

Ranbaxy (Poland) Sp. z o.o.

Opinion of an independent certified auditor on audit of the financial statements for the period ended 31.03.2017

Report on audit of the financial statements for the period ended 31.03.2017

Financial statements for the period ended 31.03.2017

Management report on the Company's activity for the period ended 31.03.2017



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Ranbaxy (Poland) Sp. z o.o.
11 Kubickiego Street
02-954 Warsaw

Opinion
of an independent certified auditor
on audit of the financial statements
for the accounting year
from 1 April 2016 to 31 March 2017

BDO Sp. z o.o. Sąd Rejonowy dla M. St. Warszawy, XIII Wydział Gospodarczy KRS: 0000293339, Kapitał zakładowy: 1.000.000 PLN., NIP 108-000-42-12. Biura regionalne BDO: Katowice 40-007, ul. Uniwersytecka 13, tel: +48 32 661 06 00, katowice@bdo.pl; Kraków 31-548, Al. Pokoju 1, tel: +48 12 378 69 00, krakow@bdo.pl; Poznań 60-650, ul. Piątkowska 165, tel: +48 61 622 57 00, poznan@bdo.pl; Wrocław 53-332, ul. Powstańców Śląskich 7a, tel: +48 71 734 28 00, wroclaw@bdo.pl

BDO Sp. z o.o. jest członkiem BDO International Limited, brytyjskiej spółki i częścią międzynarodowej sieci BDO, złożonej z niezależnych spółek członkowskich.

OPINION OF AN INDEPENDENT CERTIFIED AUDITOR for the Meeting of Shareholders of Ranbaxy (Poland) Sp. z o.o.

Report on audit of the financial statements

We have audited the accompanying financial statements of Ranbaxy (Poland) Sp. z o.o. ("the Company") with registered office in Warsaw at 11 Kubickiego Street, consisting of:

- introduction to financial statements;
- balance sheet as at 31 March 2017,
- profit and loss account, statement of changes in equity, cash flow statement for the accounting year from 1 April 2016 to 31 March 2017,
- notes to the financial statements.

Scope of responsibility of the Company's management for the financial statements

The Company's management is responsible for preparation of the financial statements based on properly kept books of account and for reliable presentation of those statements in compliance with the Act of 29 September 1994 on Accounting (Journal of Laws of 2016 item 1047 as amended), hereinafter referred to as "Accounting Act", the secondary legislation issued thereunder, and other applicable law. The Company's management is also responsible for internal audit believed necessary for the preparation of financial statements free from any material distortions resulting from fraud or error.

Pursuant to the Accounting Act, the Company's management is obliged to ensure satisfaction by the financial statements of requirements laid down in the Accounting Act.

Scope of responsibility of the certified auditor

Our responsibility is to give an opinion on the financial statements on the basis of our audit.

We have carried out the audit in compliance with the provisions of Chapter 7 of the Accounting Act and the National Accounting Standards, in the wording of the International Standards on Auditing, adopted by Resolution No. 2783/52/2015 of the National Chamber of Certified Auditors of 10 February 2015, as amended. The standards require that the ethical requirements should be observed, and that the audit should be planned and carried out so as to give reasonable assurance that the financial statements contain no material distortions.

The audit consisted in the carrying out of procedures to obtain the evidence of audit of the amounts and disclosures included in the financial statements. The selection of audit procedures depends on the certified auditor's professional judgment, which includes assessment of the risk of material distortion of the financial statements caused by fraud or error. Assessing such risk, the certified auditor considers the operation of internal audit so far as relevant to the preparation and reliable presentation by the entity of its financial statements, for the purpose of designing audit procedures adequate in specific circumstances, and not expressing an opinion on efficiency of the entity's internal audit. The audit also comprises assessment of adequacy of the adopted accounting principles (policy), rationality of the estimates assumed by the entity's manager, and general presentation of the financial statements.

This document is a translation.

The Polish original should be referred to in matters of interpretation.

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We are convinced that the audit evidence we have gathered provide a sufficient and adequate basis for formulation of our audit opinion.

Opinion

In our opinion, the accompanying financial statements:

- a) gives a true and fair view of the entity's assets and financial standing as at 31 March 2017 as well as its financial result for the accounting year from 1 April 2016 to 31 March 2017, in compliance with the applicable provisions of the Accounting Act and the adopted accounting principles (policy);
- b) have been prepared on the basis of properly kept books of account; and
- c) are formally and substantially compliant with regulations applicable to the entity and provisions of the entity's articles of association.

Report on other legal requirements and regulations

Opinion on the report on operations

Our opinion on the audit of financial statements does not cover the report on operations.

The person responsible for preparation of the report on operations pursuant to the Accounting Act and other applicable provisions is the entity's manager. Besides, the entity's manager is also obliged to ensure compliance of the report on operations with requirements contained in the Accounting Act.

In relation to our audit of financial statements, we were obliged to acquaint ourselves with the content of the report on operations and to state whether the information contained therein complies with Article 49 of the Accounting Act and with information contained in the accompanying financial statements. We were also obliged to state whether, in the light of our knowledge of the entity and its environment as acquired during the audit of financial statements, material distortions could be found in the report on operations.

In our opinion, information included in the report on operations complies with Article 49 of the Accounting Act and with information contained in the accompanying financial statements. Besides, in the light of our knowledge of the entity and its environment as acquired during the audit of financial statements, we have found no material distortions in the report on operations.

