Grant Thornton

Financial Statements

Ranbaxy Ireland Limited

For the financial year ended 31 March 2018

Company Information

Directors	H. de Kloet (Dutch) B. Klener (Israel) (resigned 2 November 2017 Y. Mahadik (Indian) Prashant Savla (Netherlands) (appointed 2 November 2017)
Company secretary	Zoltan Takacs
Registered number	75951
Registered office	C/0 Grant Thorton 14 South Mall Cork Co.Cork
Independent auditors	Grant Thornton Chartered Accountants & Statutory Auditors 14 South Mall Cork
Bankers	Ulster Bank Limted 49 Liberty Square Thurles Co.Tipperary
	Allied Irish Bank 66 Main Street Cashel Co.Tipperary

Contents

Directors' report

For the financial year ended 31 March 2018

The directors present their annual report and the audited financial statements for the financial year ended 31 March 2018.

Principal activities

The principal activity of the company is the manufacture, processing and selling of pharmaceutical products. One of the largest sales markets for the company is Poland and a Ranbaxy group company performs promotion and marketing activities on behalf of the company in this region. The costs of these activities are recharged to the company.As of the calender year end 31/03/18 the company has seized trading.

Business review

The company's ultimate parent undertaking, Sun Pharmaceutical Industries Limited announced on 31 March 2016, that it had decided to wind down operations of the company by the end of the 2016 calendar year and subsequently close the plant during 2017. This has resulted in the financial statements being prepared on a break-up basis. As a result assets were written down to their net recoverable amount on a break-up basis on 31 March 2016. As of the 31 March 2018 all assets have been disposed and the company has seizd trading. The directors have also made appropriate provisions in order to bring about the orderly wind-down of the company and its operations.

Results and dividends

The loss for the financial year, after taxation, amounted to €194,502 (2017 - profit €1,994,129).

No dividends declared in current year.

Directors and secretary and their interests

In accordance with the company’s Articles of Association the directors are not required to retire by rotation.

In accordance with Section 329 of the Companies Act 2014, the directors' shareholdings and the movements therein during the financial year ended 31 March 2018 were as follows:

	Ordinary shares of €1.26 each	
	31/3/18	1/4/17
H. de Kloet	**-**	-
B. Klener (resigned 2 November 2017)	**-**	-
Y. Mahadik	**-**	-
Prashant Savla (appointed 2 November 2017)	**-**	-

Directors' report (continued)
For the financial year ended 31 March 2018

Principal risks and uncertainties

The directors consider that the following are the principal risk factors that could materially and adversely affect the company, which are similar risks to those of the parent company Sun Pharmaceutical Industries Limited.

Economic risk
The risk of unrealistic increases in wages or infrastructure costs impacting adversely on the competitiveness of the group and its principal customers. These risks are managed by innovative product sourcing and strict control of costs.

Competition risk
The directors of the company and subsidiaries manage competition risk through close attention to customer service levels and product innovation.

Financial risk
Each of the companies within the group has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risks.

People in our business
The continued success of the group has been achieved by the people working in it. Each of the subsidiaries is managed separately but reflects the group philosophy and ethos. There are many long serving members of staff and the relatively low turnover of personnel reflects the general policy of providing good terms and conditions of employment while dealing with staff as well as the other stakeholders in the business, in a fair and consistent manner. Their continued loyalty and hard work is much appreciated.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at C/O Grant Thorton, 14 South Mall, Cork.

Events since the end of the year

There have been no significant events since year end that would require amendment to or disclosure in the financial statements.

Research and development activities

There were no research and development activities during the year.

Branches outside the state

There are no branches of the company outside the State.

Directors' report (continued)

For the financial year ended 31 March 2018

Statement on relevant audit information

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Grant Thornton, continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf.

....	....
H. de Kloet	**Prashant Savla**
Director	Director
Date:	Date:

Directors' responsibilities statement

For the financial year ended 31 March 2018

The directors are responsible for preparing the Directors' report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' .

