Grant Thornton

Financial Statements

Ranbaxy Ireland Limited

For the financial year ended 31 March 2017

Company Information

Directors	H. de Kloet (Dutch) B. Klener (Israel) Y. Mahadik (Indian)
Company secretary	S. Moloney
Registered number	75951
Registered office	Spafield Cork Road Cashel Co.Tipperary
Independent auditors	Grant Thornton Chartered Accountants & Statutory Audit Firm Molyneux House Bride Street Dublin 8
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 2017

The directors present their annual report and the audited financial statements for the financial year ended 31 March 2017.

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.

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 closed 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. 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 profit for the financial year, after taxation, amounted to €1,994,129 (2016 - loss €3,936,115).

The directors declared, approved and paid an interim dividend, in respect of the year ended 31 March 2017 of €7,500,000. An amount of €6,000,000 was paid on 19 October 2016 and €1,500,000 was paid on 22 March 2017.

Directors and secretary and their interests

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

On 29 April 2016, Ashwani Malhotra and Neeraj Sharma resigned as directors and on the same date Helen de Kloet, Benny Klener and Yashwant Mahadik were appointed directors.

In accordance with Section 329 of the Companies Act 2014, the directors' shareholdings and the movements therein during the financial year ended 31 March 2017 were as disclosed below. The shareholdings below are in Sun Pharmaceutical Industries Limited:

	Ordinary shares of €1.26 each	
	31/3/17	1/4/16
H. de Kloet	**-**	-
B. Klener	**-**	-
Y. Mahadik	**-**	-

Directors' report (continued)

For the financial year ended 31 March 2017

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 Spafield, Cork Road, Cashel, Co.Tipperary.

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.

Future developments

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 closed the plant during 2017. This has resulted in the financial statements being prepared on a wind-up basis.

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.

Directors' report (continued)

For the financial year ended 31 March 2017

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
Director

Date:

B. Klener'
Director

Date:

Directors' responsibilities statement

For the financial year ended 31 March 2017

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

Irish company law reguires the dir ctors ro prepare the financial statements for each financial year giving a true and fair view of the state of affairs of the company. Under the law, the direcrors have elected ro prepare the financial statements in accordance with lrish Generally Accepted Accounting Practice in Ireland, including Financial Reporting Standard 102 'The - inancial Reporting Standard applicable in the UK and Republic of Ireland' and promulgated by the In ritute of Chartered Accountants in Ireland and Irish law.

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

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

- select suitable accounting policies and then apply them consistendy;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicabl accounting standards, identify those standard , and note the effect and the reasons for any material departure from those standards; and
- prepare the financial tatements on the going concern basi 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 b k pt adequate accounting records which correctl y explain and record the transactions of the company, enable at any tim th asset,, liabilities, financial position and profit or loss of the company to be determined with rcasonabl accura \' nable them to ensure that the financial statements and Directors' report comply with the Companie Act 2014 cl enable the financial statements to be audited. They are also respon iblc for safeguarding the assets of the company and hence for taking reasonable ste s for the prevention and detection of fraud and other irregularities.

On behalf of the board

H. de Kloet
Director

Date

B. Klener'
Director

Date

Independent auditors' report to the members of Ranbaxy Ireland Limited

We have audited the financial statements of Ranbaxy Ireland Limited for the financial year ended 31 March 2017, which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditors' 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.

Respective responsibilities of Directors and the Auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the 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 2017 and of its profit for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Independent auditors' report to the members of Ranbaxy Ireland Limited

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 8, note 11 and note 18.