Warsaw, 4 May 2017

BDO Sp. z o.o.
ul. Postępu 12
02-676 Warszawa

Entity authorized to audit financial statements No. 3355

Key certified auditor in charge of the audit:

Dr. Anna Bernaziuk
Certified Auditor
ID No. 173

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Report
on audit of the financial statements
of Ranbaxy (Poland) Sp. z o.o.

for the accounting year
from 1 April 2016 to 31 March 2017

BDO Sp. z o.o. Sąd Rejonowy dla M. St. Warszawy, XIII Wydział Gospodarczy KRS: 0000293339, Kapitał zakładowy: 1.000.000 PLN., NIP 108-000-42-12. Biura regionalne BDO: Katowice 40-007, ul. Uniwersytecka 13, tel: +48 32 661 06 00, katowice@bdo.pl; Kraków 31-548, Al. Pokoju 1, tel: +48 12 378 69 00, krakow@bdo.pl; Poznań 60-650, ul. Piątkowska 165, tel: +48 61 622 57 00, poznan@bdo.pl; Wrocław 53-332, ul. Powstańców Śląskich 7a, tel: +48 71 734 28 00, wroclaw@bdo.pl

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I. GENERAL INFORMATION

1. Company information

The Company operates under the name Ranbaxy (Poland) Sp. z o.o. [Limited Liability Company] („the Company”).

The Company's registered office is located in Warsaw (02-954), 11 Kubickiego Street.

As follows from the relevant entry in the National Court Register, the Company's prevailing area of activity is advertising.

The Company operates on the basis of:

- the Company's Articles of Association drawn up in the form of a notarial deed on 8 November 1995 (Repertory A No. 3922/95) as amended;
- the Code of Commercial Companies.

On 27 November 2001, the Company was entered in the National Court Register (KRS) at the District Court for the capital city of Warsaw, XIII Commercial Division, Registration Unit, under KRS No. 0000066017.

The Company was assigned the Tax Identification Number NIP: 5261722947 and the Business Registry Number REGON: 011272365.

At as 31 March 2017, the Company's initial capital amounted to PLN 4,291 thousand and was divided into 8,582 shares with the face value of PLN 500 each.

During the accounting year and until the date of completion of the audit, there were no changes of the initial capital.

As at 31 March 2017 the Company had the following shareholders:

Shareholder	No. of shares	Face value of shares
Ranbaxy Netherlands B.V.	8 580	4 290 000
Ranbaxy (Holding) UK LTD	2	1 000

The Company's equity as at 31 March 2017 amounted to PLN 9,538.2 thousand.

The Company's manager is its Management Board.

As at 31 March 2017, the following persons were members of the Management Board:

- Przemysław Chromiec - Member of the Management Board
- Hemant Arora - Member of the Management Board

In the audited period and until the date of completion of the audit, the Management Board's composition remained unchanged.

2. Information about the authorized entity and the certified auditor

The audit of financial statements of Ranbaxy (Poland) Sp. z o.o. for accounting year from 1 April 2016 to 31 March 2017 was carried out by BDO Sp. z o.o. seated in Warsaw at 12 Postępu Street, an entity authorized to audit financial statements and entered in the list kept by the National Chamber of Certified Auditors under No. 3355.

The certified auditor was appointed by the Meeting of Shareholders of the audited Company under Resolution No. 8 of 23 September 2016.

The audit was carried out under an audit agreement of 12 January 2017, under the supervision of key certified auditor Anna Bernaziuk PhD (Reg. No. 173). The audit was carried out on the Company's premises, at intervals, from 20 April 2017 to the date of issue of the opinion. It was preceded by an interim audit.

We declare that BDO Sp. z o.o., its Management and the certified auditor together with the team auditing the discussed statements are qualified to express an impartial and independent opinion on the audited financial statements, in compliance with Article 56 clauses 3 and 4 of the Act on certified auditors and their self-governing bodies, entities authorized to audit financial statements, and public oversight (Journal of Laws of 2016, item 1000 as amended).

The manager of the entity submitted all statements, explanations and information as requested by the certified auditor and necessary for the audit.

Neither the scope of the audit nor the certified auditor's freedom of choice of the appropriate audit method was restricted in any way.

3. Information about the financial statements for the preceding year

The books of account were opened on the basis of financial statements covering the period from 1 April 2015 to 31 March 2016, which had been audited by BDO Sp. z o.o. and given an unqualified opinion.

The Company's financial statements for the period from 1 April 2015 to 31 March 2016 were approved by Resolution No. 2 of the Meeting of Shareholders of 23 September 2016.

By resolution No. 3, the Meeting of Shareholders decided to allocate the whole of the Company's net profit for the period from 1 April 2015 to 31 March 2016, amounting to PLN 936,2 thousand, to the reserve capital.

The financial statements for the previous reporting period were filed with the National Court Register on 29 September 2016.

II. FINANCIAL ANALYSIS

Below we present selected figures from the balance sheet and profit and loss account, as well as the basic financial ratios, compared to corresponding amounts for preceding years. (in PLN thousand)

	<u>31.03.2017</u>	% of the balance sheet total	<u>31.03.2016</u>	% of the balance sheet total	<u>31.03.2015</u>	% of the balance sheet total
Fixed assets	426	3.6	585	5.0	608	5.6
Current assets	11 300	96.4	11 236	95.0	10 268	94.4
Total assets	11 726	100.0	11 822	100.0	10 876	100.0
Equity	9 538	81.3	8 886	75.2	7 950	73.1
Liabilities and provisions for liabilities	2 188	18.7	2 935	24.8	2 926	26.9
Total liabilities	11 726	100.0	11 822	100.0	10 876	100.0
	<u>01.04.2016- 31.03.2017</u>	% of revenues	<u>01.04.2015- 31.03.2016</u>	% of revenues	<u>01.01.2014- 31.03.2015</u>	% of revenues
Sales revenues	27 853	100.0	30 804	100.0	43 472	100.0
Result on sales	1 002	3.6	1 266	4.1	1 108	2.5
Gross financial result	869	3.1	1 260	4.1	1 916	4.4
Income tax	(217)	(0.8)	(323)	(1.0)	(465)	(1.1)
Net financial result	652	2.3	936	3.0	1 451	3.3

