

**THE MANAGEMENT REPORT ON THE COMPANY'S ACTIVITY
RANBAXY (POLAND) Sp. z o.o.
FOR THE PERIOD 01.04.2015-31.03.2016**

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 01.04.2015-31.03.2016 was Ranbaxy (Netherlands) BV, holding 99.98% of its shares.

Within 2015/2016 the Management Board was comprised of the following members:

- Przemysław Chromiec Member of the Management Board (the whole financial year)
- Ranjan Chakravarti Member of the Management Board (resigned during the financial year)
- Hemant Arora Member of the Management Board (appointed during the financial year)

As at 31/03/2016 the Management Board was comprised of the following members:

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

In the period 01.04.2015-31.03.2016 the Company did not issue own shares and did not acquire other shares.

The core activity of the Company in 2015/2016 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.

In the period 01.04.2015-31.03.2016 the Company also realized a contract signed in 2008 with Imed Poland Sp. z o.o. for marketing services of Lacidar.

As at 31.03.2016 the Company employed 84 people, including 66 people representing a team responsible for maintaining relationships with the medical, pharmacist and wholesale sector.

In the period 01.04.2015-31.03.2016 the Company generated net profit of PLN 936.2 thousand. Decision on the distribution of the profit will be made by the General Assembly. Net revenue for the period 01.04.2015-31.03.2016 amounted to PLN 30,804.1 thousand.

The financial year covers the period from April 1, 2015 till March 31, 2016.

After the balance sheet date there were no subsequent events relating to the financial year 2015/2016.

The Company intends to continue its activities in 2016 and 2017 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

Warsaw, 29 April 2016

**Ranbaxy (Poland) Sp. z o.o.
ul. Kubickiego 11
02-954 Warszawa**

**Audit Opinion and Report
on the financial statements
for the period from 1 April 2015 to 31 March 2016**

AUDIT OPINION
for the Shareholders of
Ranbaxy (Poland) Sp. z o.o.

We have audited the accompanying financial statements of Ranbaxy (Poland) Sp. z o.o. (“the Company”), with its registered office in Warsaw, ul. Kubickiego 11, consisting of:

- introduction to the financial statements,
- the balance sheet prepared as at 31 March 2016,
- the profit and loss account, the statement of changes in shareholders’ equity and the statement of cash flows for the period from 1 April 2015 to 31 March 2016,
- notes to the financial statements.

The Company’s Management Board is responsible for the preparation in accordance with binding regulations of the financial statements and the Directors’ Report on the Company’s activities.

The Company’s Management Board is responsible for ensuring that the financial statements and the Directors’ Report meet the requirements of the Accounting Act of 29 September 1994 (2013 Journal of Laws, item 330 with subsequent amendments), hereinafter referred to as “the Accounting Act”.

Our responsibility was to audit the financial statements and to express an opinion on the consistency of these financial statements with the applicable accounting policies, and on whether the financial statements give a true and fair view, in all material respects, of the Company’s financial result and financial position, as well as on the accuracy of the books of account constituting the basis for their preparation.

We performed the audit in accordance with:

- 1/ Chapter 7 of the Accounting Act,
- 2/ the auditing standards issued by the National Council of Certified Auditors in Poland.

We have planned and performed the audit to obtain reasonable assurance that the financial statements are free of material misstatements. In particular, our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit provided a reasonable basis for our opinion.

In our opinion, the audited financial statements, in all material respects:

- a) give a true and fair view of the Company's financial position as at 31 March 2016, as well as of its financial result for the period from 1 April 2015 to 31 March 2016,
- b) have been prepared in accordance with the applicable accounting methods (policies), as well as on the basis of properly kept books of account,
- c) are consistent with the applicable laws and regulations, and with the Company's Articles of Association.

The Directors' Report on the Company's activities includes all information required by Article 49 of the Accounting Act, and the information contained therein is consistent with the information presented in the audited financial statements.

Warsaw, 29 April 2016

BDO Sp. z o.o.
ul. Postępu 12
02-676 Warszawa
Authorized Audit Company No. 3355

Auditor in charge:

Dr. Anna Bernaziuk
Certified Auditor No. 173

**Audit Report
on the financial statements of
Ranbaxy (Poland) Sp. z o.o.
for the period from 1 April 2015 to 31 March 2016**

DRAFT

I. GENERAL INFORMATION

1. Information about the Company

The Company does business as Ranbaxy (Poland) Sp. z o.o. [limited liability company] (“the Company”).

The Company’s registered office is 02-954 Warszawa, ul. Kubickiego 11.

