and has therefore not been able to quantify the effects of this on the attached financial statements.

### *Qualified Opinion*

In our opinion, except for the effects of the fact described in the paragraph "Basis of qualified opinion", the attached financial statements present, the true and fair view of the financial position of LABORATORIOS RANBAXY, S.L.U. at March 31<sup>st</sup>, 2017 and its financial performance for the year then ended, in accordance with the financial reporting framework that it identified in note 2 the attached report.

### **Report on other legal and regulatory requirements**

The attached management report for the year ended March 31<sup>st</sup>, 2017 includes the explanations which the managers consider appropriate concerning the situation of the company, the evolution of its businesses and other topics and is not an integral part of the financial statements. We have verified that the accounting information contained in the aforementioned report coincides with the financial statements for the year ended March 31<sup>st</sup>, 2017. Our work as auditors is limited to verify the management report with the scope mentioned in this paragraph and it not includes the verification of information different that obtained from the accounting records of the company.

AUREN  
NÚM. R.O.A.C. S2347

Carme Monserrat Querol  
Barcelona, May 12<sup>th</sup>, 2017

Member of





**MANAGEMENT REPORT**

**FROM 1 / 4 / 2016 TO 31 / 03 / 2017**



#### **NOTE 1 – EVOLUTION OF THE BUSINESS AND SITUATION OF THE COMPANY**

The business has evolved favourably despite the difficult economic climate that exists. The Company has succeeded, according to its business plan, to increase its total revenue and profit with respect to previous years.

#### **NOTE 2 – EVENTS AFTER THE CLOSE**

There were no significant events following the close of the financial year.

#### **NOTE 3 – RESEARCH AND DEVELOPMENT**

There was no activity of great relevance in this area.

#### **NOTE 4 – ACQUISITION OF OWN SHARES**

The Company does not hold treasury stock.

#### **NOTE 5 – FORESEEABLE EVOLUTION OF THE COMPANY**

Regarding future perspectives and based on the accumulated experience, dedication and professionalism of our personnel and collaborators, we are confident that the Company will know how to efficiently respond to and successfully resolve the challenges that will inevitably arise in the future.

#### **NOTE 6 – DERIVATIVE FINANCIAL INSTRUMENTS**

The Company has not contracted any derivative financial instruments during the year.

#### **NOTE 7 – OTHER INFORMATION**

The Company maintains no commitments with employees that have not been itemised in the attached report, and does not envisage any significant short-term changes in relation to its personnel.

It is not expected that the Company will generate any significant impact on the environment during the normal course of its operations.

The risks to which the Company is exposed, and policies related to the same have been adequately described in the report of the annual financial statements.

**NOTE 8 - OTHER INFORMATION**

The Resolution of the ICAC of 29/Jan./16 implements the obligation introduced by Law 31/2014 (Final Provision 2), which amends Law 15/2010 of 5 July, to include information in the report of the annual financial statements about PPMP, which is defined as the average payment period (days) as from the delivery of goods or the provision of services until the payment thereof. The information to be provided for the 2016-2017 financial year is the following:

	<b>2016-17 Days</b>	<b>2015-16 Days</b>
Average payment period to suppliers	34.85	28.86
Ratio of paid operations	35.94	28.90
Ratio of operations pending payment	10.75	26.93
	<b>Amount (euros)</b>	<b>Amount (euros)</b>
Total payments made	13,781,062.49	14,067,842.38
Total payments pending	624,594.55	298,562.12



In Barcelona, on 11 May 2017, the Management Report of LABORATORIOS RANBAXY, S.L.U., is prepared, corresponding to the financial year ended at 31 March 2017 and numbered in correlation from 1 to 4, approved by the Board of Directors of the Company by signing in witness whereof.

SIGNATURES

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Neeraj Sharma

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Pedro Luis Sala Lanz

.....

Prashant Savla

.....



**ANNUAL FINANCIAL STATEMENTS**

**FROM 1 / 4 / 2016 TO 31 / 03 / 2017**





**BALANCE SHEET**

**AT 31 MARCH 2017**

LABORATORIOS RANBAXY, S.L. (Single Member Company)  
BALANCE SHEET AT 31 MARCH 2017 (stated in Euros)

ASSETS			NET EQUITY AND LIABILITIES				
	Note	2017	2016		Note	2017	2016
<b>NON-CURRENT ASSETS</b>		<b>128.717</b>	<b>116.722</b>	<b>NET EQUITY</b>		<b>3.666.065</b>	<b>2.241.437</b>
<b>Intangible fixed assets</b>	6	<b>13.829</b>	<b>22.055</b>	<b>Shareholders' funds</b>	8	<b>3.666.065</b>	<b>2.241.437</b>
Development		-	-	<b>Capital</b>		<b>1.000.000</b>	<b>1.000.000</b>
Concessions		-	-	Authorised share capital		1.000.000	1.000.000
Patents, licenses, trade marks and similar		-	-	(Share capital not issued and not called up)		-	-
Goodwill		-	-	<b>Share issue premium</b>		-	-
Computer software		13.829	22.055	<b>Reserves</b>		-	-
Other intangible fixed assets		-	-	Legal and statutory		-	-
<b>Tangible fixed assets</b>	5	<b>62.952</b>	<b>87.417</b>	Other reserves		-	-
Land and buildings		-	-	<b>Own shares, treasury stock and similar</b>		-	-
Plant, machinery and others		62.952	87.417	<b>Prior year results</b>		<b>(3.258.563)</b>	<b>(5.797.306)</b>
Assets in course and advance payments		-	-	Remainder		-	-
<b>Investments in property and real estate</b>		-	-	(Retained losses from prior years)		(3.258.563)	(5.797.306)
Land		-	-	<b>Other contributions from shareholders</b>		<b>4.500.000</b>	<b>4.500.000</b>
Buildings		-	-	<b>Result for the year</b>	3	<b>1.424.628</b>	<b>2.538.743</b>
<b>Long-term investments in group and associated entities</b>		-	-	<b>(Dividend paid on account)</b>		-	-
Equity based instruments		-	-	<b>Other share based instruments</b>		-	-
Loans to companies		-	-	<b>Valuation adjustments</b>		-	-
Debt based instruments		-	-	Financial assets for sale		-	-
Derivatives		-	-	Hedging operations		-	-
Other financial assets		-	-	Others		-	-
<b>Long-term investments</b>	8	<b>51.936</b>	<b>7.250</b>	<b>Subsidies, grants and donations</b>		-	-
Equity based instruments		-	-			-	-
Loans to the third parties		-	-	<b>NON-CURRENT LIABILITIES</b>		-	-
Debt based instruments		-	-	<b>Long-term provisions</b>		-	-
Derivatives		-	-	Long-term commitments with employees		-	-
Other financial assets	8	51.936	7.250	Environmental liabilities		-	-
<b>Deferred tax assets</b>		-	-	Restructuring provisions		-	-
<b>CURRENT ASSETS</b>		<b>17.758.898</b>	<b>18.464.651</b>	Other provisions		-	-
<b>NON-CURRENT ASSETS FOR SALE</b>		-	-	<b>Long-term borrowings</b>		-	-
<b>Stocks</b>	9	<b>2.551.761</b>	<b>3.657.862</b>	Debentures and other negotiable instruments		-	-
Goods for resale		2.551.761	4.115.909	Borrowings from financial institutions		-	-
Raw materials and consumables		-	-	Finance lease borrowings		-	-
Work in progress and partially finished goods		-	-	Derivatives		-	-
Finished goods		-	-	Other financial liabilities		-	-
By-products, waste and materials recovered		-	-	<b>Long-term debts with group and associated entities</b>	8 16	-	-
Payments on account		-	(458.047)	<b>Deferred tax liabilities</b>		-	-
<b>Accounts receivable - commercial and other</b>	8	<b>9.468.679</b>	<b>8.346.029</b>	<b>Long-term accruals</b>		-	-
Accounts receivable for sales and services		8.474.954	7.329.424			<b>14.221.550</b>	<b>16.339.936</b>
Trade debtors - group and associated entities	8 16	622.401	1.016.605	<b>CURRENT LIABILITIES</b>		-	-
Sundry debtors		-	-	<b>Liabilities linked to non-current assets held for sale</b>		-	-
Employees	8	4.500	-	<b>Short-term provisions</b>	8 13	<b>12.028.964</b>	<b>10.806.494</b>
Current tax assets		366.824	-	<b>Short-term borrowings</b>		-	-
Tax, Social Security and Government entities		-	-	Debentures and other negotiable instruments		-	-
<b>Short-term investments in group an associated entities</b>		-	-	Borrowings from financial institutions		-	-
Equity based instruments		-	-	Finance lease borrowings		-	-
Loans to companies		-	-	Derivatives		-	-
Debt based instruments		-	-	Other financial liabilities		-	-
Derivatives		-	-	<b>Short-term debts with group and associated entities</b>	8 16	-	<b>2.082.301</b>
Other financial assets		-	-	Loans due to group and associated entities		-	2.082.301
<b>Short-term financial investments</b>		-	-	<b>Accounts payable - commercial and other</b>		<b>2.192.586</b>	<b>3.451.141</b>
Equity instruments		-	-	Suppliers	8	62.857	48.425
Loans to third parties		-	-	Trade creditors, group and associated entities	8 16	816.096	1.400.596
Debt based instruments		-	-	Sundry creditors	8 16	108.837	650.267
Derivatives		-	-	Employees (payroll creditor)	8	79.477	89.031
Other financial assets		-	-	Customer advanced		-	-
<b>Short-term accruals and prepayments</b>		<b>15.645</b>	<b>922.707</b>	Tax, Social Security and Government entities		1.125.319	1.262.822
<b>Cash and equivalent liquid assets</b>		<b>5.722.813</b>	<b>5.538.053</b>	Advances received from customers		-	-
Cash resources		5.722.813	5.538.053	<b>Short-term accruals</b>		-	-
Other equivalent liquid assets		-	-			-	-
<b>TOTAL ASSETS</b>		<b>17.887.615</b>	<b>18.581.373</b>	<b>TOTAL NET EQUITY AND LIABILITIES</b>		<b>17.887.615</b>	<b>18.581.373</b>

Notes 1 to 19 to the annual accounts form an integral part of the balance sheet at 31 March, 2017



**PROFIT AND LOSS STATEMENT**

**FROM 1/4/2016 TO 31/03/2017**

**LABORATORIOS RANBAXY, S.L. (Single Member Company)**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2017**  
**(stated in euros)**

	Note	2.017	2.016
<b>Continuing Operations:</b>			
Net turnover	18	20.579.257	18.887.997
Sales		20.579.257	18.887.997
Services Rendered		-	-
Variation in stocks of finished goods and work-in-progress		-	-
Own work capitalised		-	-
Supplies		(15.883.619)	(13.669.849)
Consumption of goods for resale	12	(15.533.440)	(13.514.783)
Consumption of raw materials and other consumables		-	-
Subcontracting and similar		-	-
Impairment of raw materials, goods for resale and supplies		(350.179)	(155.066)
Other operating income		-	-
Ancillary income and other income from normal operations		-	-
Operating subsidies transferred to income		-	-
Employee costs		(849.098)	(533.630)
Salaries, wages and similar		(674.607)	(471.319)
Allowances		-	-
Social Security and similar costs	12	(174.491)	(62.311)
Provisions		-	-
Other operating costs		(2.330.101)	(2.023.956)
External services		(1.569.065)	(942.372)
Taxes		(763.901)	(1.085.878)
Losses, impairment and movement on provisions for commercial operations	8	2.865	4.295
Other normal operating costs		-	-
Depreciation of fixed assets		(33.964)	(24.654)
Transfer of grants for non-financial assets and others		-	-
Excess provisions		-	-
Impairment and results on sale of fixed assets		1.678	-
Impairment and losses		-	-
Results on sale and others		1.678	-
<b>OPERATING RESULT</b>		<b>1.484.153</b>	<b>2.635.908</b>
Financial income		3.329	2.994
From holdings in equity based instruments		-	-
In group and associated entities		-	-
In third parties		-	-
From tradable investments and other financial instruments		3.329	2.994
Group and associated entities		-	-
Third parties		-	-
Financial costs		-	-
Borrowings from group and associated entities		-	-
Borrowings from third parties		-	-
Recalculation of provisions		-	-
Variation in fair value of financial instruments		(62.135)	(97.878)
Investment portfolio and others	8 16	(62.135)	(97.878)
Transfer to results for the year concerning financial assets held for sale		-	-
Differences on Exchange	10	(719)	(2.281)
Impairment and results on sale of financial assets		-	-
Impairment and losses		-	-
Results on sale and others		-	-
<b>FINANCIAL RESULT</b>		<b>(59.525)</b>	<b>(97.165)</b>
<b>RESULT BEFORE TAX</b>		<b>1.424.628</b>	<b>2.538.743</b>
Corporation tax		-	-
<b>RESULT FOR THE YEAR</b>	3	<b>1.424.628</b>	<b>2.538.743</b>

Notes 1 to 19 to the annual accounts form an integral part of the balance sheet at 31 March, 2017

**STATEMENT OF CHANGES IN EQUITY**

**FROM 1/4/2016 TO 31/03/2017**

LABORATORIOS RANBAXY, S.L.