	<u>31.03.2017</u>	<u>31.03.2016</u>	<u>31.03.2015</u>
Gross return on sales	3.6%	4.1%	2.5%
Net return on sales	2.3%	3.0%	3.3%
Return on assets	5.6%	7.9%	13.3%
Current ratio	40.7	24.3	18.3
Average collection period in days	77	43	28
Debt ratio	18.7%	24.8%	26.9%

Comment:

- The gross profit margin deteriorated compared to the previous accounting period and amounted to 3.6% as at 31 March 2017, and the net profit margin deteriorated by 0.7 p.p. and amounted to 2.3% as at the end of the audited period.
- The return on assets amounted to 5.6% as at the end of the audited period, compared to 7.9% as at 31 March 2016.
- The current ratio increased compared to the previous period and amounted to 40.7.
- The average collection period was 77 days as at 31 March 2017, compared to 43 days in the previous reporting period.
- The debt ratio amounted to 18.7% as at the end of the audited period, compared to 24.8% as at 31 March 2016.

During the audit of the financial statements, we found no indications that as a result of cessation or significant limitation of its activities, the Company might be incapable of continuing such activities for at least the next reporting period.

III. DETAILED INFORMATION

1. Assessment of the accounting and internal control system

The Company has documentation describing its adopted accounting policies as required by Article 10 of the Accounting Act.

The books of account are kept at the office of the Company. The accounting records are computerized with the SAP software.

Within our audit of the financial statements, we performed a random check of the correctness of operation of the accounting system. It was not the purpose of our audit to express a complex opinion on the functioning of that accounting system.

During the audit, we discovered no irregularities in the books of account that might materially affect the audited financial statements. This specifically pertained to:

- justification and continuity of the Company's accounting principles (policy), the correctness of opening of the books of account included;
- reliability, completeness and transparency of documentation of business operations and their proper classification for booking;
- the methods of securing access to data and the data processing system;
- completeness, correctness and continuity of book entries and their linkage to accounting evidence and the financial statements;
- appropriate protection of the accounting documents, books of account and financial statements.

The stocktaking of assets and liabilities, carried out within the scope, on dates and with frequency stipulated by the Accounting Act, may be regarded as correct; any differences found were settled in the books of account for the audited year.

2. Selected material items of the financial statements

The major items of the financial statements have been described in the Notes to the Company's financial statements and in the Report on its activities.

3. Additional information

Information contained in the introduction and notes to financial statements is complete and has been prepared correctly.

4. Report on operations

As required by Article 49 of the Accounting Act, the Management Board prepared a Report on operations of the Company.

In our opinion, information included in the report on operations complies with Article 49 of the Accounting Act and with information contained in the accompanying financial statements. Besides, in the light of our knowledge of the entity and its environment as acquired during the audit of financial statements, we have found no material distortions in the report on operations.

5. Management's declaration

The Management of the Company submitted a written declaration on completeness of the presentation of data in the books of account and all contingent liabilities and on absence of material events occurring after the balance sheet date.

Warsaw, 4 May 2017

BDO Sp. z o.o.
ul. Postępu 12
02-676 Warszawa

Entity authorized to audit financial statements No. 3355

Key certified auditor in charge of the audit:

Dr. Anna Bernaziuk
Certified Auditor
ID No. 173

RANBAXY (POLAND) SP. Z O.O.

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 2017**

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Ranbaxy (Poland) Sp. z o.o.

Financial statements for the year ended 31 March 2017

STATEMENT OF THE MANAGEMENT BOARD

In accordance with Art. 52, paragraph 1 of the Accounting Act of 29 September 1994 (Official Journal 2016 item 1047 with amendments), the Management Board of Ranbaxy (Poland) Sp. z o.o. ("the Company") presents the financial statements, which consist of:

- 1) the introduction to the financial statements;
- 2) the balance sheet as at 31 March 2017 with total assets and total liabilities and equity of PLN 11,726.7 thousand;
- 3) the profit and loss account for the period from 1 April 2016 to 31 March 2017 with a net profit of PLN 652.0 thousand;
- 4) the statement of changes in equity for the period from 1 April 2016 to 31 March 2017 with an equity increase of PLN 652.0 thousand;
- 5) the statement of cash flows for the period from 1 April 2016 to 31 March 2017 with a net cash decrease of PLN 3,166.1 thousand;
- 6) supplementary information and explanations.


Arora Hemant

Member of the Management Board

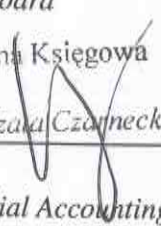
DYREKTOR


mgr. farm Przemysław Chromiec

Przemysław Chromiec

Member of the Management Board

Główna Księgowa


Małgorzata Czarnecka

Małgorzata Czarnecka

Person responsible for Financial Accounting

Warsaw, 4 May 2017

RANBAXY (POLAND) Sp. z o.o.

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02-954 Warszawa

tel. 642 07 75, fax 642 80 57

DYREKTOR FINANSOWY


Wojciech Krzemień

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

(All amounts are stated in PLN thousand)

1. General information on the Company

1. 1 Company name

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

1. 2 Registered office

Kubickiego 11
02-954 Warsaw

1. 3 Registration in the National Court Register

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

Date: 27 November 2001

Registration number: 0000066017

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

The Company's core business is marketing.

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

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

The Company was established for an indefinite period.

1. 5 Reporting period

The Financial Statements were prepared for the period from 1 April 2016 to 31 March 2017 and the comparative information is prepared for the period from 1 April 2015 to 31 March 2016.

1. 6 Going concern assumption

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

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

Ranbaxy (Poland) Sp. z o.o.