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

....	....
H. de Kloet	**Prashant Savla**
Director	Director
Date:	Date:

Independent auditors' report to the shareholders of Ranbaxy Ireland Limited

Opinion

We have audited the financial statements of Ranbaxy Ireland Limited , which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity for the financial year ended 31 March 2018, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.(Generally Accepted Accounting Practice in Ireland).

In our opinion, Ranbaxy Ireland Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the company as at 31 March 2018 and of its financial performance and cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and the Companies (Accounting) Act 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Departure from the Going Concern Basis of Accounting

In forming our opinion on the financial statements, which is not modified, we have considered the presentation of the financial statements on the break-up basis, the adjustments arising from this presentation, and the adequacy of the disclosures made in the notes to the financial statements. The break-up basis has been adopted because the ultimate parent undertaking, Sun Pharmaceutical Industries Limited made the decision on 31 March 2016 to wind down the operations of the company. Adjustments have been made in these financial statements to reduce assets to their realisable values and to provide for liabilities arising from the decision. Details of such adjustments can be found in note 2 and note 6.

Independent auditors' report to the shareholders of Ranbaxy Ireland Limited (continued)

Other information

Other information comprises information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by the Companies Act 2014 and the Companies (Accounting) Act 2017

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014 and the Companies (Accounting) Act 2017.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Under the Companies Act 2014 and Companies (Accounting) Act 2017, we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Acts have not been made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the shareholders of Ranbaxy Ireland Limited (continued)

Responsibilities of the management and those charged with governance for the financial statements

As explained more fully in the directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

Independent auditors' report to the shareholders of Ranbaxy Ireland Limited (continued)

Responsibilities of the auditor for the audit of the financial statements

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

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The Auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

Independent auditors' report to the shareholders of Ranbaxy Ireland Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose.
To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Michael Nolan

for and on behalf of
Grant Thornton

Chartered Accountants
Statutory Auditors

Cork
Date:

Profit and loss account

For the financial year ended 31 March 2018

	Note	2018 €	2017 €
Turnover		**75,219**	17,051,091
Cost of sales		**(3,069)**	(11,061,473)
Gross profit		**72,150**	5,989,618
Administrative expenses		**(94,987)**	(5,916,611)
Exceptional administrative expenses		**(78,192)**	1,855,602
Operating (loss)/profit		**(101,029)**	1,928,609
Interest receivable and similar income		**-**	65,520
(Loss)/profit before tax		**(101,029)**	1,994,129
Tax on (loss)/profit	7	**(93,473)**	-
(Loss)/profit for the financial year		**(194,502)**	1,994,129
Total comprehensive income for the financial year		**(194,502)**	1,994,129

There were no recognised gains and losses for 2018 or 2017 other than those included in the profit and loss account.

The notes on pages 14 to 25 form part of these financial statements.

All of the activities of the company are classed as discontinued.

Signed on behalf of the board:

....

H. de Kloet **Prashant Savla**

Director Director

Date: Date:

The notes on pages 14 to 25 form part of these financial statements.

Statement of financial position

As at 31 March 2018

	Note		2018 €		2017 €
Fixed assets					
Tangible assets	8		-		689,203
			-		689,203
Current assets					
Debtors: amounts falling due within one year	9	6,502,291		166,358	
Cash at bank and in hand	10	616,883		6,833,399	
		7,119,174		6,999,757	
Creditors: amounts falling due within one year	11	(32,145)		(118,926)	
Net current assets			7,087,029		6,880,831
Total assets less current liabilities			7,087,029		7,570,034
Provisions for liabilities					
Wind-down provision		-		(288,503)	
			-		(288,503)
Net assets			7,087,029		7,281,531
Capital and reserves					
Called up share capital presented as equity	14		7,111,465		7,111,465
Capital redemption reserve			54,964		54,964
Profit and loss account			(79,400)		115,102
Shareholders' funds			7,087,029		7,281,531

The financial statements were approved and authorised for issue by the board:

....	....
H. de Kloet	**Prashant Savla**
Director	Director
Date:	Date:

The notes on pages 14 to 25 form part of these financial statements.