STATEMENT OF CHANGES IN THE NET EQUITY FOR THE YEAR ENDED 31 MARCH, 2016

(stated in euros)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES FOR THE YEAR ENDED 31 MARCH, 2016

	2016	2015
Profit and loss account - result	2.538.743	1.202.156
Total income and expenses recognised directly in equity	-	-
Total transfers to the profit and loss account	-	-
<b>TOTAL RECOGNISED INCOME AND EXPENSES</b>	<b>2.538.743</b>	<b>1.202.156</b>

B) STATEMENT OF TOTAL CHANGES IN NET EQUITY FOR THE YEAR ENDED 31 MARCH, 2016

	Authorised capital	Reserves	Prior year results	Other contributions from shareholders	Result for the year	TOTAL
<b>CLOSING BALANCE 2016</b>	<b>1.000.000</b>	-	<b>(5.797.305)</b>	<b>4.500.000</b>	<b>2.538.743</b>	<b>2.241.437</b>
<b>Adjusted Opening Balance 2017</b>	<b>1.000.000</b>	-	<b>(5.797.305)</b>	<b>4.500.000</b>	<b>2.538.743</b>	<b>2.241.437</b>
Total recognised income and expenses	-	-	-	-	1.424.628	1.424.628
Share capital reduction	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Distribution of the result	-	-	2.538.743	-	(2.538.743)	-
Shareholders contribution	-	-	-	-	-	-
<b>CLOSING BALANCE 2017</b>	<b>1.000.000</b>	-	<b>(3.258.562)</b>	<b>4.500.000</b>	<b>1.424.628</b>	<b>3.666.065</b>

Notes 1 to 19 to the annual accounts form an integral part of the statement of changes in net equity for the year ended 31 March, 2017

**CASH FLOW STATEMENT**

**FROM 1/4/2016 TO 31/03/2017**

**LABORATORIOS RANBAXY, S.L.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017**  
(stated in euros)

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Result for the year before tax</b>	<b>2.229.040</b>	<b>3.647.001</b>
<b>Adjustments to the result:</b>	<b>1.424.628</b>	<b>2.538.743</b>
Depreciation of fixed assets (+)	33.964	24.654
Valuation correction for impairment (+/-)	70.706	(164.815)
Movement on provisions (+/-)	1.222.470	(4.049.651)
Transfer of subsidies (-)	-	-
Results on sale and withdrawal of fixed assets (+/-)	(1.678)	-
Results on sale and withdrawal financial instruments (+/-)	-	-
Financial income (-)	(3.329)	(2.994)
Financial expense (+)	62.135	97.878
Differences on exchange (+/-)	719	2.281
Change in fair value of financial instruments (+/-)	-	-
Other income and expenses (-/+)	-	-
<b>Changes in working capital:</b>	<b>(439.468)</b>	<b>5.219.917</b>
Stock (+/-)	1.859.883	(1.294.453)
Debtors and other accounts receivable (+/-)	(1.031.762)	(4.872.670)
Other current assets (+/-)	(9.033)	(912.004)
Creditors and other accounts payable (+/-)	(1.258.556)	1.492.550
Other current liabilities (+/-)	1.222.470	10.806.494
Other non-current assets and liabilities (+/-)	(1.222.470)	-
<b>Other cash flows from operating activities:</b>	<b>(141.107)</b>	<b>(19.012)</b>
Interest paid (-)	(144.436)	(22.007)
Dividends received (+)	-	-
Interest received (+)	3.329	2.995
Receipts (payments) for corporation tax (+/-)	-	-
Other payments (receipts)	-	-
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>	<b>(44.281)</b>	<b>(44.953)</b>
<b>Payments for investments (-):</b>	<b>(46.996)</b>	<b>(45.862)</b>
Group and associated companies (-)	-	-
Intangible fixed assets (-)	-	-
Tangible fixed assets (-)	(2.309)	(45.862)
Investments in property (-)	-	-
Other financial assets (-)	(44.687)	-
Non-current assets maintained for sale (-)	-	-
Other assets (-)	-	-
<b>Collections on disposal of investments (+):</b>	<b>2.715</b>	<b>909</b>
Group and associated companies (-)	-	-
Intangible fixed assets (-)	-	-
Tangible fixed assets (-)	-	-
Investments in property (-)	-	-
Other financial assets (-)	-	-
Non-current assets maintained for sale (-)	-	-
Other assets (-)	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(2.000.000)</b>	<b>-</b>
<b>Collections and payments from equity based instruments</b>	<b>-</b>	<b>-</b>
Issues of equity based instruments (+)	-	-
Cancellation of equity based instruments (-)	-	-
Purchase of own equity based instruments (-)	-	-
Transfer of equity based instruments (+)	-	-
Subsidies, donations and similar (-)	-	-
<b>Collections and payments for financial liability instruments:</b>	<b>(2.000.000)</b>	<b>-</b>
Issue:		
Debentures and similar (+)	-	-
Borrowings from financial institutions (+)	-	-
Borrowings from group and associated entities (+)	(2.000.000)	-
Other borrowings (+)	-	-
Repayment and cancellation of:		
Debentures and similar (+)	-	-
Borrowings from financial institutions (+)	-	-
Borrowings from group and associated entities (+)	-	-
Other borrowings (+)	-	-
<b>Payments of dividends and remuneration of other equity based instruments</b>	<b>-</b>	<b>-</b>
Dividends (-)	-	-
Remuneration of other equity based instruments (-)	- €	- €
	- €	- €
<b>Exchange rates impact</b>	<b>- €</b>	<b>- €</b>
<b>NET INCREASE/REDUCTION IN CASH AND EQUIVALENTS</b>	<b>184.759</b>	<b>3.602.048</b>
Opening cash and equivalent resources	5.538.053	1.936.004
Closing cash and equivalent resources	5.722.812	5.538.053





**FINANCIAL YEAR REPORT**

**FROM 1 / 4 / 2016 TO 31 / 03 / 2017**



## **NOTE 1 - BUSINESS ACTIVITY OF THE COMPANY**

LABORATORIOS RANBAXY, S.L.U. (hereinafter, the "Company") was founded on 5 February 2004. Its registered corporate address is at Paseo de Gracia 9, 7<sup>a</sup> planta, Barcelona. Pursuant to Article 13.1 of the Recast Text of the Capital Companies Act, the Company is recorded in the Companies Registry as a sole proprietorship.

In accordance with the company's articles of association, the corporate purpose is the production, preparation, marketing, export and import, and representation of chemical products, antibiotics, medical preparations or substances, pharmaceutical specialties, generic pharmaceutical specialties, registry formulas, officinal formulas or preparations and prefabricated medications, intermediary products, health devices, as well as baby food and special food for disabled persons, chemical, medicinal and pharmaceutical products, and household goods, along with any kind of activity directly or indirectly associated to or ancillary to the foregoing, and whereby the marketing of the aforementioned products represents the company's main activity.

On 1 August 2007, the merger through takeover of Mundogen Farma, S.A. (absorbed company) by LABORATORIOS RANBAXY, S.L. (absorbing company) was approved, with termination through dissolution without winding-up of the absorbed company and the universal mass transfer to the absorbing company, as the universal successor, of all the goods, rights and obligations comprised in the equity, as from 1 October 2007 (the date of formal execution of the merger in a public deed). The merger was carried out under the special system of mergers laid down in articles 83 to 96 of Legislative Royal Decree 4/2004, of 5 March, which approves the rewritten text of the Corporate Income Tax Act.

On 17 December 2013, the Sole shareholder agreed to modify the date for the closing of the business year to 31 March. As a consequence of that decision, the financial year began on 1 April 2014 and ended on 31 March 2015.

During the last quarter of 2013, the Company considered it necessary to implement a change in its business model, due to the market trends. That decision led to the elimination of its business of direct sales to pharmacies through the internal sales network.

The Company and its Sole shareholder, Ranbaxy Netherlands B.V., form a part of the Sun Pharma Group, whose ultimate controlling company is Sun Pharmaceuticals Industries Limited. The registered address of Ranbaxy Netherlands B.V. is Prins Berrnhardplein 200, 1097 JB Amsterdam, and the registered corporate address of Sun Pharmaceuticals Industries Limited is in Mumbai, Maharashtra, India. This latter company is the one that formulates consolidated annual financial statements.

On 31 March 2016, a commercial agreement was signed with the company SUN PHARMACETUCIALS SPAIN, S.L. to concentrate the businesses of Spain of the two companies of the same Indian group. The Company LABORATORIOS RANBAXY, S.L. has acquired the business, including the assets, employees, contracts and assumed obligations.

The functional currency of the Company is the euro. Consequently, operations in currencies other than the euro are deemed to be called in "foreign currency".

## **NOTE 2 - BASES FOR PRESENTING THE ANNUAL FINANCIAL STATEMENTS**

### **a) TRUE AND FAIR VIEW**

The attached annual financial statements have been obtained from the accounting records of the Company, and they are presented in accordance with commercial legislation in force and with the standards established in the General Accounting Plan, approved by Royal Decree 1514/2007 of 16 November, such that they show a true and fair view of the equity, of the financial situation, of the profits/losses of the company and of the cash flows during the financial year.

The attached annual financial statements of the company have been formulated by the Board of Directors and will be submitted to the approval of the Sole shareholder, and they are expected to be approved without modification.

All the standards and criteria in force established in the General Accounting Plan at the time when these financial statements were prepared have been followed, without exception.

### **b) NON-MANDATORY ACCOUNTING PRINCIPLES APPLIED**

No non-mandatory accounting principles have been applied.

### **c) CRITICAL ASPECTS OF ASSESSMENT AND ESTIMATION OF UNCERTAINTY**

The company's directors deem that there are no uncertainties, beyond those that are normal for the business activity, which could bring into question the application of the going concern basis.

Estimates by the Company's Directors have been used to assess some of the assets, liabilities, income, expenses and commitments reported in the attached annual financial statements. These estimates basically refer to:

- Calculation of impairment of the accounts receivable and inventories (Notes 8 c) and 9 respectively)
- Determination of forecasts of trade operations

### **d) COMPARISON OF INFORMATION**

There have not been any exceptional reasons that justify a modification of the structure of the balance sheet, of the profit and loss statement, of the statement of changes in equity and of the cash flow statement of the preceding financial year.

There is no cause that might prevent a comparison between the financial statements of the current year and those of the preceding financial year.