Introduction to the financial statements

(All amounts are stated in PLN thousand)

2. Significant accounting policies

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

2. 1 Basis of financial statements preparation

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

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

2. 2 Revenue and expenses

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

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

Sales revenue

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

2. 3 Interest

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

2. 4 Statement of cash flows

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

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

(All amounts are stated in PLN thousand)

2. 5 Intangible fixed assets

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

Goodwill	20%
Software	20%

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

2. 6 Tangible fixed assets

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

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

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

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

The example depreciation rates are as follows:

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

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

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

(All amounts are stated in PLN thousand)

2. 7 Impairment

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

2. 8 Receivables, claims and liabilities, other than those classified as financial assets and financial liabilities

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

Liabilities are presented at the amounts due.

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

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

2. 9 Prepayments and accruals

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

2. 10 Provision for liabilities

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

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

(All amounts are stated in PLN thousand)

2. 11 Income tax

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

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

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

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

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

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

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

2. 12 Foreign exchange differences

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

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

	<u>31.03.2017</u>	<u>31.03.2016</u>
EUR	4,2198	4,2684
USD	3,9455	3,7590
GBP	4,9130	5,4078

Ranbaxy (Poland) Sp. z o.o.

Introduction to the financial statements

(All amounts are stated in PLN thousand)

2. 13 Financial instruments

2. 13.1 Classification of financial instruments

Financial instruments are accounted for in accordance with the Decree of the Ministry of Finance dated 12 December 2001 on specific rules concerning recognition, valuation methods, scope of disclosure and manner of presentation of financial instruments in financial statements. The valuation and disclosure principles described in the note below do not apply to assets and liabilities excluded from the scope of the Decree, in particular: shares in subordinated entities, rights and obligations pursuant to leasing and insurance agreements, trade receivables and payables and financial instruments issued by the Company that represent its own equity

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

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

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



Arora Hemant
Member of the Management Board

DYREKTOR



mgr farm Przemysław Chromiec
Przemysław Chromiec
Member of the Management Board

Małgorzata Czarnecka
Person responsible for Financial Accounting
Główna Księgowa

Małgorzata Czarnecka

Warsaw, 4 May 2017

RANBAXY (POLAND) Sp. z o.o.
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DYREKTOR FINANSOWY



Wojciech Krzemiński

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

(All amounts are stated in PLN thousand)

ASSETS	Note	31.03.2017	31.03.2016
Fixed assets		426,4	585,3
Intangible fixed assets	1		
Development costs		-	-
Goodwill		-	-
Other intangible fixed assets		-	-
Prepayments for intangible fixed assets		-	-
		<u>-</u>	<u>-</u>
Tangible fixed assets	2		
Fixed assets		41,6	111,1
technical equipment and machinery		41,2	110,2
other tangible fixed assets		0,4	0,9
		<u>41,6</u>	<u>111,1</u>
Prepayments and deferred expenses			
Deferred tax asset	12.3	384,8	474,2
		<u>384,8</u>	<u>474,2</u>
Current assets		11 300,3	11 236,2
Short-term receivables			
Receivables from related parties		6 974,2	4 117,9
trade receivables	3.1	6 974,2	4 117,9
Receivables from third parties		1 277,1	1 010,8
trade receivables	3.2	418,3	184,0
taxation and social security debtors		701,6	571,4
other		157,2	255,4
		<u>8 251,3</u>	<u>5 128,7</u>
Short-term investments			
Short-term financial assets		2 929,8	6 095,9
cash and cash equivalents	4.1	2 929,8	6 095,9
		<u>2 929,8</u>	<u>6 095,9</u>
Short-term prepayments and deferred expenses	5	119,2	11,6
TOTAL ASSETS		<u>11 726,7</u>	<u>11 821,5</u>


Balance sheet should be analyzed together with the supplementary information and explanations which are an integral part of the financial statements.

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

(All amounts are stated in PLN thousand)

EQUITY AND LIABILITIES

	<u>Note</u>	<u>31.03.2017</u>	<u>31.03.2016</u>
Equity			
Share capital	6.1	4 291,0	4 291,0
Outstanding share capital contributions		-	-
Reserve capital		4 595,2	3 659,0
Revaluation reserve		-	-
Other capital reserves		-	-
Accumulated profit/(loss) from previous years		-	-
Net profit		652,0	936,2
		<u>9 538,2</u>	<u>8 886,2</u>
Liabilities and provisions for liabilities			
		2 188,5	2 935,3
Provisions for liabilities			
Deferred tax liability	12.3	-	0,2
Provision for retirement and similar benefits	7.1	97,3	82,6
- long-term		97,3	82,6
Other provisions		1 813,6	2 389,6
- long-term		-	-
- short-term	7.2	1 813,6	2 389,6
		<u>1 910,9</u>	<u>2 472,4</u>
Short-term liabilities			
Related party liabilities			
trade liabilities		-	-
other		-	-
Liabilities due to third parties			
trade liabilities	8.1	277,1	294,1
taxation and social security creditors		5,6	-
		271,5	294,1
Special funds		0,5	168,8
		<u>277,6</u>	<u>462,9</u>
TOTAL EQUITY AND LIABILITIES		<u>11 726,7</u>	<u>11 821,5</u>



Arora Hemant
Member of the Management Board

DYREKTOR

mgr farm Przemysław Chromiec

Przemysław Chromiec
Member of the Management Board

Małgorzata Czarnecka
Person responsible for Financial
Accounting Główna Księgowa

Małgorzata Czarnecka

Warsaw, 4 May 2017

RANBAXY (POLAND) Sp. z o.o.
ul. Kubickiego 11

DYREKTOR FINANSOWY

Balance sheet should be analyzed together with the supplementary information and explanations which are an integral part of the financial statements.

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11
Wojciech Krzemień

Ranbaxy (Poland) Sp. z o.o.