Statement of changes in equity

For the financial year ended 31 March 2018

	Called up share capital	Capital redemption reserve	Retained earnings	Total equity
	€	€	€	€
At 1 April 2017	7,111,465	54,964	115,102	7,281,531
Loss for the financial year	-	-	(194,502)	(194,502)
At 31 March 2018	7,111,465	54,964	(79,400)	7,087,029

The notes on pages 14 to 25 form part of these financial statements.

Statement of changes in equity

For the financial year ended 31 March 2017

	Called up share capital	Capital redemption reserve	Retained earnings	Total equity
	€	€	€	€
At 1 April 2016	7,111,465	54,964	5,620,973	12,787,402
Profit for the year	-	-	1,994,129	1,994,129
Dividends paid	-	-	(7,500,000)	(7,500,000)
At 31 March 2017	7,111,465	54,964	115,102	7,281,531

The notes on pages 14 to 25 form part of these financial statements.

Statement of cash flows

For the financial year ended 31 March 2018

	2018 €	2017 €
Cash flows from operating activities		
(Loss)/profit for the financial year	**(194,502)**	1,994,129
Adjustments for:		
Depreciation of tangible assets	**-**	85,717
Profit on disposal of tangible assets	**(10,797)**	(203,171)
Interest received	**-**	(65,520)
Taxation charge	**93,473**	(215,310)
Decrease in stocks	**-**	3,770,583
Decrease in debtors	**50,554**	3,537,738
(Increase)/decrease in amounts owed by groups	**(6,486,101)**	9,035,250
(Decrease) in creditors	**(86,781)**	(1,619,846)
(Decrease)/increase in provisions	**(288,503)**	-
Corporation tax received	**6,141**	-
Movement in wind-down provision	**-**	(9,260,440)
(Decrease) in amounts owed to groups	**-**	(2,518,782)
Net cash generated from operating activities	**(6,916,516)**	4,540,348
Cash flows from investing activities		
Sale of intangible assets	**-**	335,984
Sale of tangible fixed assets	**700,000**	-
Interest received	**-**	65,520
Net cash from investing activities	**700,000**	401,504
Cash flows from financing activities		
Dividends paid	**-**	(7,500,000)
Net cash used in financing activities	**-**	(7,500,000)
Net (decrease) in cash and cash equivalents	**(6,216,516)**	(2,558,148)
Cash and cash equivalents at beginning of financial year	**6,833,399**	9,391,547
Cash and cash equivalents at the end of financial year	**616,883**	6,833,399
Cash and cash equivalents at the end of financial year comprise:		
Cash at bank and in hand	**616,883**	6,833,399
	616,883	6,833,399

The notes on pages 14 to 25 form part of these financial statements.

Notes to the financial statements

For the financial year ended 31 March 2018

1. General information

Ranbaxy Ireland Limited is a private company limited by shares incorporated in Ireland with a registered address of C/O Grant Thornton, 14 South Mall, Cork.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

The company's ultimate parent undertaking, Sun Pharmaceutical Industries Limited announced on 31 March 2016, that it had decided to cease the operations of the company by the end of the 2016 calendar year and subsequently close the plant during 2017.

The financial statements have been prepared on a basis other than going concern, which is described as the break-up basis. The preparation of financial statements on a break-up basis is a departure from the requirement of Schedule 3, Part III, Paragraph 12 of the Companies Act 2014 to prepare financial statements on a going concern basis. This departure is made in order to comply with the overriding requirement in the Act for the financial statements to give a true and fair view. The break-up basis requires the carrying value of the assets to be at the amounts they are expected to realise and liabilities include any amounts which have crystallised as a result of the decision to wind up the company. The application of the break-up basis on the results for the year to 31 March 2017 increases the profit for the year by €1,855,602. See note 8 for further information regarding this. In all other respects the financial statements have been prepared in accordance with the accounting framework.