In accordance with the entry in the National Court Register, the Company’s main area of activity consists of advertising.

The Company’s activities also include import and export of pharmaceuticals, wholesale of imported pharmaceutical materials, retail of pharmaceutical products, distribution services and marketing services.

The Company operates on the basis of:

- the Company’s Articles of Association prepared in the form of a notarial deed on 8 November 1995 (Rep. A No. 3922/95) with subsequent amendments,
- the Code of Commercial Partnerships and Companies.

On 27 November 2001 the Company was entered in the National Court Register at the Regional Court for the capital city of Warsaw, XIII Business Division Registration Section, in number KRS 0000066017.

The Company has been assigned tax identification number NIP: 5261722947, as well as statistical identification number REGON: 011272365.

As at 31 March 2016 the Company’s share capital amounted to 4.291 thousand zł and consisted of 8.582 shares with a nominal value of 500 zł per share.

No changes were made in the Company’s share capital in the financial year or before the end of the audit.

The Company’s shareholders as at 31 March 2016:

Shareholder	Number of shares	Nominal value of shares
Ranbaxy Netherlands B.V.	8 580	4 290 000
Ranbaxy (Holding) UK LTD	2	1 000

As at 31 March 2016 the Company’s equity totaled 8.886,2 thousand zł.

The function of entity manager is exercised by the Management Board.

As at 31 March 2016 the Company’s Management Board comprised:

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

The following changes were made in the Company’s Management Board in the audited period and before the end of the audit:

- on 29 June 2015 Mr. Ranjan Chakravarti resigned from the position of Member of the Management Board,
- on 16 December 2015, in accordance with Resolution No. 2 of the Extraordinary Shareholders Meeting, Mr. Hemant Arora was appointed to the position of Member of the Management Board.

2. Information about the authorized audit company and the auditor in charge

The financial statements of Ranbaxy (Poland) Sp. z o.o. for the period from 1 April 2015 to 31 March 2016 have been audited by BDO Sp. z o.o. with its registered office in Warsaw, ul. Postępu 12, an entity authorized to audit financial statements, registered with the National Chamber of Certified Auditors in number 3355.

The auditor was selected in Resolution No. 1 passed by the Extraordinary Shareholders Meeting of 16 December 2015.

The audit was conducted based on an audit agreement signed on 30 December 2015, and performed under the direction of Dr. Anna Bernaziuk, Certified Auditor No. 173. The audit was performed at the Company's registered office from 18 April 2016, intermittently until the issue of the audit opinion. It was preceded with an interim audit.

We hereby declare that BDO Sp. z o.o., its management, the certified auditor and team performing the audit of the above-described financial statements meet the conditions required to issue an objective and independent opinion on the audited financial statements - as provided for in Article 56 par. 3 and 4 of the Act on certified auditors and their self-government, entities authorized to audit financial statements and on public supervision (2009 Journal of Laws No. 77, item 649 with subsequent amendments).

The Company's Management submitted all of the declarations, explanations and information requested by the auditor and necessary to perform the audit.

No limitations had been placed on the scope of the audit or on the methods selected by the auditor to perform the audit.

3. Information about the financial statements for the previous financial year

The books of account were opened based on the financial statements prepared for the period from 1 January 2014 to 31 March 2015, which had been audited by KPMG Audyt Sp. z o.o. and given an unqualified opinion.

The Company's financial statements for the period from 1 January 2014 to 31 March 2015 were approved in Resolution No. 2 passed by the Ordinary Shareholders Meeting of 7 September 2015.

In its Resolution No. 3 the Ordinary Shareholders Meeting of 7 September 2015 designated the Company's entire net profit for the period from 1 January 2014 to 31 March 2015, amounting to 1.451.000,00 zł, to the reserve capital.

The financial statements for the previous financial year were filed with the National Court Register on 30 September 2015.