Profit and Loss Account

(All amounts are stated in PLN thousand)

	Note	01.04.2016 - 31.03.2017	01.04.2015 - 31.03.2016
Net revenues and net revenue equivalents, including:			
- from related parties		26 532,4	29 228,5
Net revenues from the sale of finished services and products	14	<u>27 853,2</u>	<u>30 804,1</u>
		<u>27 853,2</u>	<u>30 804,1</u>
Operating expenses			
Depreciation		(86,8)	(105,4)
Materials and energy		(2 635,6)	(2 952,0)
External services		(14 709,5)	(15 559,5)
Taxes and charges including:		(204,7)	(231,4)
- excise tax		-	-
Payroll		(7 398,8)	(8 670,9)
Social security and other benefits		(1 542,8)	(1 703,7)
Other expenditures		<u>(272,6)</u>	<u>(315,4)</u>
		<u>(26 850,8)</u>	<u>(29 538,3)</u>
Profit on sales		1 002,4	1 265,8
Other operating revenues			
Other operating revenues		<u>4,9</u>	<u>12,1</u>
		<u>4,9</u>	<u>12,1</u>
Other operating expenses			
Other operating expenses		<u>(3,1)</u>	<u>(2,0)</u>
		<u>(3,1)</u>	<u>(2,0)</u>
Operating profit		1 004,2	1 275,9
Finance income			
Interest	10	<u>58,9</u>	<u>69,7</u>
		<u>58,9</u>	<u>69,7</u>
Finance cost			
Interest	11	(0,1)	-
Other		<u>(194,3)</u>	<u>(86,1)</u>
		<u>(194,4)</u>	<u>(86,1)</u>
Gross profit on business activities		868,7	1 259,5
Profit before taxation		868,7	1 259,5
Income tax	12	(216,7)	(323,3)
Net profit		<u>652,0</u>	<u>936,2</u>

Arora Hemant
Member of the Management Board

Przemysław Chromiec
Member of the Management Board

Małgorzata Czarnecka
Person responsible for Financial Accounting

Warsaw, 4 May 2017 RANBAXY (POLAND) Sp. z o.o.
ul. Kubickiego 11

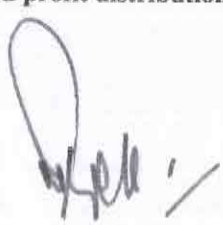
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This financial statement should be analyzed together with the supplementary information and explanations which are an integral part of the financial statements.

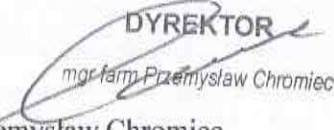
Wojciech Krzemień

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

(All amounts are stated in PLN thousand)

	Note	01.04.2016 - 31.03.2017	01.04.2015 - 31.03.2016
Equity at the beginning of the period		8 886,2	7 949,9
Restated equity at the beginning of the period		8 886,2	7 949,9
Share capital at the beginning of the period	6.1	4 291,0	4 291,0
Share capital at the end of the period		4 291,0	4 291,0
Reserve capital at the beginning of the period		3 659,0	2 207,9
Additions relating to:		936,2	1 451,1
- profit transfer		936,2	1 451,1
Reserve capital at the end of the period		4 595,2	3 659,0
Accumulated profit from previous years at the beginning of the period		936,2	1 451,0
Accumulated profit from previous years at the beginning of the period		936,2	(1 451,0)
Accumulated profit from previous years at the beginning of the period after restatement		936,2	1 451,0
additions:		-	-
Deduction relating to:		(936,2)	(1 451,0)
- transfer to reserve capital		(936,2)	(1 451,0)
Accumulated profit from previous years at the end of the period		-	-
Net profit after taxation for the financial year			
net profit		652,0	936,2
Equity at the end of the period		9 538,2	8 886,2
Equity after proposed profit distribution	6.2	9 538,2	8 886,2


 Arora Hemant
 Member of the Management Board


 DYREKTOR
 mgr farm. Przemysław Chromiec
 Przemysław Chromiec
 Member of the Management Board

Małgorzata Czarnecka
 Główna Księgowa
 Person responsible for financial
 Accounting
 Małgorzata Czarnecka

Warsaw, 4 May 2017

RANBAXY (POLAND) Sp. z o.o.

Statement of changes in equity should be analyzed together with the supplementary information and explanations which are an integral part of the financial statements.

02-954 Warszawa

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

(All amounts are stated in PLN thousand)

	<u>Note</u>	<u>01.04.2016 - 31.03.2017</u>	<u>01.04.2015 - 31.03.2016</u>
Cash flow from operating activities			
Net profit		652,0	936,2
Total adjustments:			
Depreciation and amortization		86,8	105,4
Foreign exchange losses (gains)		-	0,1
Interest and share in profits (dividend income)		-	-
Loss on investment activity		-	-
Change in provisions		(561,5)	106,7
Change in receivables		(3 122,6)	(1 094,0)
Change in short-term liabilities (excluding borrowings)	13.1	(185,3)	(97,4)
Change in prepayments, accruals and deferred income and expenses		(18,2)	(27,7)
Other adjustments		(0,5)	-
		<u>(3 801,3)</u>	<u>(1 006,9)</u>
Net cash flow from operating activities		<u>(3 149,3)</u>	<u>(70,7)</u>
Cash flow from investing activities			
Proceeds:		-	-
Disbursements:			
Purchase of tangible and intangible fixed assets	13.2	(17,2)	(57,8)
		<u>(17,2)</u>	<u>(57,8)</u>
Net cash flow from investing activities		<u>(17,2)</u>	<u>(57,8)</u>

Statement of cash flows should be analyzed together with the supplementary information and explanations which are an integral part of the financial statements.