2.2 Going concern

On 31 March 2016, company's ultimate parent undertaking, Sun Pharmaceutical Industries Limited announced that the company would wind-down operations by the end of the calendar year and subsequently close the plant and company during 2017. This has resulted in the financial statements being prepared on a break-up basis as of 31 March 2018. As a result assets were written down to their net recoverable amount on a break-up basis on 31 March 2016.All assets of the company have been disposed of by calender end 31 March 2018. The directors have also made appropriate provisions in order to bring about the orderly wind-down of the company and its operations. As a result the going concern basis of preparation was not deemed appropriate and the financial statements have been prepared on a break-up basis.

2.3 Turnover

Turnover represents amounts invoiced excluding value added tax in respect of the sale of goods and supply of services which have been carried out during the year. Turnover of sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Transfer occurs when the product is received at the customer’s warehouse. Turnover for provision of services is recognised when services rendered to customers are completed and the right to reserve payment is established.

Notes to the financial statements
For the financial year ended 31 March 2018

2. Accounting policies (continued)

2.4 Tangible fixed assets

Plant and machinery are stated at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings are carried at revalued amount less accumulated depreciation and impairment. Formal valuations are undertaken by independent professional valuers at least every five years. Interim valuations are undertaken as required to ensure that there is no material difference between carrying values and current values.

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Buildings	-	50 years
Plant and machinery	-	15 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account..

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the financial statements
For the financial year ended 31 March 2018

2. Accounting policies (continued)

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and loss account in the same period as the related expenditure.

2.10 Foreign currency translation

Functional and presentation currency

The company's functional currency is Euro.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Notes to the financial statements
For the financial year ended 31 March 2018

2. Accounting policies (continued)

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.12 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.13 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Notes to the financial statements
For the financial year ended 31 March 2018

2. Accounting policies (continued)

2.15 Taxation

Tax is recognised in the Profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

2.17 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Notes to the financial statements
For the financial year ended 31 March 2018

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The following are significant management judgements in applying the accounting policies of the company that have the most significant effect on the financial statements.

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Wind-down provision
The directors have recorded costs that will be incurred in order to wind-down the operations of the company. These costs have been included in the Profit and loss account and are based on the directors' best estimate of the provision required to settle all obligations related to the wind-down of the company.

4. Turnover

The analysis of turnover by class of business and geographic market has not been supplied as the directors believe this to be prejudicial to the interests of the company.

All turnover arose in Ireland.

5. Employees

During the year, no directors received any emoluments (2017: €Nil).

The average monthly number of employees, including the executive directors, during the financial year was as follows:

	2018 No.	2017 No.
Administration	-	12
Laboratory technicians	-	17
Production	-	31
Management	-	7
	0	67

Notes to the financial statements

For the financial year ended 31 March 2018

6. Wind-down provision

	2018 €	2017 €
Movement in wind-down provision for the year	78,192	(1,855,602)
	78,192	(1,855,602)

During the prior financial year the directors recorded an estimate of the costs associated with the orderly wind-down of the trade. During the current financial year, this provision was revised based on the actual payments required for the orderly winding down of the trade.

