

Ranbaxy (Netherlands) B.V.
Amsterdam

Annual Report
For the year
ended 31 March 2015

Ranbaxy (Netherlands) B.V.

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Ranbaxy (Netherlands) B.V.

Directors' Report

The company has made use of art 396.7 of the Netherlands Civil Code and does not present a director's report.

Ranbaxy (Netherlands) B.V.

Balance sheet as at 31 March 2015

(After appropriation of the results)

(Amounts in US Dollars)

	Notes	As at 31 March 2015	As at 31 March 2014
Fixed Assets			
Financial fixed assets			
Investments	1	579,469,963	608,678,515
Receivable from group entities	2	19,550,600	45,541,661
Total fixed assets		599,020,563	654,220,175
Current assets (due within one year)			
Receivable from group entities	2	129,369,534	421,809,101
Other receivables	3	90,065	419,261
Cash at banks	4	74,022,019	8,886,292
Total current assets		203,481,618	431,114,654
Current liabilities (due within one year)			
Accrued liabilities and other payables	5	226,396	5,626,790
Loan Account		-	12,500,000
Payables to group entities	6	6,031,687	200,729,076
Bank overdraft	4	-	1,281,442
Total current liabilities		6,258,083	220,137,308
Total assets less liabilities		796,244,098	865,197,522
Shareholder's Equity			
Share capital	7	588,548,327	752,474,890
Share premium reserve		155,000,000	155,000,000
Retained earnings		(58,758,877)	10,194,547
Translation reserve		111,454,648	(52,471,915)
Total shareholder's equity		796,244,098	865,197,522

The accompanying notes form an integral part of these financial statements.

Ranbaxy (Netherlands) B.V.

Profit and loss for the year ended 31 March 2015

(Amounts in US Dollars)

	Notes	As at 31 March 2015	For the fifteen months Period ended 31 March 2014
Holding activities			
Dividend from investments	8	3,194,779	85,845,767
Result on disposal of subsidiary		-	137,728
Impairment in value of investments	1	(29,208,551)	(2,559,262)
Result from holding activities		(26,013,772)	83,424,233
Financing activities			
Interest income on receivables from group entities	9	3,347,163	2,979,987
Interest income from banks & others		75,351	253,158
Interest expenses	10	(2,931,414)	(2,820,122)
Impairment of receivables from group entities	2	(28,832,237)	-
Result from financing activities		(28,341,137)	413,023
Other financial income and expenses	11	(14,323,188)	(3,075,313)
		(14,323,188)	(3,075,313)
Other expenses			
General and administration expenses	12	(225,991)	(293,754)
Total expenses		(225,991)	(293,754)
Result before taxation		(68,904,088)	80,468,189
Corporate income tax	13	(49,336)	(114,986)
Result after taxation		(68,953,424)	80,353,203

The accompanying notes form an integral part of these financial statements.

Ranbaxy (Netherlands) B.V.

Notes to the financial statements

General:

Ranbaxy (Netherlands) B.V. ("the Company") was incorporated as a limited liability company under the laws of the Netherlands on 14 December 1993 and has its statutory seat in Amsterdam, the Registered Office address is Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands. During the year, effective 24 March 2015, the previous holding company namely Ranbaxy Laboratories Limited has been merged with Sun Pharmaceutical Industries Limited ("SPIL") and the Company is now a wholly owned subsidiary of SPIL.

The functional and reporting currency of Ranbaxy (Netherlands) B.V. is US Dollar, mainly based on the nature of the Company and in accordance with the primary economic environment in which the company operates as a holding company within the Ranbaxy Group.

Financial reporting period

The current financial reporting period is for the 12 months ending 31 March 2015. The prior period comparatives are for the 15 months ended 31 March 2014 following a change in the financial reporting date from 31 December to 31 March in previous year.

Basis of presentation

The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code.

Going concern

These financial statements have been prepared on the basis of the going concern assumption.

Accounting policies

a. General

The principles applied for the valuation of assets and liabilities and result determination are based on the historical cost convention.

Unless stated otherwise, assets and liabilities are shown at nominal value.