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

(All amounts are stated in PLN thousand)

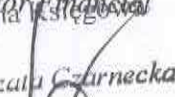
	<u>Note</u>	<u>01.04.2016 - 31.03.2017</u>	<u>01.04.2015 - 31.03.2016</u>
Cash flow from financing activities			
Disbursements:		0,4	
Dividends and other payments to shareholders		-	-
Other financial obligations		0,4	-
Net cash flow from financing activities		<u>0,4</u>	<u>-</u>
Net cash flow		<u>(3 166,1)</u>	<u>(128,5)</u>
Balance sheet change in cash, including:		(3 166,1)	(128,5)
- change in cash from foreign exchange differences		-	-
Cash at the beginning of the financial year		6 095,9	6 224,4
Cash at the end of the financial year, including:	4.1	<u>2 929,8</u>	<u>6 095,9</u>
- restricted cash		<u>-</u>	<u>-</u>


 Arora Hemant
 Member of the Management Board

Warsaw, 4 May 2017

DYREKTOR

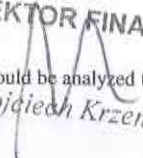
 Przemysław Chrońiec
 Member of the Management Board

Małgorzata Czarnecka
 Person responsible for Financial
 Accounting

 Małgorzata Czarnecka

RANBAXY (POLAND) Sp. z o.o.
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DYREKTOR FINANSOWY

Statement of cash flows should be analyzed together with the supplementary information and explanations which are an integral part of the financial statements.


 Wojciech Krzemień

Ranbaxy (Poland) Sp. z o.o.
Supplementary Information and Explanations

(All amounts are stated in PLN thousand)

1. Intangible fixed assets

Changes in intangible fixed assets

	Other intangible fixed assets	Prepayments for intangible fixed assets	Total
Gross book value			
As at 01.04.2016	63,1	-	63,1
Additions	1,4	-	1,4
Reclassifications	-	-	-
Disposals	(7,0)	-	(7,0)
As at 31.03.2017	<u>57,5</u>	<u>-</u>	<u>57,5</u>
Accumulated depreciation			
As at 01.04.2016	(63,1)	-	(63,1)
Additions	(1,4)	-	(1,4)
Reclassifications	-	-	-
Disposals	7,0	-	7,0
As at 31.03.2017	<u>(57,5)</u>	<u>-</u>	<u>(57,5)</u>
Impairment losses			
As at 01.04.2016	-	-	-
Additions	-	-	-
Reclassifications	-	-	-
Disposals	-	-	-
As at 31.03.2017	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
As at 01.04.2016	-	-	-
As at 31.03.2017	<u>-</u>	<u>-</u>	<u>-</u>

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

(All amounts are stated in PLN thousand)

2. Tangible fixed assets**2.1 Changes in tangible fixed assets**

	Technical equipment and machinery	Other tangible fixed assets	Total
Gross value			
As at 01.04.2016	632,6	111,8	744,4
Additions	16,2		16,2
Reclassifications			-
Disposals	(164,4)	(12,0)	(176,4)
As at 31.03.2017	484,4	99,8	584,2
Accumulated depreciation			
As at 01.04.2016	(522,4)	(110,9)	(633,3)
Additions	(84,8)	(0,5)	(85,3)
Reclassifications			-
Disposals	164,0	12,0	176,0
As at 31.03.2017	(443,2)	(99,4)	(542,6)
Impairment			
As at 01.04.2016	-	-	-
Additions	-	-	-
Reclassifications	-	-	-
Disposals	-	-	-
As at 31.03.2017	-	-	-
Net book value			
As at 01.04.2016	110,2	0,9	111,1
As at 31.03.2017	41,2	0,4	41,6

2.2 Non-depreciated tangible fixed assets

The Company uses fixed assets under rental and other agreements, including lease agreements, valued at PLN 4.606,3 thousand (2016: PLN 4.249,3 thousand). This gross value has been assigned to the leased assets in the respective rent or lease or similar agreements.

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

(All amounts are stated in PLN thousand)

3. Short-term receivables

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

	<u>31.03.2017</u>	<u>31.03.2016</u>
<i>Remaining term</i>		
Due within 12 months	6 974,2	4 117,9
	<u>6 974,2</u>	<u>4 117,9</u>
Gross trade receivables	6 974,2	4 117,9
Net trade receivables	<u>6 974,2</u>	<u>4 117,9</u>

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

	<u>31.03.2017</u>	<u>31.03.2016</u>
<i>Remaining term</i>		
Due within 12 months	418,3	184,0
	<u>418,3</u>	<u>184,0</u>
Gross trade receivables	418,3	184,0
Net trade receivables	<u>418,3</u>	<u>184,0</u>

4. Short-term investments

4. 1 Cash and cash equivalents

	<u>31.03.2017</u>	<u>31.03.2016</u>
Cash on hand and in bank	2 929,8	6 095,9
	<u>2 929,8</u>	<u>6 095,9</u>

5. Short-term prepayments and deferred expenses

	<u>31.03.2017</u>	<u>31.03.2016</u>
Other	119,2	11,6
	<u>119,2</u>	<u>11,6</u>

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

(All amounts are stated in PLN thousand)

6. Share capital**6.1 Ownership structure of share capital**

Shareholders	Number of shares held	Nominal value of shares	% held
Ranbaxy (Netherlands) B. V.	8 580	4 290,0	99,98%
Ranbaxy (Holding) UK LTD	2	1,0	0,02%
	8 582	4 291,0	100,00%

6.2 Proposals for profit distribution or coverage of losses

The decision on the distribution of profit for the financial year ended March 31, 2017 will be made by the General Assembly.