7. Taxation

	2018 €	2017 €
Corporation tax		
Adjustments in respect of previous periods	93,473	-
	93,473	-
Total current tax	93,473	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	93,473	-

Notes to the financial statements
For the financial year ended 31 March 2018

7. Taxation (continued)

Factors affecting tax charge for the financial year

The tax assessed for the financial year is lower than (2017 - lower than) the standard rate of corporation tax in Ireland of 12.5% (2017 - 12.5%). The differences are explained below:

	2018 **€**	2017 €
(Loss)/profit on ordinary activities before tax	**(101,029)**	1,994,129
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2017 - 12.5%)	**(12,629)**	249,266
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**-**	16,602
Capital allowances for financial year in excess of depreciation	**1,350**	(304,919)
Expenditure	**11,279**	-
Additional tax arising on profits chargable at 25%	**-**	8,190
Balancing allowance	**-**	30,861
Prior Period adjustment	**93,473**	-
Total tax charge for the financial year	**93,473**	-

8. Tangible fixed assets

	Freehold land and buildings **€**
At 1 April 2017	**689,203**
Disposals	**(689,203)**
At 31 March 2018	**-**
Net book value	
At 31 March 2018	**-**
At 31 March 2017	689,203

Notes to the financial statements

For the financial year ended 31 March 2018

8. Tangible fixed assets (continued)

In respect of prior financial year:

	Freehold land and buildings €	Plant and machinery €	Total €
Cost or valuation			
At 1 April 2016	**3,864,457**	**10,050,997**	**13,915,454**
Disposals	**-**	**(3,114,127)**	**(3,114,127)**
At 31 March 2018	**3,864,457**	**6,936,870**	**10,801,327**
Depreciation			
At 1 April 2016	**3,166,150**	**9,841,571**	**13,007,721**
Charge for the financial year on owned assets	**9,104**	**76,613**	**85,717**
Disposals	**-**	**(2,981,314)**	**(2,981,314)**
At 31 March 2018	**3,175,254**	**6,936,870**	**10,112,124**
Net book value			
At 31 March 2017	**689,203**	**-**	**689,203**
At 31 March 2016	698,307	209,426	907,733

9. Debtors

	2018 **€**	2017 €
Trade debtors	**-**	45,607
Amounts owed by group undertakings	**6,500,000**	13,899
Other debtors	**2,291**	106,852
	6,502,291	166,358

All debtor balances are due within one year.

Notes to the financial statements
For the financial year ended 31 March 2018

10. Cash and cash equivalents

	2018 €	2017 €
Cash at bank and in hand	**616,883**	6,833,399
	616,883	6,833,399

11. Creditors: Amounts falling due within one year

	2018 €	2017 €
Trade creditors	**6,145**	488
Taxation and social insurance	**-**	10,494
Other creditors	**-**	33,026
Accruals	**26,000**	74,918
	32,145	118,926

All creditor balances are due within one year.

12. Financial instruments

	2018 €	2017 €
Financial assets		
Financial assets measured at fair value through profit or loss	**616,883**	6,833,399
Financial assets that are debt instruments measured at amortised cost	**6,502,291**	59,506
	7,119,174	6,892,905
Financial liabilities		
Financial liabilities measured at amortised cost	**(32,145)**	(108,432)
	(32,145)	(108,432)

Financial assets measured at fair value through profit or loss comprise of cash at bank.

Financial assets that are debt instruments measured at amortised costs comprise of group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors and accruals.

Notes to the financial statements
For the financial year ended 31 March 2018

13. Provisions for liabilities - wind-down provision

	Wind-down Provision €
At 1 April 2017	288,503
Charged to profit or loss	(288,503)
At 31 March 2018	-

14. Share capital

	2018 €	2017 €
Authorised		
10,000,000 Ordinary shares of €1.26 each	**12,600,000**	12,600,000
Allotted, called up and fully paid		
5,644,020 Ordinary shares of €1.26 each	**7,111,465**	7,111,465

15. Contingent liabilities

There are no contingencies at the balance sheet date that required provision or disclosure by the company.

16. Capital commitments

There are no capital commitments at the balance sheet date (2017: €NIL).

17. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the year is €Nil (2017: €17,814).

Contributions amounting to €Nil (2017: €Nil) were payable to the scheme and are included in creditors.