An assets is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognized in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities to a third party, the asset or liability is no longer included in the balance sheet. assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

Revenues and expenses are allocated to the period to which they relate. Revenues are recognized when the right to receive the revenues is established.

The financial statements are presented in U.S. Dollars, the company's functional currency. All financial information in U.S. Dollars has been rounded to the nearest Dollar.

b. Using estimates and judgements

The preparation of the financial statements requires that management make judgements and use estimates and assumptions that affect the application of the accounting principles and the reported value of the assets and liabilities and the income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are continually reviewed. Revised estimates are stated in the period in which the estimate is revised and in future periods for which the revision has consequences.

The accounting policies regarding fixed financial asset valuation and valuation of financial instruments are in the opinion of management the most critical for the purpose of presenting the financial position and require estimates and assumption.

c. Financial Fixed Assets

Financial fixed assets mainly consists of participations in group entities. For accounting policies relating to amounts held with group entities, refer to Financial Instruments policy. The participations are accounted for by the cost method and are stated at cost, less any provision for other than temporary decline in value.

Financial fixed assets are tested for impairment in the case of changes, or circumstances arising, that lead to an indication that the carrying amount of the asset will not be recovered. The recoverability of assets in use is determined by comparing the carrying amount of an asset with the estimated present value of the future net cash flows which the asset is expected to generate. If the carrying amount of an asset exceeds the estimated present value of the future cash flows, impairment is charged to statement of profit and loss account as the difference between the carrying amount and the recoverable amount.

d. Financial instruments

Financial instruments include amounts owed by group entities, other receivables, accrued liabilities and other payables, short term bank borrowings and amounts owed to group entities. Financial instruments are initially recognised at fair value. After initial recognition, financial instruments are valued at amortized cost on the basis of the effective interest method, less impairment losses.

e. Shareholders Equity

Financial instruments taking the legal form of shareholders' equity instruments are presented under shareholders' equity. Distributions to the holders of these instruments are deducted from shreholders' equity after deduction of any related benefit related to tax on profit.

Financial instruments taking the legal form of a financial obligation are presented under loan capital. Interest, dividends, income and expenses related to these financial instruments are takes to the profit and loss account.

f. Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching bankruptcy, or the disappearance of an active market for a security.

The entity considers evidence of impairment for financial assets measured at amortised cost (loan and receivables and financial assets that are held to maturity) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those individually significant assets found not to be specifically impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.

An impairment loss in respect of a financial asset stated at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate for Investments carried at cost the cash flows are discounted at the Investments weighted average cost of capital taking into account specific entity, industry and country risks.

Losses are recognised in the profit and loss account and reflected in an allowance account against loans and receivables or investment securities held to maturity. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate.

When, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in impairment loss is reversed through profit or loss (up to the amount of the original cost).

g. Principles for the translation of foreign currency

Transactions in foreign currencies

Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into to the functional currency at the exchange rate applying on that date. Translation gains and losses are taken to the profit and loss account as expenditure. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into U.S. Dollars at the applicable exchange rates applying on the transaction date. Non-monetary assets and liabilities in foreign currency that are stated at present value are translated into U.S. Dollars at the applicable exchange rates at the moment the present value is determined. Translation gains and losses are taken directly to equity as apart of the revaluation reserve.

h. Consolidation

In accordance with article 408, Book 2 of the Dutch Civil Code, the Company is not required to prepare consolidated annual accounts in conformity with accounting principles generally accepted in the Netherlands. The annual accounts of the Company and its subsidiaries are included in the consolidated accounts of the holding company (Previously Ranbaxy Laboratories Limited, currently SPIL), which are available at the Company's registered office and will be filed at Dutch Chamber of Commerce.

i. Recognition of income

Dividend from investments are recorded as income (net of taxes) when the right to receive the income is established. Other income and expenses are recognised and reported on an accrual basis. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

j. Corporate Income tax

Provisions for taxation have been made in accordance with standard ruling practice for holding companies in The Netherlands. Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the statement of profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity. Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years. Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Final Corporate Income tax return have been received till financial year 2010.

Ranbaxy (Netherlands) B.V.