### **e) GROUPING OF ITEMS**

There are no items that have been the object of grouping on the Balance Sheet, in the Profit and Loss Statement, in the statement of changes in equity or in the cash flow statement.



**f) ELEMENTS RECORDED IN VARIOUS ITEMS**

There are no equity elements that are recorded in more than one item of the Balance Sheet.

**g) CHANGES IN ACCOUNTING CRITERIA**

No changes have been made due to changes in accounting criteria during the year.

**h) CORRECTION OF ERRORS**

No errors existing at the close of the financial year have been detected, which would require a re-formulation of the financial accounts. Any significant events that were learned about after the close and that could make it advisable to adjust the estimates at the close of the financial year have been mentioned in the corresponding sections.

**NOTE 3 - APPROPRIATION OF EARNINGS**

**a) PROPOSED APPROPRIATION OF EARNINGS OF THE FINANCIAL YEAR**

AVAILABLE FOR DISTRIBUTION	2016	2015
Balance of the Profit and Loss Statement	1,424,628.29	2,538,742.86
<b>TOTAL AVAILABLE FOR DISTRIBUTION = TOTAL APPROPRIATION</b>	<b>1,424,628.29</b>	<b>2,538,742.86</b>
APPLIED TO	2016	2015
Offsetting of losses from previous financial years	1,424,628.29	2,538,742.86
<b>TOTAL APPROPRIATION = TOTAL AVAILABLE FOR DISTRIBUTION</b>	<b>1,424,628.29</b>	<b>2,538,742.86</b>

**b) DISTRIBUTION OF INTERIM DIVIDENDS**

No interim dividends were distributed during the financial year.

**c) LIMITATIONS ON THE DISTRIBUTION OF DIVIDENDS**

There is no limitation on the distribution of dividends.

**NOTE 4 - RECORDING AND ASSESSMENT STANDARDS**

**1. INTANGIBLE FIXED ASSETS**

Intangible fixed assets are initially recognised at their cost of acquisition, and they are subsequently valued at cost, less the corresponding cumulative depreciation, calculated according to their useful life and the impairment losses that may have been experienced, if applicable.

The Company recognises, accounting-wise, any loss that may have occurred in the recorded value of these assets as a consequence of impairment. The criteria for recognising the impairment losses of these assets and, if applicable, the recoveries of the same recorded in previous financial years are similar to those applied for tangible fixed assets.

### **Computer applications**

The costs of acquisition and development of IT programmes are recorded as IT Applications. The maintenance costs of are charged to the income statement in the year in which they occur. IT applications are only recognised as an intangible fixed asset if they meet the following conditions:

- They are perfectly individualised by projects and their cost is clearly established so that it can be distributed over time.
- There are well-founded reasons for the technical success and for the commercial and financial return of the project in question.

They are depreciated according to the useful life, which must be estimated at 5 years, and the possible capital losses are analysed to make the corresponding value correction due to impairment.

## **2. TANGIBLE FIXED ASSETS**

The goods included in Tangible Fixed Assets are valued at their acquisition price or cost of production, less cumulative depreciation and, if applicable, the cumulative amount of the recognised value corrections due to impairment. The following constitute a greater value of the items of tangible fixed assets:

- Indirect taxes that encumber elements of tangible fixed assets and that cannot be directly recovered from public finance.
- The initial estimate of the current value of the assumed obligations derived from dismantling or removal of the asset.
- The costs of renovation, expansion or improvement that represent an increase in capacity, productivity or expansion of useful life.

For fixed assets that need a period of time greater than one year to be in condition for use, the financial expenses accrued before placing the asset in conditions for use, which have been drawn by the supplier or corresponding to loans or another type of third-party financing, whether specific or generic and directly attributable to the acquisition, manufacture or construction of the asset, are included in the acquisition price or cost of production.

The costs of major repairs are recognised at the book value of the fixed asset as replacements, as long as the conditions for the recognition thereof are met.

### **Technical installations, machinery and tools**

The valuation thereof includes all acquisition or manufacturing and construction expenses until they are placed in operating condition.

### **Implements and tools incorporated in mechanical elements**

The implements and tools that do not form a part of a machine and whose period of use is not estimated to be over one year are charged as an expense of the financial year. If their period of use is more than one year, an annual adjustment is made by taking a physical count.

The templates and moulds that are used permanently in mass manufacturing form a part of tangible fixed assets, and the depreciation thereof is calculated according to their estimated useful life. Custom-ordered moulds used for isolated manufacturing are not considered subject to inventory, except when they have a net realisable value.

### **Tangible fixed assets in progress**

The expenditures made during the financial year due to the projects and works that the company carries out for itself are charged to the expense accounts of the financial year. The accounts of tangible fixed assets in progress are charged by the amount of said expenses, with a credit to the income item that includes the work performed by the company for itself.

### **Depreciation**



Items of tangible fixed assets are depreciated systematically and rationally according to the useful life of the goods and their residual value. Each part of an element with a useful life that is different from the rest is depreciated differently.

	Useful life
Plants, machinery and equipment	18 years
Other facilities, tools and property	8 years
Other fixed assets	8 years

### **Impairment of tangible and intangible assets**

On the date of the balance sheet, the Company revises the book amounts of its tangible and intangible assets to determine if there are signs that said assets have sustained a loss due to impairment. If there is any sign, the recoverable amount of the asset is calculated (the greater value of either the fair value less the cost of sale or the value of use) in order to determine the scope of the loss due to impairment (if there were any). In the event that the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the asset belongs is calculated.

When a loss due to impairment is subsequently reversed, the book value of the asset increases to the revised estimate of its recoverable amount, but such that the increased book value does not exceed the book value that would have been determined had there not been a loss due to impairment in previous financial years. A reversal of an impairment loss is immediately recognised as income.

### **3. LEASES**

Tangible assets acquired under a financial lease are recorded in the asset category to which the leased good belongs, and it is depreciated according to its expected useful life, following the same method as for owned assets.

Leases are classified as financial leases whenever the conditions of the same substantially transfer the risks and advantages derived from ownership to the lessee. All other leases are classified as operational leases.

### **4. SWAPS**

No swap occurred during the financial year.

### **5. FINANCIAL INSTRUMENTS**

#### **Categories of financial assets and liabilities**

##### **a) Financial Assets**

Financial assets are recognised on the balance sheet when they are acquired, and they are classified as:

- **Loans and receivables:** credits due to commercial and non-commercial operations.
  - Initial assessment: at their fair value, except for credits for commercial operations that have a maturity of no more than one year and that have no contractual interest rate and except for advances or credits to personnel, dividends receivable and payouts required on equity instruments that are expected to be received in the short term, which are assessed at their nominal value.
  - Subsequent assessment: at their amortised cost, except for credits with a maturity of no more than one year, as stated, which continue to be assessed at the same amount.

- **Investments held to maturity:** securities representing debt, with a fixed maturity date, receivables of a certain or determinable amount, which are negotiated on an active market and regarding which the company has the effective intention and capacity to hold until maturity.
  - Initial valuation: at their fair value.
  - Subsequent valuation: at their amortised cost.
- **Financial assets held for trading:** assets whose acquisition originates for the purpose of selling the assets in the short term.
  - Initial valuation: at their fair value. The directly attributable transaction costs are recognised in the Profit and Loss Statement.
  - Subsequent valuation: at their fair value, without deducting the transaction costs that could be incurred in the disposal thereof. Changes in the fair value are taken to the profit and loss statement of the financial year.
- **Other financial assets at fair value, with changes in the profit and loss statement:** hybrid financial assets.
  - Initial valuation: at their fair value. The directly attributable transaction costs are recognised in the Profit and Loss Statement.
  - Subsequent valuation: at their fair value, without deducting the transaction costs that could be incurred in the disposal thereof. Changes in the fair value are taken to the profit and loss statement of the financial year.
- **Investments in the equity of the group, multi-group and associated companies:**
  - Initial valuation: at cost.
  - Subsequent valuation: at cost, less the cumulated amount of the value corrections due to impairment, if applicable.
- **Financial assets available for sale:** securities representing debt and equity instruments of other companies that have not been classified in any of the preceding categories.
  - Initial valuation: at their fair value.
  - Subsequent valuation: at their fair value, without deducting the transaction costs that could be incurred in the disposal thereof. Changes in the fair value are allocated to net equity until the asset is written off or impaired, at which time the recognised amount is allocated to profit and loss.

## b) Financial Liabilities

Financial liabilities are classified, according to the content of the contractual agreements and considering the economic background of the operation, into the following categories:

- **Debts and payables:** debts due to commercial and non-commercial operations.
  - Initial valuation: at their fair value (except for debts due to commercial operations that have a maturity of no more than one year and that have no contractual interest rate and except for payouts required by third parties on equity holdings that are expected to be paid in the short term, which are assessed at their nominal value).
  - Subsequent valuation: at their amortised cost (except for debts with a maturity of no more than one year, as stated, which continue to be valued at the same amount).
  - Accrued interest: posted in the profit and loss statement, thereby applying the effective interest rate method.
- **Financial liabilities held for trading:** liabilities issued for the purpose of re-acquiring them in the short term.
  - Initial valuation: at their fair value. The directly attributable transaction costs are recognised in the Profit and Loss Statement.
  - Subsequent valuation: at their fair value, without deducting the transaction costs that could be incurred in the disposal thereof. Changes in the fair value are taken to the profit and loss statement of the financial year.
- **Other financial liabilities at fair value, with changes in the profit and loss statement:** hybrid financial liabilities.

- Initial valuation: at their fair value. The directly attributable transaction costs are recognised in the Profit and Loss Statement.
- Subsequent valuation: at their fair value, without deducting the transaction costs that could be incurred in the disposal thereof. Changes in the fair value are taken to the profit and loss statement of the financial year.

### **c) Own equity instruments**

Own equity instruments are classified according to the content of the contractual agreements and considering the economic background of the operation. The expenses derived from transactions with own equity instruments are recorded directly against own equity as lower reserves.

#### **Impairment**

Valuation corrections are made at the end of the year due to impairment whenever there is objective evidence that the value of a credit or of an investment has been impaired.

The loss is:

- For loans and receivables and for investments held to maturity, the difference between the book value of the asset and the present value of future cash flows estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition (or the market value of the instrument for investments held to maturity, if this value is sufficiently reliable).
- For investments in the equity of companies of the group or multi-group and associated companies, the difference between the book value of the asset and the recoverable amount (the higher of the fair value less the costs of sale and the present value of future cash flows derived from the investment).
- For financial assets available for sale, the difference between the cost less any value correction due to impairment recorded in the profit and loss statement and the fair value at the time when the valuation is made.

All corrections, as well as the reversal thereof, are recognised as an expense or as income, respectively, in the profit and loss statement. The reversal of impairment has a limit of the book value of the credit or of the investment that would be recognised on the reversal date if impairment of the value had not been recorded.

#### **De-registration of financial assets and liabilities**

The criteria used for de-registering a financial asset are the following:

- it must have expired or
- the contractual rights over the cash flows of the financial asset have been transferred, with substantial transfer of the risks and profits inherent in the ownership thereof.

Once the asset has been de-registered, the profit or loss generated by the operation forms a part of the profit/loss of the financial year in which it occurs.

In the case of financial liabilities, the company de-registers them when the obligation has extinguished. A financial liability is also de-registered when an exchange of financial instruments occurs, with substantially different conditions. The difference between the book value of the financial liability and the consideration paid, including the attributable transaction costs, is recorded in the profit and loss statement.

#### **Hybrid financial instruments**

Hybrid financial instruments are classified as those that combine a main, non-derivative contract and a financial contract (implicit derivative), which cannot be transferred independently and whose effect is that some of the cash flows of the hybrid instrument vary similarly to the cash flows of the derivative considered independently. The main contract and the implicit derivative are presented and valued separately when the following circumstances occur simultaneously:



- The financial characteristics and risks inherent in the implicit derivative are not closely related to those of the main contract.
- An independent instrument with the same conditions as those of the implicit derivative would fulfil the definition of derivative instrument.
- The hybrid instrument is not valued at its fair value with changes in the profit and loss statement.