Matters on which we are required to report by the Companies Act 2014

- 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

for and on behalf of
Grant Thornton
Chartered Accountants
& Statutory Audit Firm

Molyneux House
Bride Street
Dublin 8

Profit and loss account

For the financial year ended 31 March 2017

	Note	2017 €	2016 €
Turnover	4	**17,051,091**	45,805,418
Cost of sales		**(11,061,473)**	(23,346,208)
Gross profit		**5,989,618**	22,459,210
Administrative expenses		**(5,916,611)**	(11,677,666)
Wind down provision	8	**1,855,602**	(9,548,943)
Impairment of tangible fixed assets		**-**	(5,492,249)
Operating profit/(loss)	5	**1,928,609**	(4,259,648)
Interest receivable and similar income	6	**65,520**	183,389
Profit/(loss) before tax		**1,994,129**	(4,076,259)
Tax on profit/(loss)	9	**-**	140,144
Profit/(loss) for the financial financial year		**1,994,129**	(3,936,115)
Other comprehensive income for the financial year			
Unrealised surplus/(deficit) on impairment of tangible fixed assets		**-**	(1,294,853)
Other comprehensive income for the financial year		**-**	(1,294,853)
Total comprehensive income for the financial year		**1,994,129**	(5,230,968)

There were no recognised gains and losses for 2017 or 2016 other than those included in the profit and loss account.

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

The notes on pages 11 to 25 form part of these financial statements.

Ranbaxy Ireland Limited

Balance sheet
As at 31 March 2017

	Note	2017 €	2017 €	2016 €	2016 €
Fixed assets					
Tangible assets	11		689,203		907,733
			689,203		907,733
Current assets					
Stocks	12	-		3,770,583	
Debtors: amounts falling due within one year	13	166,358		12,639,732	
Cash at bank and in hand	14	6,833,399		9,391,547	
		6,999,757		25,801,862	
Creditors: amounts falling due within one year	15	(118,926)		(4,373,250)	
Net current assets			6,880,831		21,428,612
Total assets less current liabilities			7,570,034		22,336,345
Provisions for liabilities	18				
Wind-down provision	18	(288,503)		(9,548,943)	
			(288,503)		(9,548,943)
Net assets			7,281,531		12,787,402
Capital and reserves					
Called up share capital presented as equity	19		7,111,465		7,111,465
Capital redemption reserve			54,964		54,964
Profit and loss account			115,102		5,620,973
Shareholders' funds			7,281,531		12,787,402

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

Signed on behalf of the board:

H. de Kloet
Director
Date:

B. Klener
Director
Date:

The notes on pages 11 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 financial year	-	-	1,994,129	1,994,129
Dividends	-	-	(7,500,000)	(7,500,000)
At 31 March 2017	7,111,465	54,964	115,102	7,281,531

Statement of changes in equity

For the financial year ended 31 March 2016

	Called up share capital	Capital redemption reserve	Revaluation reserve	Retained earnings	Total equity
	€	€	€	€	€
At 1 April 2015	7,111,465	54,964	1,294,853	9,557,088	18,018,370
Loss for the year	-	-	-	(3,936,115)	(3,936,115)
Impairment of previously revalued fixed assets	-	-	(1,294,853)	-	(1,294,853)
At 31 March 2016	7,111,465	54,964	-	5,620,973	12,787,402

The notes on pages 11 to 25 form part of these financial statements.

Statement of cash flows

For the financial year ended 31 March 2017

	2017 €	2016 €
Cash flows from operating activities		
Profit/(loss) for the financial year	**1,994,129**	(3,936,115)
Adjustments for:		
Amortisation of intangible assets	**-**	(363,008)
Depreciation of tangible assets	**85,717**	286,875
Impairments of fixed assets	**-**	5,492,249
(Gain)/Loss on disposal of tangible assets	**(203,171)**	81
Interest received	**(65,520)**	(183,389)
Taxation	**-**	(140,144)
Decrease in stocks	**3,770,583**	739,152
Decrease in debtors	**3,537,738**	3,031,604
Decrease/(Increase) in amounts owed by groups	**9,035,250**	(6,279,787)
(Decrease) in creditors	**(1,619,846)**	(2,323,182)
(Decrease) in amounts owed to groups	**(2,518,782)**	(681,736)
Movement in wind down provision	**(9,260,440)**	9,548,943
Corporation tax	**(215,310)**	-
Taxation paid	**-**	(69,173)
Net cash generated from operating activities	**4,540,348**	5,122,370
Cash flows from investing activities		
Purchase of tangible fixed assets	**-**	(175,479)
Sale of tangible fixed assets	**335,984**	42,941
Interest received	**65,520**	183,389
Net cash from investing activities	**401,504**	50,851
Cash flows from financing activities		
Dividends paid	**(7,500,000)**	-
Net cash used in financing activities	**(7,500,000)**	-
Net (decrease)/increase in cash and cash equivalents	**(2,558,148)**	5,173,221
Cash and cash equivalents at beginning of financial year	**9,391,547**	4,218,326
Cash and cash equivalents at the end of financial year	**6,833,399**	9,391,547
Cash and cash equivalents at the end of financial year comprise:		
Cash at bank and in hand	**6,833,399**	9,391,547
	6,833,399	9,391,547