II. FINANCIAL ANALYSIS

Presented below are selected balance sheet and profit and loss account items, as well as key financial ratios, compared to analogical amounts for the previous years. (in '000 zł)

	<u>31.03.2016</u>	% of balance sheet total	<u>31.03.2015</u>	% of balance sheet total
Non-current assets	585	5,0	608	5,6
Current assets	11 236	95,0	10 268	94,4
Total assets	<u>11 822</u>	100,0	<u>10 876</u>	100,0
Equity	8 886	75,2	7 950	73,1
Liabilities and cost provisions	2 935	24,8	2 926	26,9
Total liabilities and equity	<u>11 822</u>	100,0	<u>10 876</u>	100,0
	<u>01.04.2015- 31.03.2016</u>	% of revenue	<u>01.01.2014- 31.03.2015</u>	% of revenue
Sales revenue	30 804	100,0	43 472	100,0
Sales profit/loss	1 266	4,1	1 108	2,5
Gross profit/loss	1 260	4,1	1 916	4,4
Income tax	(323)	(1,0)	(465)	(1,1)
Net profit/loss	<u>936</u>	3,0	<u>1 451</u>	3,3
	<u>31.03.2016</u>		<u>31.03.2015</u>	
Gross sales profitability	4,1%		2,5%	
Net sales profitability	3,0%		3,3%	
Return on assets	7,9%		13,3%	
Current ratio	24,3		18,3	
Receivable days	43		28	
Debt rate	24,8%		26,9%	

Remarks:

- Gross sales profitability has improved from the previous year and amounted to 4,1% as at 31 March 2016, whereas net sales profitability has declined by 0,3 of a percentage point and amounted to 3,0% at the end of the audited period.
- At the end of the audited period the return on assets ratio amounted to 7,9% compared to 13,3% at the end of March 2015.
- The current ratio has grown from last year and amounts to 24,3.
- As at 31 March 2016 the receivable days ratio amounted to 43 days, compared to 28 days the year before.
- At the end of the audited period the Company had a debt rate of 24,8%, compared 26,9% as at 31 March 2015.

In the course of the audit we found no indications that as a result of discontinuing or significantly limiting its operations the Company will not be able to continue as a going concern in at least the next reporting period.

III. DETAILED INFORMATION

1. Assessment of the Company's accounting and internal control systems

The Company has documentation describing its accounting methods, as set forth in Article 10 of the Accounting Act.

The Company's books of account are kept at the Company's registered office. The Company's accounting records are computerized using the SAP system.

During our audit of the financial statements we performed a random check of the operation of the Company's accounting system. It was not an objective of the audit to express a comprehensive opinion on the operation of this system.

In the course of our audit we found no misstatements in the books of account, which could have a significant effect on the audited financial statements. Our audit has shown that:

- the accounting methods (policies) are valid and applied continuously, and that the books of account were opened correctly,
- economic transactions are documented accurately, completely and clearly, and correctly classified for entry in the books of account,
- the methods used to secure access to data and the data processing system are appropriate,
- accounting entries are complete and accurate, made continuously and are consistent with the corresponding source documents and financial statements,
- accounting documents, books of account and financial statements are properly protected.

The Company's inventory count of its assets and liabilities, conducted in accordance with the scope, due date and frequency requirements of the Accounting Act, was performed correctly, and the resulting differences have been settled in the books of account of the audited period.

2. Information about selected significant financial statements items

The most significant financial statements items have been described in the notes to the Company's financial statements, as well as in the Directors' Report on the Company's activities.

3. Additional information

The information presented in the introduction and notes to the financial statements has been prepared completely and correctly.

4. Directors' Report

In accordance with the requirements of Article 49 of the Accounting Act, the Company's Management prepared a report on the Company's activities. The information contained therein is consistent with the information presented in the audited financial statements.

5. Management's Declaration

The Company's Management submitted a written declaration about the completeness of the books of account, disclosure of all contingent liabilities and absence of significant post-balance sheet events.

Warsaw, 29 April 2016

BDO Sp. z o.o.
ul. Postępu 12
02-676 Warszawa
Authorized Audit Company No. 3355

Auditor in charge:

Dr. Anna Bernaziuk
Certified Auditor No. 173

RANBAXY (POLAND) SP. Z O.O.

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 2016**

Ranbaxy (Poland) Sp. z o.o.

Financial statements for the year ended 31 March 2016

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Ranbaxy (Poland) Sp. z o.o.

Financial statements for the year ended 31 March 2016

STATEMENT OF THE MANAGEMENT BOARD

In accordance with Art. 52, paragraph 1 of the Accounting Act of 29 September 1994 (Official Journal 2013 item 330 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 2016 with total assets and total liabilities and equity of PLN 11,821.5 thousand;
- 3) the profit and loss account for the period from 1 April 2015 to 31 March 2016 with a net profit of PLN 936.2 thousand;
- 4) the statement of changes in equity for the period from 1 April 2015 to 31 March 2016 with an equity increase of PLN 936.3 thousand;
- 5) the statement of cash flows for the period from 1 April 2015 to 31 March 2016 with a net cash decrease of PLN 128.5 thousand;
- 6) supplementary information and explanations.