The implicit derivative is treated accounting-wise as a derivative financial instrument, and the main contract is accounted for according to the nature thereof.

#### **Compound financial instruments**

For compound financial instruments issued by the company, the components thereof are recognised, valued and presented separately. The book value is distributed according to the following criteria:

- The fair value of a similar liability that does not have the equity component associated is assigned to the liability component.
- The difference between the initial amount and the value assigned to the liability component is assigned to the equity component.
- The transaction costs are distributed at the same proportion.

#### **Financial guarantee contracts**

Financial guarantee contracts are initially valued at their fair value, which, barring evidence to the contrary, is equal to the premium received, plus the present value of premiums to be received, if applicable. After the initial recognition, they are valued at the greater of:

- The value that results according to the provisions set forth in the standard on provisions and contingencies.
- The initially recognised value less, when applicable, the part of the value allocated to the profit and loss statement because it corresponds to accrued income.

#### **Income or expenses coming from financial instruments**

The interest and dividends from financial assets reported after the time of acquisition have been recognised as income in the profit and loss statement. The effective interest rate method has been used to recognise interest. Dividends are recognised when the right of the shareholder to receive it is declared.

## **6. INVENTORY**

Inventory is valued at its acquisition price or at the cost of production. All indirect taxes that encumber inventory and that are not directly recoverable from public finance are included in the acquisition price.

For inventory that needs a period of time of greater than one year to be in condition to be sold, the financial expenses accrued before placing the inventory in condition to be sold, which have been charged by the supplier or corresponding to loans or another type of third-party financing, whether specific or generic and directly attributable to the acquisition, manufacture or construction of the asset, are included in the acquisition or manufacturing of the inventory.

When the net realisable value of inventories is lower than the acquisition cost or cost of production, valuation corrections are made, recognising them as an expense in the profit and loss statement. For raw materials and other consumables, no valuation correction is made if the finished products into which they are incorporated are expected to be sold at above the cost.

Those goods and services that may have been the object of a firm contract of sale or for the provision of services, according to which compliance will take place subsequently, are not the object of a valuation correction if the sale price stipulated in the contract at least covers the cost of the goods and services, plus all the pending costs that may be necessary for performance of the contract.

In the event that the circumstances that caused a value correction cease to exist, such a



correction will be reversed and will be recognised as income in the profit and loss statement.

## **7. TRANSACTIONS IN FOREIGN CURRENCY**

Transactions in foreign currency are recorded at the time of initial recognition, therefore using the functional currency and applying the exchange rate in force between the functional currency and the foreign currency on the date of the transaction.

On the date of each balance sheet, all monetary assets and liabilities in foreign currency are converted according to the exchange rates in force on the close date. All non-monetary items in foreign currency measured in terms of the historical cost are converted at the exchange rate on the transaction date. The exchange rate differences of monetary items arising when settled and when converting them to the closing interest rate are recognised in the profits/losses for the year, except those forming part of investing in a foreign business, which are recognised directly in equity, after tax and up to the time of their disposal.

On some occasions, in order to cover exposure to certain exchange rate risks, the Company formally executes term contracts and options in foreign currency.

The adjustments of goodwill and the fair value generated in the acquisition of an entity with a functional currency other than the euro are considered assets and liabilities of that entity, and they are converted at the exchange rate at close.

## **8. PROFITS TAXES**

The income tax expense of the financial year is calculated by totalling the current tax that results from applying the tax rate to the tax base of the financial year after applying the deductions that are fiscally permitted, plus the variation of the assets and liabilities due to deferred taxes.

Assets and liabilities due to deferred taxes include the temporary differences that are identified as those amounts expected to be payable or recoverable due to the differences between the book values of assets and liabilities and their tax value, as well as negative tax bases that are pending offset and credits through tax allowances that are not fiscally applied. These amounts are recorded by applying the tax rate to the temporary difference or credit at which they are expected to be recovered or settled.

Liabilities due to deferred taxes are recognised due to all attributable, temporary differences, except if they arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination and that did not affect either the accounting result or the tax base of the tax.

In turn, assets due to deferred taxes are only recognised in the event that it is deemed likely that the Company, in the future, will have sufficient tax income advantages against which to make them effective, and they do not come from the initial recognition of an asset or liability in a transaction that is not a business combination and that did not affect either the accounting result or the tax base of the tax.

On occasion of the accounting close, recognised deferred tax assets and those that were not previously recognised are reviewed in order to check that the recovery thereof is likely, therefore making the appropriate corrections to the same according to the result of the analyses that are conducted.

## **9. INCOME AND EXPENSES**

Income and expenses are attributed according to the accrual basis. Income is calculated at the fair value of the consideration received or to be received, and it represents the amounts that are charged or to be charged for goods that are delivered and services that are provided within the ordinary framework of business activity, after deducting any type of discount and taxes.



Sales of goods are recognised when all the significant risks and benefits inherent in ownership of the goods have been transferred. Income associated with the provision of services is recognised based on the degree to which the services have been provided on the balance sheet date, as long as the result of the transaction can be reliably estimated. Interest income is reported following a time financial criterion according to the principle pending collection and the applicable effective interest rate.

#### **10. PROVISIONS AND CONTINGENCIES**

The Company's annual financial statements record all the significant provisions with respect to which it is estimated that there is the likelihood that an obligation will have to be taken care of. Contingent liabilities are not recognised in the annual financial statements, rather they are included in the annual report, if they exist.

Provisions are only recognised based on present or past events that generate future obligations. They are quantified considering the best available information about the consequences of the event from which they are originated, and they are re-estimated on the occasion of each accounting close. They are used to cover the specific obligations for which they were originally recognised. They are completely or partially reversed when the obligations cease to exist or decrease.

#### **11. PERSONNEL EXPENSES**

Personnel expenses include all remuneration and mandatory or voluntary social security obligations reported at any given time, therefore recognising the obligations for bonuses, holidays or variable remuneration and the associated expenses thereof.

#### **12. BUSINESS COMBINATIONS**

The company did not conduct any operations of this nature during the financial year.

#### **13. JOINT VENTURES**

There is no economic activity controlled jointly with another natural or legal person.

#### **14. CRITERIA USED IN RELATED-PARTY TRANSACTIONS**

Commercial or financial operations with related parties are conducted at market price. No profit or loss is recognised in internal operations.



**NOTE 5 - TANGIBLE FIXED ASSETS**

**MOVEMENT OF TANGIBLE FIXED ASSET ITEMS DURING THE YEAR**

**FINANCIAL YEAR ENDED AT 31/03/2017**

FIXED ASSETS	FIXED ASSETS									
	BALANCE AT 31/Mar./2016	ADDITIONS				DISPOSALS , WRITE- OFFS OR REDUCTIONS	TRANSFERS		VALUE CORRECTIONS DUE TO REAPPRAISAL	BALANCE AT 31/03/2017
		BUSINESS COMBINAT.	NON- MONETARY CONTRIB.	EXPANSIONS AND IMPROVEMENTS	ALL OTHER ENTRIES		TO/FROM NCAHS OR INTERRUPT. OPS.	TO/FROM OTHER ITEMS		
<b>LAND AND BUILDINGS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
TECHNICAL FACILITIES	28,925.80	0.00	0.00	0.00	2,309.28	0.00	0.00	0.00	0.00	31,235.08
OTHER FACILITIES	95,858.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	95,858.36
FURNITURE	469.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	469.65
VEHICLES	44,367.06	0.00	0.00	0.00	0.00	-1,152.80	0.00	0.00	0.00	43,214.26
OTHER TANGIBLE FIXED ASSETS	36,591.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36,591.21
<b>TECHN. INSTALL. AND OTHER TANG. FIXED ASSETS</b>	<b>206,212.08</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,309.28</b>	<b>-1,152.80</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>207,368.56</b>
<b>TOTAL FIXED ASSETS IN PROGRESS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>206,212.08</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,309.28</b>	<b>-1,152.80</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>207,368.56</b>

FIXED ASSETS	DEPRECIATION						BALANCE AT 31/03/2017	NET FIXED ASSETS (FIX. ASST.-DEPREC.)
	BALANCE AT 31/Mar./2016	DEPRECIATION CHARGES	INCREASES	REDUCTIONS	VALUE CORRECTIONS DUE TO REAPPRAISAL			
<b>LAND AND BUILDINGS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
TECHNICAL FACILITIES	21,028.19	2,929.38	0.00	0.00	0.00	23,957.57	7,277.51	
OTHER FACILITIES	68,565.14	20,868.47	0.00	0.00	0.00	89,433.61	6,424.75	
FURNITURE	0.00	0.00	0.00	0.00	0.00	0.00	469.65	
VEHICLES	0.00	0.00	0.00	-115.58	0.00	-115.58	43,329.84	
OTHER TANGIBLE FIXED ASSETS	29,201.63	1,939.93	0.00	0.00	0.00	31,141.56	5,449.65	
<b>TECHN. INSTALL. AND OTHER TANG. FIXED ASSETS</b>	<b>118,794.96</b>	<b>25,737.78</b>	<b>0.00</b>	<b>-115.58</b>	<b>0.00</b>	<b>144,417.16</b>	<b>62,951.40</b>	



<b>TOTAL FIXED ASSETS IN PROGRESS</b>							<b>0.00</b>
<b>TOTAL</b>	<b>118,794.96</b>	<b>25,737.78</b>	<b>0.00</b>	<b>-115.58</b>	<b>0.00</b>	<b>144,417.16</b>	<b>62,951.40</b>

FIXED ASSETS	NET FIXED ASSETS (FIX. ASST.-DEPREC.)	VALUE CORRECTIONS DUE TO IMPAIRMENT				NET FIXED ASSETS
		BALANCE AT 31/Mar./2016	CORRECT. RECOGNISED DURING YEAR	REVERSAL OF CORRECTIONS	REDUCTIONS	
<b>LAND AND BUILDINGS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
TECHNICAL FACILITIES	7,277.51	0.00	0.00	0.00	0.00	7,277.51
MACHINERY	0.00	0.00	0.00	0.00	0.00	0.00
TOOLS	0.00	0.00	0.00	0.00	0.00	0.00
OTHER FACILITIES	6,424.75	0.00	0.00	0.00	0.00	6,424.75
FURNITURE	469.65	0.00	0.00	0.00	0.00	469.65
DATA PROCESSING EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00
VEHICLES	43,329.84	0.00	0.00	0.00	0.00	43,329.84
OTHER TANGIBLE FIXED ASSETS	5,449.65	0.00	0.00	0.00	0.00	5,449.65
<b>TECHN. INSTALL. AND OTHER TANG. FIXED ASSETS</b>	<b>62,951.40</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>62,951.40</b>
<b>TOTAL FIXED ASSETS IN PROGRESS</b>	<b>0.00</b>					<b>0.00</b>
<b>TOTAL</b>	<b>62,951.40</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>62,951.40</b>

#### FINANCIAL YEAR ENDED AT 31/03/2016

FIXED ASSETS	FIXED ASSETS									
	BALANCE AT 31/Mar./2015	BUSINESS COMBINATIONS	NON-MONETARY CONTRIBUT.	EXPANSIONS AND IMPROVEMENTS	ALL OTHER ENTRIES	DISPOSALS, WRITE-OFFS OR REDUCTIONS	TRANSFERS TO/FROM NCAHS OR INTERRUPT. OPS.	TO/FROM OTHER ITEMS	VALUE CORRECTIONS DUE TO REAPPRAISAL	BALANCE AT 31/Mar./2016
<b>LAND AND BUILDINGS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
TECHNICAL FACILITIES	27,900.80	0.00	0.00	0.00	1,025.00	0.00	0.00	0.00	0.00	28,925.80
OTHER FACILITIES	95,858.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	95,858.36
FURNITURE	0.00	0.00	0.00	0.00	469.65	0.00	0.00	0.00	0.00	469.65
VEHICLES	0.00	0.00	0.00	0.00	44,367.06	0.00	0.00	0.00	0.00	44,367.06
OTHER TANGIBLE FIXED ASSETS	36,591.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36,591.21