The notes on pages 11 to 25 form part of these financial statements.

Notes to the financial statements
For the financial year ended 31 March 2017

1. General information

Ranbaxy Ireland Limited is a private company limited by shares incorporated in Ireland with a registered address of Spafield, Cork Road, Cashel, Co. Tipperary.

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 a result assets were written down to their net recoverable amount on a break-up basis on 31 March 2016. 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 2017

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.

Notes to the financial statements

For the financial year ended 31 March 2017

2. Accounting policies (continued)

2.5 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 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.

2.8 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.

2.9 Financial instruments

The company only enters into basic financial instruments 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.

2.10 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.

Notes to the financial statements
For the financial year ended 31 March 2017

2. Accounting policies (continued)

2.11 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.

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational 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.

2.13 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.

2.14 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 Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Notes to the financial statements
For the financial year ended 31 March 2017

2. Accounting policies (continued)

2.15 Interest income

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

2.16 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 Balance sheet 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 Balance sheet.

2.17 Taxation

Tax is recognised in the Profit and loss account, except that a change 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 balance sheet 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 Balance sheet 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 balance sheet date.

2.18 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.

Notes to the financial statements

For the financial year ended 31 March 2017

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.

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

Impairment of tangible fixed assets
In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

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.

5. Profit/(loss) on ordinary activities before taxation

The operating profit is stated after charging:

	2017	2016
	€	€
Depreciation of tangible fixed assets	**85,717**	286,875
Impairment of tangible fixed assets	**-**	5,492,249
Government grants amortised	**-**	(363,008)
Loss on foreign exchange	**76,569**	318,082
Defined contribution pension cost	**17,814**	55,915

Notes to the financial statements

For the financial year ended 31 March 2017

6. Interest receivable

	2017 €	2016 €
Other interest receivable	**65,520**	183,389
	65,520	183,389

7. Employees

Staff costs were as follows:

	2017 €	2016 €
Wages and salaries	**1,450,718**	5,090,328
Social insurance costs	**192,991**	529,513
Cost of defined contribution scheme	**17,814**	55,915
	1,661,523	5,675,756

During the year, no directors received any emoluments (2016: €NIL).

Capitalised employee costs during the financial year amounted to €NIL (2016 - €NIL).

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

	2017 No.	2016 No.
Administration	**12**	19
Laboratory technicians	**17**	22
Production	**31**	70
Management	**7**	10
	67	121

Notes to the financial statements

For the financial year ended 31 March 2017

8. Wind-down provision

	2017 €	2016 €
Movement in wind-down provision for the year	**(1,855,602)**	9,548,943
	(1,855,602)	9,548,943

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.

9. Taxation

	2017 €	2016 €
Corporation tax		
Current tax on profits for the year	-	115,812
Total current tax	-	115,812
Deferred tax		
Deferred tax	-	(255,956)
Total deferred tax	-	(255,956)
Taxation on profit/(loss) on ordinary activities	-	(140,144)

Notes to the financial statements
For the financial year ended 31 March 2017

9. Taxation (continued)

Factors affecting tax charge for the financial year

The tax assessed for the financial year is lower than (2016 - higher than) the standard rate of corporation tax in Ireland of 12.5% (2016 - 12.5%). The differences are explained below:

	2017	2016
	€	€
Profit/(loss) on ordinary activities before tax	**1,994,129**	(4,076,259)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2016 - 12.5%)	**249,266**	(509,532)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**-**	(45,376)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**16,602**	5,593
Capital allowances for financial year in excess of depreciation	**(304,919)**	(34,484)
Impairment not deductible for tax purposes	**-**	686,530
Additional tax arising on profits chargeable at 25%	**8,190**	13,081
Deferred tax	**-**	(255,956)
Balancing allowance	**30,861**	-
Total tax charge for the financial year	**-**	(140,144)

10. Dividends

	2017	2016
	€	€
Dividends paid on ordinary shares	**7,500,000**	-
	7,500,000	-

Notes to the financial statements

For the financial year ended 31 March 2017

11. Tangible fixed assets

	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 2017	**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 period on assets	**9,104**	**76,613**	**85,717**
Disposals	**-**	**(2,981,314)**	**(2,981,314)**
At 31 March 2017	**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

Freehold land (€180,000) which is not depreciated is included in land and buildings.

Notes to the financial statements
For the financial year ended 31 March 2017

11. Tangible fixed assets (continued)

In respect of prior financial year:

	Freehold land and buildings €	Plant and machinery €	CIP €	Total €
Cost or valuation				
At 1 April 2015	3,864,457	9,654,648	297,140	13,816,245
Additions	-	175,479	-	175,479
Disposals	-	(76,270)	-	(76,270)
Transfers between classes	-	297,140	(297,140)	-
At 31 March 2016	3,864,457	10,050,997	-	13,915,454
Depreciation				
At 1 April 2015	155,080	5,811,912	-	5,966,992
Charge for period on assets	68,223	218,652	-	286,875
Disposals	-	(33,248)	-	(33,248)
Impairment charge	2,942,847	3,844,255	-	6,787,102
At 31 March 2016	3,166,150	9,841,571	-	13,007,721
Net book value				
At 31 March 2016	698,307	209,426	-	907,733
At 31 March 2015	3,709,377	3,842,736	297,140	7,849,253

12. Stocks

	2017 €	2016 €
Raw materials and consumables	-	596,904
Work in progress	-	704,382
Finished goods	-	2,469,297
	-	3,770,583

There are no material differences between the replacement cost of stock and the balance sheet amounts.

Notes to the financial statements
For the financial year ended 31 March 2017

13. Debtors

	2017	2016
	€	€
Trade debtors	**45,607**	3,512,017
Amounts owed by group undertakings	**13,899**	9,049,149
Corporation tax repayable	**99,614**	-
Prepayments and accrued income	**-**	78,566
VAT repayable	**7,238**	-
	166,358	12,639,732

Amounts owed by group undertakings are payable on demand, unsecured and interest free.

14. Cash and cash equivalents

	2017	2016
	€	€
Cash at bank and in hand	**6,833,399**	9,391,547
	6,833,399	9,391,547

15. Creditors: Amounts falling due within one year

	2017	2016
	€	€
Trade creditors	**488**	525,956
Amounts owed to group undertakings	**-**	2,518,782
Corporation tax	**-**	115,696
PAYE/PRSI	**10,494**	123,372
Other creditors	**33,026**	319,312
Accruals	**74,918**	770,132
	118,926	4,373,250

Amounts owed to group undertakings are payable on demand, unsecured and interest free.

Notes to the financial statements

For the financial year ended 31 March 2017

16. Financial instruments

	2017	2016
	€	€
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**166,358**	12,561,166
	166,358	12,561,166
Financial liabilities		
Financial liabilities measured at amortised cost	**(108,432)**	(4,134,182)
	(108,432)	(4,134,182)

Financial assets measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and corporation tax repayable.

Financial Liabilities measured at amortised cost comprise of other creditors, accruals, trade creditors and amounts owed to group companies.