Arora Hemant

Member of the Management Board

Przemysław Chromiec

Member of the Management Board

Małgorzata Czarnecka

Person responsible for Financial Accounting

Warsaw, 29 April 2016

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 2015 to 31 March 2016 and the comparative information is prepared for the period from 1 January 2014 to 31 March 2015.

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 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. 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.

2. 8 *Debtors, claims and creditors, other than those classified as financial assets and financial liabilities*

Debtors are presented at the amounts due, taking into consideration the prudence principle. Debtors 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.

Creditors are presented at the amounts due.

Debtors and creditors 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, debtors and creditors 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 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 is comprised of 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 extent that it is expected the the related amount will be used 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 deffferencies 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 deffferencies are capitalised to finished goodsand 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>31.03.2016</u>	<u>31.03.2015</u>
EUR	4,2684	4,0890
USD	3,7590	3,8125
GBP	5,4078	5,6295

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 which specifies specific provisions for the 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 instruments.

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

Przemysław Chromiec
Member of the Management Board

Małgorzata Czarnecka
Person responsible for Financial Accounting

Warsaw, 29 April 2016

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

(All amounts are stated in PLN thousand)

ASSETS	Note	31.03.2016	31.03.2015
Fixed assets		585,3	608,2
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		111,1	158,7
technical equipment and machinery		110,2	155,7
other tangible fixed assets		0,9	3,0
		<u>111,1</u>	<u>158,7</u>
Prepayments and deferred expenses			
Deferred tax asset	12.3	474,2	449,5
		<u>474,2</u>	<u>449,5</u>
Current assets		11 236,2	10 267,7
Short-term receivables			
Receivables from related parties		4 117,9	2 825,7
trade receivables	3.1	4 117,9	2 825,7
Receivables from third parties		1 010,8	1 209,0
trade receivables	3.2	184,0	94,5
taxation and social security debtors		571,4	797,7
other		255,4	316,8
		<u>5 128,7</u>	<u>4 034,7</u>
Short-term investments			
Short-term financial assets		6 095,9	6 224,4
cash and cash equivalents	4.1	6 095,9	6 224,4
		<u>6 095,9</u>	<u>6 224,4</u>
Short-term prepayments and deferred expenses	5	11,6	8,6
TOTAL ASSETS		<u>11 821,5</u>	<u>10 875,9</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	Note	31.03.2016	31.03.2015
Equity			
Share capital	6.1	4 291,0	4 291,0
Outstanding share capital contributions		-	-
Treasury shares		-	-
Reserve capital		3 659,0	2 207,9
Revaluation reserve		-	-
Other capital reserves		-	-
Accumulated profit/(loss) from previous years		-	-
Net profit		936,2	1 451,0
		<u>8 886,2</u>	<u>7 949,9</u>
Liabilities and provisions for liabilities		2 935,3	2 926,0
Provisions for liabilities			
Deferred tax liability	12.3	0,2	-
Provision for retirement and similar benefits	7.1	82,6	108,7
- long-term		82,6	108,7
Other provisions		2 389,6	2 257,0
- long-term		-	-
- short-term	7.2	2 389,6	2 257,0
		<u>2 472,4</u>	<u>2 365,7</u>
Short-term liabilities			
Related party liabilities		-	-
trade liabilities		-	-
other		-	-
Liabilities due to third parties		294,1	429,5
trade liabilities	8	-	8,2
taxation and social security creditors		294,1	421,3
Special funds		168,8	130,8
		<u>462,9</u>	<u>560,3</u>
TOTAL EQUITY AND LIABILITIES		<u>11 821,5</u>	<u>10 875,9</u>

Arora Hemant
Member of the Management Board

Przemysław Chromiec
Member of the Management Board

Małgorzata Czarnecka
*Person responsible for Financial
Accounting*

Warsaw, 29 April 2016

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.
Profit and Loss Account

(All amounts are stated in PLN thousand)