TECHN. INSTALL. AND OTHER TANG. FIXED ASSETS	160,350.37	0.00	0.00	0.00	45,861.71	0.00	0.00	0.00	0.00	206,212.08
TOTAL FIXED ASSETS IN PROGRESS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	160,350.37	0.00	0.00	0.00	45,861.71	0.00	0.00	0.00	0.00	206,212.08

FIXED ASSETS	DEPRECIATION					BALANCE AT 31/Mar./2016	NET FIXED ASSETS (FIX. ASST.-DEPREC.)
	BALANCE AT 31/Mar./2015	DEPRECIATION CHARGES	INCREASES	REDUCTIONS	VALUE CORRECTIONS DUE TO REAPPRAISAL		
LAND AND BUILDINGS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECHNICAL FACILITIES	18,580.95	2,447.24	0.00	0.00	0.00	21,028.19	7,897.61
OTHER FACILITIES	56,523.94	12,041.20	0.00	0.00	0.00	68,565.14	27,293.22
FURNITURE	0.00	0.00	0.00	0.00	0.00	0.00	469.65
VEHICLES	0.00	0.00	0.00	0.00	0.00	0.00	44,367.06
OTHER TANGIBLE FIXED ASSETS	27,261.70	1,939.93	0.00	0.00	0.00	29,201.63	7,389.58
TECHN. INSTALL. AND OTHER TANG. FIXED ASSETS	102,366.59	16,428.37	0.00	0.00	0.00	118,794.96	87,417.12
TOTAL FIXED ASSETS IN PROGRESS							0.00
TOTAL	102,366.59	16,428.37	0.00	0.00	0.00	118,794.96	87,417.12

FIXED ASSETS	NET FIXED ASSETS (FIX. ASST.-DEPREC.)	VALUE CORRECTIONS DUE TO IMPAIRMENT				BALANCE AT 31/Mar./2016	NET FIXED ASSETS
		BALANCE AT 31/Mar./2015	CORRECT. RECOGNISED DURING YEAR	REVERSAL OF CORRECTIONS	REDUCTIONS		
LAND AND BUILDINGS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECHNICAL FACILITIES	7,897.61	0.00	0.00	0.00	0.00	0.00	7,897.61
OTHER FACILITIES	27,293.22	0.00	0.00	0.00	0.00	0.00	27,293.22
FURNITURE	469.65	0.00	0.00	0.00	0.00	0.00	469.65
VEHICLES	44,367.06	0.00	0.00	0.00	0.00	0.00	44,367.06
OTHER TANGIBLE FIXED ASSETS	7,389.58	0.00	0.00	0.00	0.00	0.00	7,389.58
TECHN. INSTALL. AND OTHER TANG. FIXED ASSETS	87,417.12	0.00	0.00	0.00	0.00	0.00	87,417.12
TOTAL FIXED ASSETS IN PROGRESS	0.00						0.00
TOTAL	87,417.12	0.00	0.00	0.00	0.00	0.00	87,417.12



## OTHER INFORMATION

	FINANCIAL YEAR ENDED AT 31/03/2017			FINANCIAL YEAR ENDED AT 31/03/2016		
	CARRYING VALUE	CUMULATIVE DEPREC.	VALUE CORREC. DUE TO IMPAIRMENT	CARRYING VALUE	CUMULATIVE DEPREC.	VALUE CORREC. DUE TO IMPAIRMENT
TANGIBLE FIXED ASSETS ACQUIRED FROM GROUP COMPANIES (TOTAL)	0.00	0.00	0.00	11,826.42	0.00	0.00
TANGIBLE FIXED ASSETS ACQUIRED FROM ASSOCIATED COMPANIES (TOTAL)	0.00	0.00	0.00	0.00	0.00	0.00
INV. IN TANGIBLE FIXED ASSETS OUTSIDE SPANISH TERRITORY (TOTAL)	0.00	0.00	0.00	0.00	0.00	0.00
TANGIBLE FIXED ASSETS NOT DIRECTLY RELATED TO OPERATIONS (TOTAL)	0.00	0.00	0.00	0.00	0.00	0.00
					<b>FINANCIAL YEAR ENDED AT 31/03/2017</b>	<b>FINANCIAL YEAR ENDED AT 31/03/2016</b>
ESTIMATED COSTS OF DISMANTLING, REMOVAL OR RENOVATION, INCLUDED AS THE GREATER VALUE OF THE ASSETS					0.00	0.00
FINANCIAL EXPENSES CAPITALISED DURING THE YEAR					0.00	0.00
COMPENSATION FROM THIRD PARTIES, INCLUDED IN PROFIT/LOSS OF THE YEAR DUE TO IMPAIRED, LOST OR REMOVED ITEMS					0.00	0.00
AMOUNT OF COMPLETELY DEPRECIATED ASSETS IN USE						
			BUILDINGS		0.00	0.00
			ALL OTHER TANG. FIXED ASSETS		56,149.73	56,109.73
ASSETS SUBJECT TO GUARANTEES					0.00	0.00
ASSETS SUBJECT TO REVERSAL					0.00	0.00
AMOUNT OF RESTRICTIONS TO OWNERSHIP					0.00	0.00
GRANTS, DONATIONS AND BEQUESTS RECEIVED AND RELATED TO INTANG. FIXED ASSETS					0.00	0.00
			AMOUNT OF THE GRANT		0.00	0.00
			AMOUNT OF THE ASSETS		0.00	0.00
REAL PROPERTY						
			VALUE OF THE BUILDING		0.00	0.00
			VALUE OF THE LAND		0.00	0.00
PROFIT/LOSS FOR THE YEAR DERIVED FROM DISPOSAL OR SALE OF TANG. FIXED ASST. ITEMS BY OTHER MEANS					1,677.71	0.00

**NOTE 6 - INTANGIBLE FIXED ASSETS**

**MOVEMENT OF INTANGIBLE FIXED ASSET ITEMS DURING THE YEAR**

**FINANCIAL YEAR ENDED AT 31/03/2017**

FIXED ASSETS	FIXED ASSETS								BALANCE AT 31/03/2017
	BALANCE AT 31/Mar./2016	ADDITIONS				DISPOSALS, WRITE-OFFS OR REDUCTIONS	TRANSFERS		
		BUSINESS COMBINAT.	NON-MONETARY CONTRIB.	EXPANSIONS AND IMPROVEMENTS	ALL OTHER ENTRIES		TO/FROM NCAHS OR INTERRUPT. OPS.	TO/FROM OTHER ITEMS	
COMPUTER APPLICATIONS	50,116.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,116.24
<b>TOTAL</b>	<b>50,116.24</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>50,116.24</b>

FIXED ASSETS	DEPRECIATION					NET FIXED ASSETS (FIX. ASST.-DEPREC.)
	BALANCE AT 31/Mar./2016	DEPRECIATION CHARGES	INCREASES	REDUCTIONS	BALANCE AT 31/03/2017	
COMPUTER APPLICATIONS	28,060.81	8,226.04	0.00	0.00	36,286.85	13,829.39
<b>TOTAL</b>	<b>28,060.81</b>	<b>8,226.04</b>	<b>0.00</b>	<b>0.00</b>	<b>36,286.85</b>	<b>13,829.39</b>

FIXED ASSETS	NET FIXED ASSETS (FIX. ASST.-DEPREC.)	VALUE CORRECTIONS DUE TO IMPAIRMENT					NET FIXED ASSETS
		BALANCE AT 31/Mar./2016	CORRECT. RECOGNISED DURING YEAR	REVERSAL OF CORRECTIONS	REDUCTIONS	BALANCE AT 31/03/2017	
COMPUTER APPLICATIONS	13,829.39	0.00	0.00	0.00	0.00	0.00	13,829.39
<b>TOTAL</b>	<b>13,829.39</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13,829.39</b>





**FINANCIAL YEAR ENDED AT 31/03/2016**

FIXED ASSETS	FIXED ASSETS								BALANCE AT 31/Mar./2016
	BALANCE AT 31/Mar./2015	ADDITIONS				DISPOSALS, WRITE-OFFS OR REDUCTIONS	TRANSFERS		
		BUSINESS COMBINAT.	NON-MONETARY CONTRIB.	EXPANSIONS AND IMPROVEMENTS	ALL OTHER ENTRIES		TO/FROM NCAHS OR INTERRUPT. OPS.	TO/FROM OTHER ITEMS	
COMPUTER APPLICATIONS	50,116.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,116.24
<b>TOTAL</b>	<b>50,116.24</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>50,116.24</b>

FIXED ASSETS	DEPRECIATION					NET FIXED ASSETS (FIX. ASST.-DEPREC.)
	BALANCE AT 31/Mar./2015	DEPRECIATION CHARGES	INCREASES	REDUCTIONS	BALANCE AT 31/Mar./2016	
COMPUTER APPLICATIONS	19,834.77	8,226.04	0.00	0.00	28,060.81	22,055.43
<b>TOTAL</b>	<b>19,834.77</b>	<b>8,226.04</b>	<b>0.00</b>	<b>0.00</b>	<b>28,060.81</b>	<b>22,055.43</b>

FIXED ASSETS	NET FIXED ASSETS (FIX. ASST.-DEPREC.)	VALUE CORRECTIONS DUE TO IMPAIRMENT					NET FIXED ASSETS
		BALANCE AT 31/Mar./2015	CORRECT. RECOGNISED DURING YEAR	REVERSAL OF CORRECTIONS	REDUCTIONS	BALANCE AT 31/Mar./2016	
COMPUTER APPLICATIONS	22,055.43	0.00	0.00	0.00	0.00	0.00	22,055.43
<b>TOTAL</b>	<b>22,055.43</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>22,055.43</b>



## OTHER INFORMATION

	FINANCIAL YEAR ENDED AT 31/03/2017			FINANCIAL YEAR ENDED AT 31/03/2016		
	CARRYING VALUE	CUMULATIVE DEPREC.	VALUE CORREC. DUE TO IMPAIRMENT	CARRYING VALUE	CUMULATIVE DEPREC.	VALUE CORREC. DUE TO IMPAIRMENT
INTANGIBLE FIXED ASSETS ACQUIRED FROM GROUP COMPANIES (TOTAL)	0.00	0.00	0.00	0.00	0.00	0.00
INTANGIBLE FIXED ASSETS ACQUIRED FROM ASSOCIATED COMPANIES (TOTAL)	0.00	0.00	0.00	0.00	0.00	0.00
INV. IN INTANGIBLE FIXED ASSETS OUTSIDE SPANISH TERRITORY (TOTAL)	0.00	0.00	0.00	0.00	0.00	0.00
INTANGIBLE FIXED ASSETS NOT DIRECTLY RELATED TO OPERATIONS (TOTAL)	0.00	0.00	0.00	0.00	0.00	0.00
ASSETS SUBJECT TO GUARANTEES						
ASSETS SUBJECT TO REVERSAL						
AMOUNT OF RESTRICTIONS TO OWNERSHIP						
FINANCIAL EXPENSES CAPITALISED DURING THE YEAR						
AMOUNT OF COMPLETELY DEPRECIATED ASSETS IN USE						
GRANTS, DONATIONS AND BEQUESTS RECEIVED AND RELATED TO INTANG. FIXED ASSETS						
PROFIT/LOSS FOR THE YEAR DERIVED FROM DISPOSAL OR SALE OF INTANG. FIXED ASSET ITEMS BY OTHER MEANS						
AGGREGATE AMOUNT OF DISBURSEMENTS FOR RESEARCH AND DEVELOPMENT RECOGNISED AS AN EXPENSE OF THE YEAR						
AMOUNT OF ASSETS OTHER THAN GOODWILL WITH AN INDEFINITE USEFUL LIFE						

  

	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00	0.00
	8,985.98	40.00
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00	0.00
	0.00	0.00

**NOTE 7 - LEASES AND OTHER OPERATIONS OF A SIMILAR NATURE**

**OPERATIONAL LEASES**

The total amount of future minimum collections from a lease, corresponding to non-cancellable operational leases, depending on the terms, and the amount of the contingent instalments recognised as income of the year, are the following:

	<b>FINANCIAL YEAR ENDED AT 31/03/2017</b>	<b>FINANCIAL YEAR ENDED AT 31/03/2016</b>
Up to 1 year	38,988.00	38,988.00
Between 1 and 5 years	87,723.00	90,972.00
Over 5 years	0.00	0.00
<b>Total</b>	<b>126,711.00</b>	<b>129,960.00</b>

Total expenditure during the financial year ending on 31/Mar./2017 amounted to 49,273.21 euros (46,273.21 euros in the financial year ending on 31/Mar./2016).