Notes to the financial statements for the year ended 31 March 2015 (Continued)

			As at 31 March 2015 USD	As at 31 March 2014 USD
Balance sheet				
1 Investments				
<i>Interests in group entities</i>				
<u>Name</u>	<u>Domicile</u>	<u>Effective shareholding (%)</u> <u>Current year (Prior period)</u>		
Ranbaxy Australia Pty. Ltd	Australia	100 (100)	7,594,317	7,594,317
Ranbaxy Belgium N.V.	Belgium	100 (100)	1,573,570	1,573,570
Ranbaxy Farmaceutica Ltda, Brazil	Brazil	100 (100)	12,491,730	12,491,730
Ranbaxy Pharmaceutical Canada Inc	Canada	100 (100)	1,855,487	1,855,487
Ranbaxy Egypt (L.L.C)	Egypt	100 (100)	1,019,255	1,019,255
Ranbaxy Pharmacia Generiques SAS ³	France	3.33 (3.33)	3,252,483	3,252,483
Basics GmbH	Germany	100 (100)	6,984,012	6,984,012
Ranbaxy Ireland Ltd	Ireland	100 (100)	13,429,581	13,429,581
Ranbaxy Italia S.p.A. ³	Italy	100 (100)	25,211,430	25,211,430
Ranbaxy Malaysia Sdn. Bhd.	Malaysia	31.35 (31.35)	1,015,454	1,015,454
Ranbaxy Pharmaceuticals Ukraine	Ukraine	99 (99)	4,950,000	4,950,000
Ranbaxy Nigeria Ltd	Nigeria	52.63 (52.63)	561,927	561,927
Ranbaxy PRP (Peru) S.A.C. ²	Peru	100 (100)	1,512,500	1,512,500
Ranbaxy (Poland) Sp. Zoo	Poland	100 (100)	1,324,634	1,324,634
Ranbaxy Portugal-Com E Desenvolv De Prod ¹	Portugal	100 (100)	7,783,479	7,783,479
S.C. Terapia S.A.	Romania	96.7 (96.7)	326,716,541	326,716,541
ZAO Ranbaxy	Russia	100 (100)	102,234	102,234
Ranbaxy (S.A) (Proprietary) Ltd	South Africa	100 (100)	3,272,000	3,272,000
Ranbaxy Pharmaceuticals (Pty) Ltd. (formerly known as Be-Tabz Pharmaceuticals (Proprietary) Ltd)	South Africa	100 (100)	91,672,094	91,672,093
Laboratories Ranbaxy S.L.	Spain	100 (100)	10,889,738	10,889,738
Daiichi Sankyo (Thailand) Limited	Thailand	20.67 (20.67)	1,658,040	1,658,040
Ranbaxy Thailand Co. Limited	Thailand	100 (100)	532,240	532,240
Ranbaxy Holdings(UK) Ltd	United Kingdom	100 (100)	54,178,491	54,178,491
Ranbaxy (UK) Ltd	United Kingdom	100 (100)	39,475,267	39,475,267
Ranbaxy Morocco LLC	Morocco	100 (100)	1,496,923	1,496,923
			620,553,425	620,553,426
Less: Provision for impairment in value of investments				
Ranbaxy (UK) Ltd			1,750,000	1,750,000
Ranbaxy Portugal-Com E Desenvolv De Prod ¹			7,783,479	7,783,479
Ranbaxy Belgium N.V.			1,573,570	1,573,570
Ranbaxy PRP (Peru) S.A.C. ²			1,512,500	-
Ranbaxy Pharmacia Generiques SAS ³			3,252,483	767,862
Ranbaxy Italia S.p.A. ³			25,211,430	-
			579,469,963	608,678,515

The Company has made use of article 408, Book 2 of the Dutch Civil Code, which enables departure from consolidation of subsidiaries.

Additional Notes:-

1. Entity has filed for liquidation to Government Authorities in Portugal.
2. Entity has decided to close its operations in the current year.
3. Entity is fully impaired due to assesment of the recoverable amount.

Ranbaxy (Netherlands) B.V.