7. Provisions**7.1 Provision for retirement and similar benefits**

	Retirement awards	Total
As at 01.04.2016	82,6	82,6
Disposals	14,7	14,7
Used	-	-
Released	-	-
As at 31.03.2017	97,3	97,3
<i>including:</i>		
long-term	97,3	97,3
short-term	-	-

7.2 Short-term provisions

	Costs	Total
As at 01.04.2016	2 389,6	2 389,6
Raised	1 896,5	1 896,5
Used	(1 405,6)	(1 405,6)
Released	(1 066,9)	(1 066,9)
As at 31.03.2017	1 813,6	1 813,6

8. Short-term liabilities

- 8.1** Short-term trade liabilities to third parties amounting to PLN 5,6 thousand are due 12 months from the balance sheet date.

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

(All amounts are stated in PLN thousand)

9. Structure of revenues from sales

	<u>01.04.2016 - 31.03.2017</u>	<u>01.04.2015 - 31.03.2016</u>
<i>Geographical structure</i>		
Revenues from the sale of finished services		
Domestic	1 320,8	1 562,3
Export	26 532,4	29 241,8
	<u>27 853,2</u>	<u>30 804,1</u>

10. Interest received*(including on debt financial instruments, loans granted and the receivables originated by the company)**in the period from 1 April 2016 to 31 March 2017*

	Interest realised	Interest unrealised, allocated by period of payment term			Total
		< 3 months	3-12 months	>12 months	
Other financial assets	58,9	-	-	-	58,9
	<u>58,9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,9</u>

in the period from 1 April 2015 to 31 March 2016

	Interest realised	Interest unrealised, allocated by period of payment term			Total
		< 3 months	3-12 months	>12 months	
Other financial assets	69,7	-	-	-	69,7
	<u>69,7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,7</u>

11. Interest payable*(including interest on financial liabilities)**in the period from 1 April 2016 to 31 March 2017*

	Interest realised	Interest unrealised, allocated by period of payment term			Total
		< 3 months	3-12 months	>12 months	
Other short-term financial liabilities	0,1	-	-	-	0,1
	<u>0,1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0,1</u>

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

(All amounts are stated in PLN thousand)

in the period from 1 April 2015 to 31 March 2016

	Interest realised	Interest unrealised, allocated by period of			Total
		< 3 months	3-12 months	>12 months	
Other short-term financial liabilities	-	-	-	-	-
	-	-	-	-	-

12. Corporate income tax**12. 1 Structure of corporate income tax**

	01.04.2016 - 31.03.2017	01.04.2015 - 31.03.2016
Current tax	127,4	347,8
Change in deferred tax	89,3	(24,5)
	<u>216,7</u>	<u>323,3</u>

12. 2 Calculation of corporate income tax

	01.04.2016 - 31.03.2017	01.04.2015 - 31.03.2016
Profit before tax	868,7	1 259,5
Amounts increasing the tax base		
Rent of cars	66,3	135,8
Representation	36,9	55,9
Unrealised foreign exchange differences	91,7	23,3
PFRON	99,8	104,2
Car insurance	13,8	0,5
Provisions for services	1 155,7	1 343,8
Provisions for untaken holiday	518,4	478,6
Provisions for bonuses	236,7	650,0
Other	54,9	145,9
	<u>2 274,2</u>	<u>2 938,0</u>
Amounts reducing the tax base		
Realised provision from previous year	1 112,7	1 222,4
Realised provision for bonuses	292,9	665,9
Released provision for untaken holidays	478,6	459,4
Released provision for costs	231,1	168,8
Released provision for bonuses	357,2	(150,9)
Foreign exchange differences	-	1,2
	<u>2 472,5</u>	<u>2 366,8</u>

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

(All amounts are stated in PLN thousand)

Tax base	670,4	1 830,7
Investment tax relief	-	-
Donations	-	-
Losses from prior years	-	-
Taxable profit	<u>670,4</u>	<u>1 830,7</u>
Current tax	<u>127,4</u>	<u>347,8</u>

12. 3 Deferred tax assets and liabilities

	<u>31.03.2017</u>	<u>31.03.2016</u>
Deductible temporary differences:		
Unrealised foreign exchange losses	114,4	23,3
Provisions	1 910,9	2 472,4
	<u>2 025,3</u>	<u>2 495,7</u>
Gross value of deferred tax asset	<u>384,8</u>	<u>474,2</u>
Net value of deferred tax asset	<u>384,8</u>	<u>474,2</u>
Taxable temporary differences:		
Foreign exchange gains	-	1,1
	<u>-</u>	<u>1,1</u>
Deferred tax liability	<u>-</u>	<u>0,2</u>
Deferred tax asset presented in the balance sheet	<u>384,8</u>	<u>474,2</u>
Deferred tax liability presented in the balance sheet	<u>-</u>	<u>0,2</u>
	<u>01.04.2016 -</u>	<u>01.04.2015 -</u>
	<u>31.03.2017</u>	<u>31.03.2016</u>
Net change of deferred tax asset / liability	<u>(89,2)</u>	<u>24,5</u>
Change in deferred tax recognised in the income statement	<u>(89,2)</u>	<u>24,5</u>

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

(All amounts are stated in PLN thousand)

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

13. 1 Change in short-term liabilities (excluding loans and bank credits)

	<u>01.04.2016 - 31.03.2017</u>	<u>01.04.2015 - 31.03.2016</u>
Change in short-term liabilities	(185,3)	(97,4)
	<u>(185,3)</u>	<u>(97,4)</u>

13. 2 Purchase of intangible fixed assets and tangible fixed assets

	<u>01.04.2016 - 31.03.2017</u>	<u>01.04.2015 - 31.03.2016</u>
Increase in intangible fixed assets	(1,4)	
Increase in tangible fixed assets	(15,8)	(57,8)
	<u>(17,2)</u>	<u>(57,8)</u>

14. Related party transactions

14. 1 Balances outstanding as at balance sheet date

	<u>Receivables</u>	<u>Liabilities</u>
SC Terapia S.A. (Ranbaxy Rumunia)	6 956,5	-
Sun Pharmaceutical Ltd. (Ranbaxy Sun)	17,7	-
	<u>6 974,2</u>	<u>-</u>

14. 2 Revenues from related party transactions for the year

	<u>Sales revenue</u>
Ranbaxy Ireland Limited	17 885,1
SC Terapia S.A. (Ranbaxy Rumunia)	8 440,3
Sun Pharmaceutical Ltd. (Ranbaxy Sun)	207,0
	<u>26 532,4</u>

15. Employment

Average level of employment during the year by group of employees:	
Employees on non-worker positions	85
	85

Ranbaxy (Poland) Sp. z o.o.