17. Deferred taxation

In respect of the prior year:

	2016
	€
At beginning of year	(255,956)
Charged to profit or loss	255,956
At end of year	-

Notes to the financial statements

For the financial year ended 31 March 2017

18 Provisions for liabilities - wind-down provision

	Wind-down Provision €
At 1 April 2016	9,548,943
Charged to the profit or loss	(1,855,602)
Utilised in financial year	(7,404,838)
At 31 March 2017	288,503

In respect of prior financial year:

	Wind-down Provision €
Charged to the profit or loss	9,548,943
At 31 March 2016	9,548,943

19. Share capital

	2017 €	2016 €
Shares presented as equity		
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

20. Contingent liabilities

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

21. Capital commitments

There are no capital commitments at the balance sheet date (2016: €NIL).

Notes to the financial statements

For the financial year ended 31 March 2017

22. 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 €17,814 (2016: €55,915).

Contributions amounting to €NIL (2016: €1,126) were payable to the scheme and are included in creditors.

23. 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.

24. 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.

25. Approval of financial statements

The board of directors approved these financial statements for issue on

Ranbaxy Ireland Limited

Appendix

These appendices are for the directors only
and do not form part of the Audited Statutory Financial Statements. 31 March 2017

Detailed profit and loss account

For the financial year ended 31 March 2017

	Note	2017 €	2016 €
Turnover		**17,051,091**	45,805,418
Cost of sales		**(11,061,473)**	(23,346,208)
Gross profit		**5,989,618**	22,459,210
Gross profit %		**35.1 %**	49.0 %
Less: overheads			
Administration expenses		**(4,061,009)**	(26,718,858)
Operating profit/(loss)	5	**1,928,609**	(4,259,648)
Interest receivable		**65,520**	183,389
Tax on profit on ordinary activities		**-**	140,144
Profit/(Loss) for the financial year		**1,994,129**	(3,936,115)

Schedule to the detailed accounts

For the financial year ended 31 March 2017

Turnover

	2017	2016
	€	€
Turnover	**17,051,091**	45,805,418
	17,051,091	45,805,418

Cost of sales

	2017	2016
	€	€
Cost of sales	**10,640,278**	21,370,297
Production and packing labour costs	**421,195**	1,975,911
	11,061,473	23,346,208

Schedule to the detailed accounts

For the financial year ended 31 March 2017

Administration expenses

	2017	2016
	€	€
Staff salaries	**1,029,523**	3,114,417
Employers PRSI	**192,991**	529,513
Staff pension contributions	**17,814**	55,915
Staff training	**1,343**	103,289
Staff welfare	**13,189**	42,935
Commission	**-**	2,186
Entertainment	**139**	2,060
Travel and subsistence	**14,551**	25,339
Product packing development expenses	**463**	54,443
Printing and stationery	**1,728**	12,156
Postage	**6,893**	8,523
Telephone	**9,359**	11,083
Advertising and promotion	**4,130,304**	6,192,743
Trade subscriptions	**4,250**	5,008
Legal and professional	**77,567**	146,724
Auditors' remuneration	**46,080**	34,000
Accountancy fees	**-**	23,269
Bank charges	**245**	3,610
Bad debts	**-**	(337,873)
Difference on foreign exchange	**76,569**	318,082
Rates	**41,012**	41,289
Light and heat	**55,940**	253,087
Interest	**-**	45
Intercompany management fees	**-**	30,969
Insurances	**39,419**	77,443
Repairs and maintenance	**74,284**	230,851
Depreciation of fixed assets	**85,717**	286,793
Amortisation of government grants	**-**	(363,008)
Impairment of tangible fixed assets	**-**	5,492,249
Profit/loss on sale of tangible assets	**(203,171)**	81
Licence maintenance fees	**(36,238)**	138,996
Environmental disposal	**79,327**	62,908
Freight outwards	**128,713**	529,677
Laboratory chemicals and protective clothing	**28,600**	41,113
Wind down provision	**(1,855,602)**	9,548,943
	4,061,009	26,718,858

Schedule to the detailed accounts
For the financial year ended 31 March 2017

Interest receivable

	2017 €	2016 €
Bank interest receivable	**65,520**	104,645
Other interest receivable	**-**	78,744
	65,520	183,389