Notes to the financial statements for the year ended 31 March 2015 (Continued)

2 Receivable from group entities	Interest Rate	As at		As at	
		31 March 2015		31 March 2014	
		USD		USD	
		Current	Non-current	Current	Non-current
Ranbaxy Holdings (UK) Limited	*	75,000	-	75,000	-
Laboratories Ranbaxy S.L. ¹	2.5%+0.25 on sale	6,913	2,150,600	2,076,989	2,749,600
Ranbaxy Pharmaceuticals Inc.	*	-	-	358,613,914	-
Ranbaxy Australia Pty. Ltd	4%	17,677,291	-	15,587,122	-
Ranbaxy Italia S.p.A.	6M Euro Libor+125bp	-	-	9,434,033	-
Ranbaxy Pharmaceuticals (Pty) Ltd. (formerly known as Be-Tabz Pharmaceuticals (Proprietary Ltd)	8.50%	15,367,919	-	16,402,465	-
ZAO Ranbaxy	6 M USD LIBOR + 250bp	11,059,869	-	5,077,567	10,000,000
Ranbaxy South Africa	8.50%	9,957,656	-	-	-
Ranbaxy Pharmacia Generiques SAS ¹	6 M Euribor +150bp	-	-	11,043,270	-
Ranbaxy UK Ltd	-	11,100,322	-	-	14,192,061
Ranbaxy Farmaceuticals Ltda	6 M USD LIBOR + 250 bp	20,094,474	-	13,366	5,000,000
Ranbaxy PRP Peru SAC,Peru ¹	*	-	-	550,000	-
Ranbaxy Nigeria Limited	6 M USD LIBOR + 300bp	1,960,871	6,400,000	1,690,961	6,400,000
Sonke Pharmaceuticals	8.50%	975,093	-	1,041,952	-
Ranbaxy Morocco LLC	3 M USD LIBOR + 250bp	178,119	4,500,000	86,017	3,500,000
Ranbaxy Egypt	6 M USD LIBOR + 250bp	16,336	6,500,000	39,806	3,700,000
Ranbaxy Malaysia	NA	-	-	76,639	-
S.C. Terapia S.A.	0.50%	40,899,671	-	-	-
		129,369,534	19,550,600	421,809,101	45,541,661

Note :

* Interest free loans

1. A provision for doubtful debts of USD 28.832.237 has been recognised at 31 March 2015 on the basis of recoverable assessment. the provision consists of USD 2.041.050 Loan to Laboratories Ranbaxy S.L., USD 18.817.750 Loan to Ranbaxy Pharmacia Generiques SAS, USD 550.000 Loan to Ranbaxy PRP Peru SAC and USD 7.423.437 Ranbaxy Italia S.p.A.

Ranbaxy (Netherlands) B.V.

Notes to the financial statements for the year ended 31 March 2015 (Continued)

	As at 31 March 2015	As at 31 March 2014
	USD	USD
3 Other receivables		
Withholding tax	-	23,609
Prepaid taxes	-	313,924
Other Assets	247	-
Bank interest receivable	9,818	1,728
Other loans	80,000	80,000
	<u>90,065</u>	<u>419,261</u>
4 Cash at Banks		
Current account with Canara Bank (USD)	74,526	59,076
Current account with Canara Bank (GBP)	-	137,187
Current account with Canara Bank (EUR)	2,486,039	43,154
Current account with First National Bank SA (ZAR)	1,749	468
Current account with ABN Amro Bank (EUR)	59,644	646,346
Current account with ABN Amro Bank (USD)	61	61
On deposit accounts (with original maturity of three or less than three months) :		
- Fixed deposit with Canara Bank (USD)	71,400,000	8,000,000
	<u>74,022,019</u>	<u>8,886,292</u>
Bank overdraft		
Credit Agricole Bank (USD)	-	(1,281,442)
	<u>-</u>	<u>(1,281,442)</u>
Cash at banks & deposits is not restricted and is freely distributable.		
5 Accrued liabilities and other payables		
Accruals and creditors	61,852	81,738
Interest payable	-	48,237
Tax on dividend	-	5,000,000
Other liabilities	43,523	29,889
Provision for tax	121,021	466,926
	<u>226,396</u>	<u>5,626,790</u>
6 Payables to group entities		
Ranbaxy Belgium	645,939	-
Sun Pharmaceutical Industries Limited (previously Ranbaxy Laboratories Limited)	-	151,006,343
Basics GmbH	5,385,748	9,689,270
Ranbaxy Pharmaceuticals Inc.	-	40,033,463
	<u>6,031,687</u>	<u>200,729,076</u>

Ranbaxy (Netherlands) B.V.