The Company's most significant operating lease agreement at the end of the financial year is basically the rental of the office it occupies in Barcelona.

The other lease contracts correspond to the lease of vehicles.



**NOTE 8 - FINANCIAL INSTRUMENTS**

**1. INFORMATION ABOUT THE RELEVANCE OF FINANCIAL INSTRUMENTS IN THE FINANCIAL SITUATION AND PROFIT/LOSS OF THE COMPANY**

**a) Categories of financial assets and liabilities:**

**- Long-term financial assets:**

		CLASSES OF LONG-TERM FINANCIAL ASSETS							
		EQUITY INSTRUMENTS (except equity holdings of group, multi-group and associated companies)		SECURITIES REPRESENTING DEBT		CREDITS, DERIVATIVES AND OTHERS		TOTAL	
		FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016
<b>CATEGORY</b>	ASSETS AT FV WITH CHANGES TO P&L								
	HELD FOR TRADING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	OTHERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	INV. HELD TO MATURITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	LOANS AND RECEIVABLES	0.00	0.00	0.00	0.00	51,936.39	7,249.61	51,936.39	7,249.61
	ASSETS AVAILABLE FOR SALE								
	VALUED AT FAIR VALUE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VALUED AT COST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HEDGING DERIVATIVES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>51,936.39</b>	<b>7,249.61</b>	<b>51,936.39</b>	<b>7,249.61</b>	



**- Short-term financial assets:**

		CLASSES OF SHORT-TERM FINANCIAL ASSETS									
		EQUITY INSTRUMENTS (except equity holdings of group, multi-group and associated companies)		SECURITIES REPRESENTING DEBT		TRADE DEBTORS AND OTHER ACCOUNTS RECEIVABLE		CREDITS, DERIVATIVES AND OTHERS		TOTAL	
		FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016
<b>CATEGORY</b>	ASSETS AT FV WITH CHANGES TO P&L										
	HELD FOR TRADING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	OTHERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	INVESTMENTS HELD TO MATURITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	LOANS AND RECEIVABLES	0.00	0.00	0.00	0.00	9,097,355.43	8,346,028.04	0.00	0.00	9,097,355.43	8,346,028.04
	ASSETS AVAILABLE FOR SALE										
	VALUED AT FAIR VALUE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VALUED AT COST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HEDGING DERIVATIVES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9,097,355.43</b>	<b>8,346,028.04</b>	<b>0.00</b>	<b>0.00</b>	<b>9,097,355.43</b>	<b>8,346,028.04</b>	

**- Long-term financial liabilities:**

		CLASSES OF LONG-TERM FINANCIAL LIABILITIES							
		DEBTS WITH CREDIT INSTITUTIONS		DEBENTURES AND OTHER MARKETABLE SECURITIES		DERIVATIVES AND OTHERS		TOTAL	
		FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016
<b>CATEGORY</b>	DEBTS AND PAYABLES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	LIABILITIES AT FV WITH CHANGES TO P&L								
	HELD FOR TRADING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	OTHERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	HEDGING DERIVATIVES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>



**- Short-term financial liabilities:**

		CLASSES OF SHORT-TERM FINANCIAL LIABILITIES									
		DEBTS WITH CREDIT INSTITUTIONS		DEBENTURES AND OTHER MARKETABLE SECURITIES		TRADE CREDITORS AND OTHER ACCOUNTS PAYABLE		DERIVATIVES AND OTHERS		TOTAL	
		FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016
<b>CATEGORY</b>	DEBTS AND PAYABLES	0.00	0.00	0.00	0.00	1,067,266.00	4,270,620.08	12,028,964.49	10,806,494.09	13,096,230.49	15,077,114.17
	LIABILITIES AT FV WITH CHANGES TO P&L										
	HELD FOR TRADING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	OTHERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	HEDGING DERIVATIVES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,067,266.00</b>	<b>4,270,620.08</b>	<b>12,028,964.49</b>	<b>10,806,494.09</b>	<b>13,096,230.49</b>	<b>15,077,114.17</b>

Balances with Public Administrations are not included in the following tables.

There are no significant differences between the book value and the fair value of the financial liabilities.



**b) Classification by maturity:**

**- Financial instruments - assets:**

	MATURITY IN YEARS						TOTAL
	1	2	3	4	5	OVER 5	
INVESTMENTS IN GROUP AND ASSOCIATED COMPANIES							
LOANS TO COMPANIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SECURITIES REPRESENTING DEBT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DERIVATIVES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER FINANCIAL ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER INVESTMENTS	0.00	0.00	0.00	51,936.39	0.00	0.00	51,936.39
FINANCIAL INVESTMENTS							
LOANS TO COMPANIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SECURITIES REPRESENTING DEBT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DERIVATIVES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER FINANCIAL ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER INVESTMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NON-CURRENT TRADE PAYABLES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADVANCES TO SUPPLIERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TRADE DEBTORS AND OTHER ACCOUNTS RECEIVABLE							
CLIENTS FROM SALES AND PROVISION OF SERVICES	8,474,953.95	0.00	0.00	0.00	0.00	0.00	8,474,953.95
CUSTOMERS, GROUP AND ASSOCIATED COMPANIES	622,401.48	0.00	0.00	0.00	0.00	0.00	622,401.48
SUNDRY DEBTORS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PERSONNEL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SHAREHOLDERS (PARTNERS) FOR PAYMENTS REQUIRED	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>9,097,355.43</b>	<b>0.00</b>	<b>0.00</b>	<b>51,936.39</b>	<b>0.00</b>	<b>0.00</b>	<b>9,149,291.82</b>

**- Financial instruments - liabilities:**

	MATURITY IN YEARS						TOTAL
	1	2	3	4	5	OVER 5	
DEBTS							
DEBENTURES AND OTHER MARKETABLE SECURITIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEBTS WITH CREDIT INSTITUTIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LEASING CREDITORS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DERIVATIVES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER FINANCIAL LIABILITIES	12,028,964.49	0.00	0.00	0.00	0.00	0.00	12,028,964.49
DEBTS WITH GROUP AND ASSOCIATED COMPANIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NON-CURRENT TRADE PAYABLES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TRADE CREDITORS AND OTHER ACCOUNTS PAYABLE							
SUPPLIERS	62,856.65	0.00	0.00	0.00	0.00	0.00	62,856.65
SUPPLIERS, GROUP AND ASSOCIATED COMPANIES	816,095.55	0.00	0.00	0.00	0.00	0.00	816,095.55
SUNDRY CREDITORS	108,836.59	0.00	0.00	0.00	0.00	0.00	108,836.59
PERSONNEL	79,477.21	0.00	0.00	0.00	0.00	0.00	79,477.21
CUSTOMER ADVANCES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEBT WITH SPECIAL CHARACTERISTICS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>13,096,230.49</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13,096,230.49</b>

**c) Corrections due to impairment caused by the credit risk:**

	CLASSES OF FINANCIAL ASSETS					
	SECURITIES REPRESENTING DEBT		CREDITS, DERIVATIVES AND OTHERS		TOTAL	
	LONG TERM	SHORT TERM	LONG TERM	SHORT TERM	LONG TERM	SHORT TERM
<b>LOSSES FOR IMPAIRMENT AT 01/04/2016</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>279,447.76</b>	<b>0.00</b>	<b>279,447.76</b>
+ VALUE CORRECTION DUE TO IMPAIRMENT	0.00	0.00	0.00	36,858.53	0.00	36,858.53
- REVERSAL OF IMPAIRMENT	0.00	0.00	0.00	-41,155.24	0.00	-41,155.24
- DISPOSALS AND REDUCTIONS	0.00	0.00	0.00	0.00	0.00	0.00
+/- TRANSFERS AND OTHER VARIATIONS	0.00	0.00	0.00	0.00	0.00	0.00
<b>IMPAIRMENT LOSS AT 31/Mar./2016</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>275,151.05</b>	<b>0.00</b>	<b>275,151.05</b>
+ VALUE CORRECTION DUE TO IMPAIRMENT	0.00	0.00	0.00	0.00	0.00	0.00
- REVERSAL OF IMPAIRMENT	0.00	0.00	0.00	-2,865.07	0.00	-2,865.07
- DISPOSALS AND REDUCTIONS	0.00	0.00	0.00	-91,607.57	0.00	-91,607.57
+/- TRANSFERS AND OTHER VARIATIONS	0.00	0.00	0.00	0.00	0.00	0.00
<b>LOSSES FOR IMPAIRMENT AT 31/03/2017</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>180,678.41</b>	<b>0.00</b>	<b>180,678.41</b>

**d) Information related to the profit and loss statement:**

**- Liabilities for the financial year ending on 31/03/2017:**

CATEGORY	LOSSES	PROFITS	PROFIT OR LOSS ON NET ASSETS	INTEREST ON DEBT	FIN. EXP. BY APPLIC. OF EIR
DEBTS AND PAYABLES	0.00	0.00	0.00	62,135.44	0.00
LIABILITIES AT FV WITH CHANGES TO P&L					
HELD FOR TRADING	0.00	0.00	0.00	0.00	
OTHERS	0.00	0.00	0.00	0.00	
HEDGING DERIVATIVES	0.00	0.00	0.00	0.00	
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>62,135.44</b>	<b>0.00</b>

**- Liabilities of the financial year ending at 31/Mar./2016:**

CATEGORY	LOSSES	PROFITS	PROFITS OR LOSS ON NET ASSETS	INTEREST ON DEBT	FIN. EXP. BY APPLIC. OF EIR
DEBTS AND PAYABLES	0.00	0.00	0.00	97,878.31	0.00
LIABILITIES AT FV WITH CHANGES TO P&L					
HELD FOR TRADING	0.00	0.00	0.00	0.00	
OTHERS	0.00	0.00	0.00	0.00	
HEDGING DERIVATIVES	0.00	0.00	0.00	0.00	
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>97,878.31</b>	<b>0.00</b>

**e) Group, multi-group and associated companies:**

Information about companies of the group:

On 28 December 2005, 14 July 2006 and 9 October 2009, Ranbaxy Netherlands, BV, the Company's Sole shareholder, extended participative loans of 350,000, 5,500,000 and 3,000,000 euros, respectively, with maturity extended until 31 December 2013, 15 July 2013 and 31 December 2013, respectively. The fixed remuneration was a fixed interest rate of 2.5% plus a percentage of 0.06% on Company sales in relation to the loan of 350,000 euros, a fixed interest rate of 2.5% plus a percentage of 0.6% on sales in relation to the loan of 5,500,000 euros and a fixed interest rate of 2.5% plus a percentage of 0.33% on sales in relation to the loan of 3,000,000 euros.