18. Related party transactions

The company has availed of the exemption in FRS 102 from the requirement to disclose details of transactions with fellow group undertakings. Other than transactions with related group undertakings there are no related party transactions requiring disclosure.

Notes to the financial statements

For the financial year ended 31 March 2018

19. Ultimate parent undertaking

On the 25th March 2015, Ranbaxy Laboratories Limited, which was the company's ultimate parent company, was acquired by Sun Pharmaceuticals Industries Limited. Ranbaxy Ireland Limited is a wholly owned subsidiary of Ranbaxy (Netherlands) BV a company registered in the Netherlands, whose ultimate parent company is Sun Pharmaceutical Industries Ltd based in SPARC, Tandalja, Baroda, Gujarat, India, PIN -390020.

The smallest and largest group in which the results of the company are consolidated is that of Sun Pharmaceutical Industries Ltd., incorporated in India. The consolidated financial statements of this group are available to the public and may be obtained from the Company Secretary at the Sun Pharma Advanced Research Centre (SPARC), Tandalja, Akota Road, Vadodra – 390020, Gujarat, India.

20. Approval of financial statements

The board of directors approved these financial statements for issue on

Ranbaxy Ireland Limited

Management information

For the financial year ended 31 March 2018

Detailed profit and loss account

For the financial year ended 31 March 2018

	Note	2018 €	2017 €
Turnover		**75,219**	17,051,091
Cost of Sales		**(3,069)**	(11,061,473)
Gross profit		**72,150**	5,989,618
Less: overheads			
Administration expenses		**(173,179)**	(4,061,009)
Operating (loss)/profit		**(101,029)**	1,928,609
Interest receivable		**-**	65,520
Tax on profit on ordinary activities		**(93,473)**	-
(Loss)/Profit for the financial year		**(194,502)**	1,994,129

Schedule to the detailed accounts

For the financial year ended 31 March 2018

	2018 €	2017 €
Turnover		
Sales	**19,664**	17,051,091
Other income	**55,555**	-
	75,219	17,051,091

	2018 €	2017 €
Cost of sales		
Opening stocks	**-**	10,640,278
Purchases	**3,069**	-
Wages and salaries	**-**	421,195
	3,069	11,061,473

Schedule to the detailed accounts

For the financial year ended 31 March 2018

	2018	2017
	€	€
Administration expenses		
Staff salaries	**-**	1,029,523
Staff national insurance	**-**	192,991
Staff pension costs - defined contribution schemes	**-**	17,814
Staff training	**-**	1,343
Staff welfare	**1,500**	13,189
Entertainment	**-**	139
Hotels, travel and subsistence	**-**	14,551
Research and development	**-**	463
Printing and stationery	**-**	1,728
Postage	**-**	6,893
Telephone and fax	**208**	9,359
Computer costs	**23**	-
Advertising and promotion	**-**	4,130,304
Trade subscriptions	**-**	4,250
Legal and professional	**896**	77,567
Auditors' remuneration	**26,000**	46,080
Accountancy fees	**1,630**	-
Bank charges	**153**	245
Difference on foreign exchange	**-**	76,569
Rates	**30,006**	41,012
Light and heat	**10,809**	55,940
Insurances	**-**	39,419
Repairs and maintenance	**18,847**	74,284
Sundry establishment expenses	**205**	-
Depreciation - fixtures and fittings	**-**	85,717
Profit/loss on sale of tangible assets	**(10,797)**	(203,171)
Licence maintenance fees	**-**	(36,238)
Environmental disposal	**-**	79,327
Freight outwards	**-**	128,713
Laboratory chemicals and protective clothing	**-**	28,600
Vehicle insurance	**1,756**	-
Security	**13,751**	-
Wind down provision	**78,192**	(1,855,602)
	173,179	4,061,009

Schedule to the detailed accounts

For the financial year ended 31 March 2018

	2018	2017
	€	€
Interest receivable		
Bank interest receivable	-	65,520
	-	65,520