Notes to the financial statements for the year ended 31 March 2015 (Continued)

7 Shareholder's equity

The Authorized share capital of the Company amounts to EUR 1,750,000,000 divided into 17,500,000 shares of EUR 100 each. Issued and paid up shares are 5,473,341 (Previous year 5,473,341) shares of EUR 100 each.

	Share capital	Share Premium reserve	Retained Earnings	Translation ¹ reserve	In USD Total
Balance as on 01.01.13	520,475,881	155,000,000	29,841,344	(20,472,906)	684,844,319
Additions made during the period	200,000,000	-	-	-	200,000,000
Dividend paid during the period ²	-	-	(100,000,000)	-	(100,000,000)
Translation adjustment for the period	31,999,009	-	-	(31,999,009)	-
Result for the period	-	-	80,353,203	-	80,353,203
Balance as on 31.03.14	752,474,890	155,000,000	10,194,547	(52,471,915)	865,197,522
Balance as on 01.04.14	752,474,890	155,000,000	10,194,547	(52,471,915)	865,197,522
Additions made during the period	-	-	-	-	-
Dividend paid during the period	-	-	-	-	-
Translation adjustment for the period	(163,926,563)	-	-	163,926,563	-
Result for the period	-	-	(68,953,424)	-	(68,953,424)
Balance as on 31.03.2015	588,548,327	155,000,000	(58,758,877)	111,454,648	796,244,098

Note:

- 1 Translation reserve includes translation of share capital translated from EURO to USD at closing exchange rate. The EURO to USD exchange rate used as per 31 March 2015 is 1.0753 (31 March 2014: 1.3748)
- 2 The dividend has been declared and paid to Ranbaxy Laboratories Limited (RLL) being the sole shareholder in the prior year.

Ranbaxy (Netherlands) B.V.

Notes to the financial statements for the year ended 31 March 2015 (Continued)

	As at 31 March 2015 USD	As at 31 March 2014 USD
8 Dividend from investments		
Ranbaxy Nigeria Limited, Nigeria	-	40,550
Ranbaxy Malaysia Sdn Bhd	-	79,305
Ranbaxy Poland S.P. Zoo, Poland	1,057,779	-
S.C. Terapia S.A., Romania	-	80,322,912
Ranbaxy Ireland Limited, Ireland	2,137,000	5,403,000
	<u>3,194,779</u>	<u>85,845,767</u>
9 Interest income on receivables from group entities		
Ranbaxy Nigeria Limited, Nigeria	270,382	158,898
S.C. Terapia S.A., Romania	38,471	-
Laboratorios Ranbaxy S.L., Spain	108,269	130,163
Ranbaxy Italia S.p.A., Italy	128,291	174,345
Ranbaxy South Africa Proprietary Limited, South Africa	132,704	-
Ranbaxy Farmaceutica Ltda., Brazil	224,560	87,375
Ranbaxy Pharmaceuticals (Pty) Ltd. (formerly known as Be-Tab Pharmaceuticals (Proprietary) Ltd)	1,196,075	1,395,509
ZAO Ranbaxy, Russia	272,078	417,156
Ranbaxy Pharmacie Generiques SAS, France	234,083	238,742
Sonke Pharmaceuticals (Proprietary) Ltd., South Africa	74,755	105,184
Ranbaxy Morocco LLC, Morocco	102,335	84,265
Ranbaxy Egypt (L.L.C.), Egypt	140,272	78,144
Ranbaxy Australia Proprietary Ltd., Australia	424,888	110,206
	<u>3,347,163</u>	<u>2,979,987</u>
10 Interest expenses		
<u>Banks</u>		
Credit Agricole loan account	73,733	48,237
Credit Agricole bank (overdraft)	6,953	45,922
<u>Group Entities</u>		
Ranbaxy Pharmaceuticals Inc.	299,895	33,463
Ranbaxy Basics	48,318	75,940
Ranbaxy Laboratories Limited	2,501,756	2,616,560
Ranbaxy Belgium	759	-
	<u>2,931,414</u>	<u>2,820,122</u>
11 Other financial income and expenses		
Currency exchange rate differences	(14,323,188)	(3,081,305)
Miscellaneous income	-	5,992
Total other financial income and expenses	<u>(14,323,188)</u>	<u>(3,075,313)</u>

Ranbaxy (Netherlands) B.V.