On 18 October 2011, the Company made a partial repayment of 1,000,000 euros in relation to the participative loan of 5,500,000 euros. Subsequently, on 28 October 2011 the agreement dated 7 October 2011 came into force, whereby Ranbaxy Netherlands, BV agreed to allocate 3,350,000 euros corresponding to its loan of 14 July 2006 to offset losses from prior years.

On 31 December 2012, the agreement whereby Ranbaxy Netherlands, BV agreed to allocate the full amount of the 3,000,000-euro loan to making a shareholders' contribution (see note 8.2) came into force.

On 13 February 2014, a new participative loan was received, amounting to 2,000,000 euros and maturing on 12 February 2017. This loan accrues interest at a fixed rate of 2.5%, plus a spread of 0.25% on sales.

On 30 May 2014, the Sole shareholder agreed to allocate the participative loans amounting to 1,500,000 euros to making a shareholders' contribution (see note 8.2).

As a result, the participative loans included in the balance sheet as of 31 March 2016 amount to 2,000,000 euros. In February 2017 this loan was cancelled in full and so the balance at 31 March 2017 is 0.00 euros.

At 31 March 2017, there is no accrued interest to be paid to the group due to the cancellation of the participative loan in February 2017 (82,300.70 euros at 31 March 2016).

**f) Information about the nature and level of risk coming from financial instruments:**

Financial risks are managed by the Finance Department, which has the mechanisms required to control exposure to changes in interest rates and exchange rates, as well as credit and liquidity risks. The main financial risks that have an impact on the Company are shown below:

- Credit risk:

In general, the Company keeps its cash and cash equivalents at banks with a high credit rating. The Company has not taken out any insurance policies to cover the risk of bad debts. The Company's credit policy is based on the characteristics of each customer, and a range is therefore established for the purposes of setting the credit limit. There is no significant concentration of credit risk with third parties.

- Liquidity risk:

To guarantee liquidity and deal with all the payment commitments as a result of the Company's activity, it has the cash balance shown on the balance sheet, as well as the funding received from its Sole shareholder, which is detailed in Note 8.1. e). It likewise has the financial support of the Group.

- Interest rate risk:

The Company has settled the participative loans with its Sole shareholder for an overall amount of 2,000,000 euros, with fixed interest rates plus a spread pegged to the Company's sales (see note 8.1 e)).

- Exchange rate risk:

The company has not made any hedges for the risk of fluctuations of exchange rates.

**g) Other information:**



There are no debts with tangible security.

There are no assets or rights located abroad.

The Company has liquid funds at the financial year close date amounting to 5,722 thousand euros (5,539 thousand euros at 31 March 2016).

## **2. OWN FUNDS**

Following the share capital increase carried out on 31 December 2008, the registered share capital amounted to 5,000,000 euros at 31 March 2014, represented by 500,000 equity units a face value of 10 euros each, all of the same class, fully subscribed and paid up, and conferring the same rights to the holders thereof.

After the capital decrease of 30 May 2014, the deeded capital amounts to 1,000,000 euros, represented by 500,000 equity units, each with face value of 2 euros.

At 31 March 2017 and 31 March 2016, all the share capital belongs to Ranbaxy Netherlands, B.V.

For the purposes of the provisions set forth in Article 274 of the Capital Companies Act, it must be kept in mind that the participative loans described in note 8.1 are counted as equity assets for the purposes of determining whether an asset imbalance exists. Therefore, the Company did not present an asset imbalance at either 31 March 2017 or at 31 March 2016.

On 7 October 2011, the Sole shareholder Ranbaxy Netherlands, BV agreed to earmark €3,350,000 of the participative loan extended on 14 July 2006 to offset losses from prior years. On 31 December 2012, the Sole shareholder agreed to allocate the participative loan signed on 9 October 2009 in the amount of 3,000,000 euros to shareholder's contributions.

On 30 May 2014, the Sole shareholder agreed to allocate the outstanding participative loans amounting to 1,500,000 euros as shareholders' contributions in order to increase the Company's own funds.

There are no payments pending.

At the close date of the financial year, there is no capital expansion in progress.

In accordance with the Recast Text of the Capital Companies Act, a sum equal to 10% of the year's profits must be allocated to the legal reserve until it reaches at least 20% of the share capital.

The legal reserve may only be used to increase capital by the part of the balance that exceeds 10% of the capital already increased. Barring the aforementioned purpose and whilst the reserve does not exceed 20% of the share capital, the reserve may only be available to offset losses and only as long as there are no other available reserves that are sufficient for this purpose.

There are no obstacles to the availability of reserves other than those derived from the legal scheme.

Considering the negative results of the Company over the last 5 years, no dividends have been distributed.

### NOTE 9 - INVENTORY

#### Value corrections due to impairment

	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016
Amount at the beginning of the financial year	512,492.63	673,011.10
Amount at the end of the financial year	700,631.85	512,492.63

As a consequence of the change in business model (see note 1), a significant part of the products in stock will not be marketed, given that the internal sales network has been eliminated, thereby leading to the complete impairment of those products (these products must be sold by the sales force, and we therefore estimate that it will not be possible to market them). All expired products are also impaired completely (or partially to the extent that the expiry date approaches), in addition to those that belong to an auction that has been transferred to another laboratory.

### NOTE 10 - FOREIGN CURRENCY

#### Assets and liabilities denominated in foreign currency

##### - Assets:

There are no assets in foreign currency.

##### - Liabilities:

	FINANCIAL YEAR ENDED AT 31/Mar./2017 (EUROS)			FINANCIAL YEAR ENDED AT 31/Mar./2016 (EUROS)		
	TOTAL	CLASSIFICATION BY CURRENCIES		TOTAL	CLASSIFICATION BY CURRENCIES	
		DOLLARS	POUNDS		DOLLARS	POUNDS
<b>C) NON-CURRENT LIABILITIES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>D) CURRENT LIABILITY</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,915.98</b>	<b>5,697.26</b>	<b>218.72</b>
1. Liabilities linked to NCAHS	0.00	0.00	0.00	0.00	0.00	0.00
2. Short-term debts	0.00	0.00	0.00	0.00	0.00	0.00
3. Short-term debts with group and assoc. companies	0.00	0.00	0.00	0.00	0.00	0.00
4. Trade creditors and other accounts payable	0.00	0.00	0.00	5,915.98	5,697.26	218.72

#### Purchase, sales and services received and rendered

	FINANCIAL YEAR ENDED AT 31/03/2017			FINANCIAL YEAR ENDED AT 31/03/2016		
	TOTAL	CLASSIFICATION BY CURRENCIES (euros)		TOTAL	CLASSIFICATION BY CURRENCIES (euros)	
		DOLLARS	POUNDS		DOLLARS	POUNDS
Purchases	0.00	0.00	0.00	0.00	0.00	0.00
Sales	0.00	0.00	0.00	0.00	0.00	0.00
Services received	11,445.83	9,066.43	2,379.40	11,348.71	11,129.99	218.72
Services rendered	0.00	0.00	0.00	0.00	0.00	0.00

### Exchange rate differences recognised in the profit/loss of the financial year

	FINANCIAL YEAR ENDED AT 31/03/2017		FINANCIAL YEAR ENDED AT 31/03/2016	
	SETTLED	OPENING OR PENDING	SETTLED	OPENING OR PENDING
<b>D) CURRENT LIABILITY</b>	<b>718.78</b>	<b>0.00</b>	<b>2,281.48</b>	<b>0.00</b>
4. Trade creditors and other accounts payable	718.78	0.00	2,281.48	0.00

### NOTE 11 - TAX SITUATION

#### 1. PROFITS TAX

Reconciliation between the net amount of income and expenses of the financial year and the tax base

	PROFIT AND LOSS STATEMENT			INCOME AND EXPENSES DIRECTLY ATTRIBUTED TO THE BUS. PLAN		
	INCREASES	REDUCTIONS	NET EFFECT	INCREASES	REDUCTIONS	NET EFFECT
Balance of income and expenses of the year			1,424,628.29			0.00
Corporate income tax	0.00	0.00	0.00	0.00	0.00	0.00
Permanent differences	0.00	0.00	0.00	0.00	0.00	0.00
Temporary differences						
coming from the financial year	0.00	0.00	0.00	0.00	0.00	0.00
coming from previous financial years	0.00	0.00	0.00	0.00	0.00	0.00
Offsetting of negative tax bases from previous financial years			-1,424,628.29			0.00
<b>Tax base (tax result)</b>			<b>0.00</b>			<b>0.00</b>

Reconciliation between expense and income due to income taxes and the result of multiplying the applicable tax rates to the total of recognised income and expenses

	EUROS
<b>ACCOUNTING RESULT BEFORE TAXES x t</b>	<b>356,157.07</b>
PERMANENT DIFFERENCES	
+ Positive permanent difference x t	0.00
- Negative permanent difference x t	0.00
TEMPORARY DIFFERENCES TREATED AS PERMANENT	
+ Increases	0.00
- Reductions	0.00
DEDUCTIONS APPLIED FOR ACCOUNTING EFFECTS	0.00
INCOME DUE TO ACTIVATED NEGATIVE EARNINGS	
+ Amount of the value of the negative accounting result x t	0.00
INCOME FROM OFFSETTING NEGATIVE TAX BASES IN PREVIOUS YEARS NOT ACTIVATED	
+ Amount of offset Negative Tax Base x t	-356,157.07
<b>CORPORATE INCOME TAX (EXPENSE/INCOME)</b>	<b>0.00</b>

The negative tax bases pending offsetting, which the Company has not recognised as assets through deferred tax, are:

At 31 March 2017:

Year of origin	Euros	Final year
2008	1,301,459	not expired
2013	7,715,496	not expired

At 31 March 2016:

Year of origin	Euros	Final year
2008	2.726.088	not expired
2013	7,715,496	not expired

In accordance with legislation in force, the statements made for the various taxes cannot be considered definitive until after having been audited by the tax authorities or after the statute of limitation has expired.

At 31 December, the Company has all non-prescribed tax years open to inspection. However, in the opinion of the Company's Directors, in the event of an audit, it is not foreseeable that there would be differences that might significantly affect the annual financial statements.

#### NOTE 12 - INCOME AND EXPENSES

The breakdowns of the items, "Consumption of goods purchased for resale", "Consumption of raw materials and other consumables", "Social Security charges" and "Other profits/losses", are presented below, as well as the amount of the goods and the provision of services for the swap of non-monetary goods and services:

	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016
1. Consumption of goods purchased for resale	15,533,439.84	13,514,782.86
a) Purchases, net returns and any discount:	14,427,338.35	11,685,465.24
National	1,945,150.85	0.00
Intra-community acquisitions	12,482,187.50	11,685,465.24
Imports	0.00	0.00
b) Change in inventory	1,106,101.49	1,829,317.62
2. Consumption of raw materials and other consumables	0.00	0.00
a) Purchases, net returns and any discount:	0.00	0.00
National	0.00	0.00
Intra-community acquisitions	0.00	0.00
Imports	0.00	0.00
b) Change in inventory	0.00	0.00
3. Social Security charges	174,490.94	62,311.48
a) Social Security paid by the Company	141,199.78	47,168.09
b) Contributions to and allocations for pensions	0.00	0.00
c) Other social security charges	33,291.16	15,143.39
4. Sale of goods and provision of services produced through the swap of non-monetary goods and services	0.00	0.00
5. Earnings originating outside the normal business activity of the company included in Other Profits/Losses	0.00	0.00
6. Expenses associated with restructuring:	0.00	0.00
a) Personnel expenses	0.00	0.00
b) Other operating expenses	0.00	0.00

c) Impairment and profit (loss) due to disposals of fixed assets	0.00	0.00
d) Other profits/losses associated with restructuring	0.00	0.00

### **NOTE 13 - PROVISIONS AND CONTINGENCIES**

#### **1. PROVISIONS**

The movement of the Provisions items during the financial year has been the following:

	<b>BALANCE on 31/Mar./2016</b>	<b>Reversals</b>	<b>Allocations</b>	<b>BALANCE AT 31/Mar./2017</b>
Provision for returns	640,552.77	-1,687,418.94	1,801,568.43	754,702.26
Provision for onerous contracts	70,560.00	-38,397.00	0.00	32,163.00
Other contractual undertakings	10,095,381.32	-33,997,661.22	35,144,379.13	11,242,099.23
<b>TOTAL</b>	<b>10,806,494.09</b>	<b>-35,723,477.16</b>	<b>36,945,947.56</b>	<b>12,028,964.49</b>

The provision for returns was estimated by applying a percentage of 3% to direct sales to pharmacies and to sales made through wholesalers. This percentage corresponds to an estimate made by the Company based on the expected value of returns and using, as the reference, the maximum amount of returns in accordance with the provisions of Royal Decree 726/1982 of 17 March, which regulates the expiry and returns of pharmaceutical specialities to pharmaceutical laboratories.