Supplementary information and explanations

(All amounts are stated in PLN thousand)

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

The gross remuneration of the members of the Management Board, including profit-based remuneration, amounted to PLN 720.6 thousand (2016: PLN 664.0 thousand).

17. Information about the consolidated financial statements

Consolidated financial statements at the ultimate parent level and at the lowest level in the group, which includes the Company as a subsidiary are prepared by Sun Pharmaceutical Industries Limited seated in Mumbai, India.

18. Contingent liabilities

	<u>31.03.2017</u>
Guarantees and warranties granted by the Company to related parties	-
Guarantees and warranties granted by the Company to third parties	-
Regulations regarding VAT, corporate profits tax, personal income tax and social security contributions are subject to frequent changes. These changes result in there being little point of reference and few established precedents that may be followed. The binding regulations also contain uncertainties, resulting in differences in opinion regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies. Tax and other settlements (e.g. customs or foreign currency settlements) may be subject to inspection by administrative bodies authorised to impose significant penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with interest. The above circumstances mean that tax exposure is significantly greater in Poland than in countries that have a more established taxation system.	

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

(All amounts are stated in PLN thousand)

19. Financial instruments

19. 1 Objectives and principles of risk management

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

- credit risk
- liquidity risk
- market risk

Primary policies for managing risk

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

Credit risk

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

Liquidity risk

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

Market risk

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

a) Foreign exchange risk

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

b) Interest rate risk

As at 31 March 2017, except from cash in bank, practically there were no instruments bearing interest rate risk and therefore the Company did not apply hedges. The Managements Board considers the possible impact of interest rate risk on the financial statements as not significant.

19. 2 Classification of financial instruments

Financial instrument	Description	Carrying value	Terms and conditions affecting future cash flows
Loans and trade receivables	Trade receivables	7 392,5	non-interest bearing
Cash on hand and in bank		2 929,8	0,81%

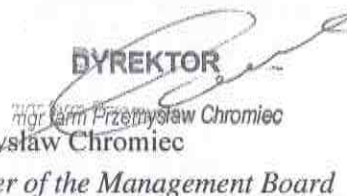
Arora Hemant

Member of the Management Board



DYREKTOR
Przemysław Chromiec

Member of the Management Board



Warsaw, 4 May 2017

Małgorzata Czarnecka

Person responsible for Financial Accounting

Główna Księgowa

Małgorzata Czarnecka



RANBAXY (POLAND) Sp. z o.o.

ul. Knibickiego 11

02-954 Warszawa

tel. 642 07 75, fax 642 80 57

DYREKTOR FINANSOWY

Wojciech Krzemień



**THE MANAGEMENT REPORT ON THE COMPANY'S ACTIVITY
RANBAXY (POLAND) Sp. z o.o.
FOR THE PERIOD 01.04.2016-31.03.2017**

Ranbaxy (Poland) Sp. z o.o. is seated in Warsaw, J. Kubickiego 11 Street. The Company operates on the territory of Poland.

The Company's share capital amounts to PLN 4,291 thousand and is divided into 8,582 equal and indivisible shares with a nominal value of PLN 0.5 thousand each.

The main shareholder of the Company in the period 01.04.2016-31.03.2017 was Ranbaxy (Netherlands) BV, holding 99.98% of its shares.

Within 2016/2017 the Management Board was comprised of the following members:

- Przemysław Chromiec Member of the Management Board (the whole financial year)
- Hemant Arora Member of the Management Board (the whole financial year)

In the period 01.04.2016-31.03.2017 the Company did not issue own shares and did not acquire other shares.

The core activity of the Company in 2016/2017 was providing marketing and advertising services for Ranbaxy Ireland and Ranbaxy Terapia (Romanian group company) relating to all activities and transactions necessary for trading products in Poland, however, from 1 January 2017 above mentioned services were rendered mainly for Ranbaxy Terapia in Rumunia.

In the period 01.04.2016-31.03.2017 the Company also realized a contract signed in 2008 with Imed Poland Sp. z o.o. for marketing services of Lacidar.

As at 31.03.2017 the Company employed 81 people, including 62 people representing a team responsible for maintaining relationships with the medical, pharmacist and wholesale sector.

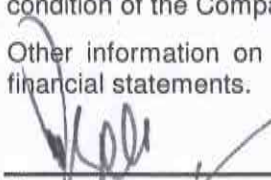
In the period 01.04.2016-31.03.2017 the Company generated net profit of PLN 652.0 thousand. Decision on the distribution of the profit will be made by the General Assembly. Net revenue for the period 01.04.2016-31.03.2017 amounted to PLN 27,853.2 thousand.


The financial year covers the period from April 1, 2016 till March 31, 2017.

After the balance sheet date there were no subsequent events relating to the financial year 2016/2017.

The Company intends to continue its activities in 2017 and 2018 including special care about financial condition of the Company.

Other information on financial instruments and risk related to them is describe in note 19 to the financial statements.


Hemant Arora
Member of the Management Board


Przemysław Chromiec
Member of the Management Board

DYREKTOR

mgr farm Przemysław Chromiec

Warsaw, 4 May 2017

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