Notes to the financial statements for the year ended 31 March 2015 (Continued)

	As at 31 March 2015 USD	As at 31 March 2014 USD
12 General and administrative expenses		
Administration & management fees	76,681	84,056
Audit fee	28,373	54,216
Legal fee	-	18,143
Tax fee	116,164	123,530
General expenses	-	48
Bank charges	4,773	13,760
	<u>225,991</u>	<u>293,754</u>
13 Corporate income tax		
Current tax	<u>(49,336)</u>	<u>(114,986)</u>
	<u>(49,336)</u>	<u>(114,986)</u>

On the basis of the results before taxation of USD (36,269,221) (2013-14: USD 80,468,189), the effective corporate income tax rate would be 2% (2013-14: 2%).

The corporate income tax rates in 2014-15 and 2013-14 were 20% for profits up to and including EUR 200,000 and 25% for profits exceeding EUR 200,000.

	As at 31 March 2015	As at 31 March 2014
Results before taxation	(68,904,088)	80,468,189
Tax adjustments	28,859,302	(79,930,217)
Taxable result	<u>(40,044,786)</u>	<u>537,972</u>
Taxation thereon, based on corporate income tax rates	<u>-</u>	<u>114,986</u>

Effective tax rate is lower than the prevailing tax rates in the Netherlands due to some of the income being non-taxable in nature e.g. dividend received, gain/loss on account of disposals of participations, unrealized gains/losses on foreign currency loans and advances to subsidiaries etc. Current year charge represent write off of withholding tax on these income deducted for which the Company is not able to get credit.

14 Staff member and employment cost

The Company has no employees and hence incurred no wages, salaries or related social security charges for the year ended 31 March 2015 (2013-14: Nil).

15 Directors

The Company has four managing directors. During the year, none of the directors has received any remuneration in their capacity as a director (2013-14: Nil).

16 Contingent liabilities**Guarantees**

The Company issued guaranties for securing working capital facilities and long term loans of subsidiaries in aggregate of USD 7,255,362 (Previous period: USD 46,153,440).

17 Related parties

Material transactions with related parties primarily involve investments (including related dividend income) and loans receivable (including related interest). Please refer to note 1,2 and 6 respectively.

Dated

Amsterdam

Board of Managing Directors

Mr. Gunther Warris

Mr. Arun Sawhney

Ms. Lonneke Hoeven

Mr. Indrajit Banerjee

Ranbaxy (Netherlands) B.V.

Other Information

Appropriation of results

The management proposes to the shareholder to add the result for the year to the retained earnings.

Subsequent Events

No events have occurred since balance sheet date, which would change the financial position of the Company and which would require adjustment of or disclosure in the annual accounts now presented.

Independent auditor's opinion

The independent auditor's opinion is set forth on the next page.



Independent auditor's report

To: the General Meeting of Shareholders of Ranbaxy (Netherlands) RV.

Report on the financial statements

We have audited the accompanying financial statements for the year ended on 31 March 2015 of Ranbaxy (Netherlands) RV., Amsterdam, which comprise the balance sheet as at 31 March 2015, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the annual report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the 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 these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 opinion.



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Iliibaxy (Netherlands) B. v. as at 31 March 2015 and at its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the information as required under Section 2:392 sub I at b - h has been annexed. Furthermore, we are not able to report on the annual report because the Company has not prepared the annual report as required by Section 2:391 sub I of the Netherlands Civil Code.

Amstelveen, 28 August 2015

KPMG Accountant N.V.

R.C Preitschopf RA