The provision for onerous contracts corresponds to the amount due in the future for confirmed non-cancellable orders of products which, due to the change in business model (see note 1), will not be sold. Consequently, it is estimated that their net realisable value will be zero.

Provisions for other contractual commitments correspond to price reductions (voluntary improvement) offered to the Andalusian Health Service (Servicio Andaluz de Salud -SAS) on sales made during the period, for settlement during the following year with certain contractual commitments acquired in relation to auctions of generic medicines in Andalusia. The reductions in auction sale prices are recorded as lower sales.

### **NOTE 14 - INFORMATION ABOUT THE ENVIRONMENT AND GREENHOUSE GAS EMISSION ALLOWANCES**

Within its tangible fixed assets, the Company does not have any significant elements used to minimize environmental impact or to protect and improve the environment.

Costs incurred in the financial year ending on 31 March 2017 for protection and improvement of the environment amounted to 58,060.21 euros. Most of these costs involved the controlled destruction of expired product. In the previous year, this expenditure amounted to 35,177.69 euros.

No environmental investments were made during the financial years ending at 31/03/2017 and



31/03/2016.

**NOTE 15 - EVENTS AFTER THE CLOSE**

No events that might affect the annual financial statements closed at 31 March 2017 or the going concern basis have occurred after the close of the financial year.

**NOTE 16 - OPERATIONS WITH RELATED PARTIES**

The most significant information about operations with related parties conducted during the financial year is provided below.

- a) The persons and/or companies with whom related operations were carried out are listed below:
  - Parent company
  - Other group companies
- b) The nature of the relationship with the related parties is commercial.
- c) The details of the operations and the quantification thereof, as well as the profits or losses that the operations have caused at the company, are the following:

**FINANCIAL YEAR ENDED AT 31/03/2017**

	<b>PARENT COMPANY</b>	<b>OTHER GROUP COMPANIES</b>
Sales of current assets	0.00	0.00
Sales of non-current assets	0.00	0.00
Purchases of current assets	0.00	-11,863,872.00
Purchases of non-current assets	0.00	0.00
Provision of services	0.00	0.00
Reception of services	0.00	-826,276.00
Income from interest charged	0.00	0.00
Income from interest accrued but not charged	0.00	0.00
Expenses due to interest paid	-144,436.14	0.00
Expenses due to interest accrued but not paid	0.00	0.00

**FINANCIAL YEAR ENDED AT 31/03/2016**

	<b>PARENT COMPANY</b>	<b>OTHER GROUP COMPANIES</b>
Sales of current assets	0.00	0.00
Sales of non-current assets	0.00	0.00
Purchases of current assets	0.00	-14,275,308.00
Purchases of non-current assets	0.00	-11,286.42
Provision of services	0.00	0.00
Reception of services	0.00	-339,113.00
Income from interest charged	0.00	0.00
Income from interest accrued but not charged	0.00	0.00
Expenses due to interest paid	-15,577.30	0.00
Expenses due to interest accrued but not paid	-82,300.70	0.00



The amount of the pending balances of operations with related parties, as of the close date of the financial year, is the following:

FINANCIAL YEAR ENDED AT 31/03/2017

	PARENT COMPANY	OTHER GROUP COMPANIES
<b>A) NON-CURRENT ASSETS</b>	<b>0.00</b>	<b>0.00</b>
1. Long-term financial investments	0.00	0.00
<b>B) CURRENT ASSETS</b>	<b>0.00</b>	<b>843,959.00</b>
1. Trade debtors and other accounts receivable	0.00	843,959.00
b) Clients from sales and service provision at short term, of which:	0.00	843,959.00
2. Short-term financial investments	0.00	0.00

	PARENT COMPANY	OTHER GROUP COMPANIES
<b>C) NON-CURRENT LIABILITIES</b>	<b>0.00</b>	<b>0.00</b>
1. Long-term debts	0.00	0.00
2. Long-term debts of special characteristics	0.00	0.00
<b>D) CURRENT LIABILITY</b>	<b>0.00</b>	<b>1,037,653.00</b>
1. Short-term debts	0.00	0.00
e) Other financial liabilities	0.00	0.00
2. Short-term debts of special characteristics	0.00	0.00
3. Trade creditors and other accounts payable	0.00	1,037,653.00
b) Short-term suppliers	0.00	1,037,653.00

FINANCIAL YEAR ENDED AT 31/03/2016

	PARENT COMPANY	OTHER GROUP COMPANIES
<b>A) NON-CURRENT ASSETS</b>	<b>0.00</b>	<b>0.00</b>
1. Long-term financial investments	0.00	0.00
<b>B) CURRENT ASSETS</b>	<b>1,016,604.54</b>	<b>0.00</b>
1. Trade debtors and other accounts receivable	1,016,604.54	0.00
b) Customers for long-term sales and the provision of services	1,016,604.54	0.00
2. Short-term financial investments	0.00	0.00

	PARENT COMPANY	OTHER GROUP COMPANIES
<b>C) NON-CURRENT LIABILITIES</b>	<b>0.00</b>	<b>0.00</b>
1. Long-term debts	0.00	0.00
2. Long-term debts of special characteristics	0.00	0.00
<b>D) CURRENT LIABILITY</b>	<b>2,082,300.70</b>	<b>1,917,083.14</b>
1. Short-term debts	2,082,300.70	0.00
e) Other financial liabilities	2,082,300.70	0.00
2. Short-term debts of special characteristics	0.00	0.00
3. Trade creditors and other accounts payable	0.00	1,917,083.14
b) Short-term suppliers	0.00	1,400,595.64
c) Diverse creditors	0.00	516,487.50

The information pertaining to **senior management personnel** is the following:

	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016
1. Salaries, per diems and other remuneration	369,691.94	361,459.28





The Board of Directors is the governing, management and representative body of the company. The Board of Directors is therefore deemed to be the body that ultimately directs the company. In this regard, the Board of Directors has not received any amount under the concept of salaries, per diems or remuneration for the performance of its duties, nor have obligations been contracted regarding pensions or the payment of life insurance regarding past or present members of the body. No compensation for dismissal has been satisfied to the Board of Directors, nor have any payments been made based on equity instruments. They also have not been granted any advances or credits.

The members of the Board of Directors, in compliance with Article 229.3 of Law 31/2014 of 3 December, which approves the amendment of the recast text of the Capital Companies Act, have not reported any situation of direct or indirect conflict of interest with the company.

No agreements with the sole shareholder exist.

#### NOTE 17 - OTHER INFORMATION

The **average number of employees** during the present year, by categories, is as follows:

	FINANCIAL YEAR ENDED AT 31/Mar./2017	FINANCIAL YEAR ENDED AT 31/03/2016
Senior executives	4.00	3.00
Other management staff	0.00	0.00
Technical staff, scientific and intellectual professionals and auxiliary staff	2.00	0.00
Administrative employees	3.00	1.00
Sales staff, sales reps and similar	2.00	0.00
Other skilled workers	0.00	0.00
Non-skilled workers	0.00	0.00
<b>Total average employment</b>	<b>11.00</b>	<b>4.00</b>

At the end of the financial year, the **distribution of company personnel by gender** is the following:

	FINANCIAL YEAR ENDED AT 31/Mar./2017			FINANCIAL YEAR ENDED AT 31/03/2016		
	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN
Directors	3.00	3.00	0.00	3.00	3.00	0.00
Senior executives (non-directors)	3.00	2.00	1.00	2.00	1.00	1.00
Other company management staff	0.00	0.00	0.00	0.00	0.00	0.00
Technical staff, scientific and intellectual professionals and auxiliary staff	2.00	1.00	1.00	0.00	0.00	0.00
Administrative employees	3.00	0.00	3.00	1.00	0.00	1.00
Sales staff, sales reps and similar	2.00	1.00	1.00	0.00	0.00	0.00
Other skilled workers	0.00	0.00	0.00	0.00	0.00	0.00
Non-skilled workers	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total personnel at the end of the financial year</b>	<b>13.00</b>	<b>7.00</b>	<b>6.00</b>	<b>6.00</b>	<b>4.00</b>	<b>2.00</b>

The **professional fees for account auditing** and other services provided by the account auditors have been the following:

	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016
Professional fees for account auditing	10,500.00	10,500.00
Professional fees charged for other verification services	0.00	0.00
Professional fees charged for tax advising services	0.00	0.00
Professional fees for services provided	0.00	0.00
<b>Total</b>	<b>10,500.00</b>	<b>10,500.00</b>

### **NOTE 18 - SEGMENTED INFORMATION**

The distribution of the net amount of turnover corresponding to the company's ordinary activities, broken down by categories of activities, as well as by geographical markets, is the following:

DESCRIPTION OF THE ACTIVITY	TURNOVER	
	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016
Generic products	20,579,257.28	18,887,997.00
<b>Total</b>	<b>20,579,257.28</b>	<b>18,887,997.00</b>

DESCRIPTION OF THE GEOGRAPHIC MARKET	TURNOVER	
	FINANCIAL YEAR ENDED AT 31/03/2017	FINANCIAL YEAR ENDED AT 31/03/2016
NATIONAL	20,490,340.17	18,567,320.91
REMAINDER OF THE EU	88,917.11	320,676.09
REMAINDER OF THE WORLD	0.00	0.00
<b>Total</b>	<b>20,579,257.28</b>	<b>18,887,997.00</b>

### **NOTE 19 - INFORMATION ABOUT THE AVERAGE PAYMENT PERIOD TO SUPPLIERS. ADDITIONAL PROVISION THREE. "INFORMATION DUTY" OF LAW 15/2010 OF 5 JULY**

The Resolution of the ICAC of 29/Jan./16 implements the obligation introduced by Law 31/2014 (Final Provision 2), which amends Law 15/2010 of 5 July, to include information in the report of the annual financial statements about PPMP, which is defined as the average payment period (days) as from the delivery of goods or the provision of services until the payment thereof. The information to be provided for the 2016-2017 financial year is the following:

	2016-17 Days	2015-16 Days
Average payment period to suppliers	34.85	28.86
Ratio of paid operations	35.94	28.90
Ratio of operations pending payment	10.75	26.93
	Amount (euros)	Amount (euros)
Total payments made	13,781,062.49	14,067,842.38
Total payments pending	624,594.55	298,562.12



In Barcelona, on 11 May 2017, the Balance Sheet, the Profit and Loss Statement, the Statement of Changes in Equity, the Cash Flow Statement and the Annual Report of LABORATORIOS RANBAXY, S.L.U., are prepared, corresponding to the financial year ended at 31 March 2017 and numbered in correlation from 1 to 44, approved by the Board of Directors of the Company by signing in witness whereof.

SIGNATURES

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Neeraj Sharma

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Pedro Luis Sala Lanz

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Prashant Savla

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