	Note	01.04.2015 - 31.03.2016	01.01.2014 - 31.03.2015
Net revenues and net revenue equivalents, including:			
- from related parties	14	29 228,5	41 314,2
Net revenues from the sale of finished products and services	9	30 804,1	43 472,4
		<u>30 804,1</u>	<u>43 472,4</u>
Operating expenses			
Depreciation		(105,4)	(149,1)
Materials and energy		(2 952,0)	(5 104,9)
External services		(15 559,5)	(22 093,5)
Taxes and charges including:		(231,4)	(398,1)
- excise tax		-	-
Payroll		(8 670,9)	(11 668,1)
Social security and other benefits		(1 703,7)	(2 475,6)
Other expenditures		(315,4)	(474,7)
		<u>(29 538,3)</u>	<u>(42 364,0)</u>
Profit on sales		1 265,8	1 108,4
Other operating revenues			
Other operating revenues		12,1	806,0
		<u>12,1</u>	<u>806,0</u>
Other operating expenses			
Other operating expenses		(2,0)	(12,5)
		<u>(2,0)</u>	<u>(12,5)</u>
Operating profit		1 275,9	1 901,9
Finance income			
Interest	10	69,7	175,3
		<u>69,7</u>	<u>175,3</u>
Finance cost			
Interest	11	-	(0,5)
Other		(86,1)	(160,8)
		<u>(86,1)</u>	<u>(161,3)</u>
Gross profit on business activities		1 259,5	1 915,9
Profit before taxation		1 259,5	1 915,9
Income tax	12	(323,3)	(464,9)
Net profit		<u>936,2</u>	<u>1 451,0</u>

Arora Hemant
Member of the Management Board

Warsaw, 29 April 2016

Przemysław Chromiec
Member of the Management Board

Małgorzata Czarnecka
*Person responsible for Financial
Accounting*

Profit and loss account 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 Changes in Equity

(All amounts are stated in PLN thousand)

	Note	01.04.2015 - 31.03.2016	01.01.2014 - 31.03.2015
Equity at the beginning of the period		7 949,9	10 088,6
Restated equity at the beginning of the period		<u>7 949,9</u>	<u>10 088,6</u>
Share capital at the beginning of the period	6.1	4 291,0	4 291,0
Share capital at the end of the period		<u>4 291,0</u>	<u>4 291,0</u>
Reserve capital at the beginning of the period		2 207,9	4 707,9
Additions relating to:		1 451,1	-
- profit transfer		1 451,1	-
Deduction relating to:		-	(2 500,0)
- payment of dividend		-	(2 500,0)
Reserve capital at the end of the period		<u>3 659,0</u>	<u>2 207,9</u>
Accumulated profit from previous years at the beginning of the period		1 451,0	1 089,7
Deduction relating to:		(1 451,0)	(1 089,7)
- transfer to reserve capital		(1 451,0)	-
- payment of dividend		-	(1 089,7)
Accumulated profit from previous years at the end of the period		<u>-</u>	<u>-</u>
Net profit after taxation for the financial year			
net profit		936,2	1 451,0
Equity at the end of the period		8 886,2	7 949,9
Equity after proposed profit distribution	6.2	<u><u>8 886,2</u></u>	<u><u>6 498,9</u></u>

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

(All amounts are stated in PLN thousand)

	Note	01.04.2015 - 31.03.2016	01.01.2014 - 31.03.2015
Cash flow from operating activities			
Net profit		936,2	1 451,0
Total adjustments:			
Depreciation and amortization		105,4	149,1
Foreign exchange losses (gains)		0,1	0,1
Interest and share in profits (dividend income)		-	0,5
Loss on investment activity	13.1	-	1,2
Change in provisions		106,7	(1 189,4)
Change in receivables		(1 094,0)	665,5
Change in short-term liabilities (excluding borrowings)	13.2	(97,4)	(29,8)
Change in prepayments, accruals and deferred income and expenses		(27,7)	269,0
Other adjustments		-	2,0
		<u>(1 006,9)</u>	<u>(131,8)</u>
Net cash flow from operating activities		<u>(70,7)</u>	<u>1 319,2</u>
Cash flow from investing activities			
Proceeds:		-	(1,0)
Disposal of tangible and intangible fixed assets		-	(1,0)
Disbursements:		(57,8)	(139,1)
Purchase of tangible and intangible fixed assets	13.3	(57,8)	(139,1)
Net cash flow from investing activities		<u>(57,8)</u>	<u>(140,1)</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>01.04.2015 - 31.03.2016</u>	<u>01.01.2014 - 31.03.2015</u>
Cash flow from financing activities			
Disbursements:		-	(3 590,2)
Dividends and other payments to shareholders		-	(3 589,7)
Interest		-	(0,5)
Net cash flow from financing activities		<u>-</u>	<u>(3 590,2)</u>
Net cash flow		<u>(128,5)</u>	<u>(2 411,1)</u>
Balance sheet change in cash, including:		(128,5)	(2 411,1)
Cash at the beginning of the financial year		6 224,4	8 635,5
Cash at the end of the financial year, including:	4.1	<u>6 095,9</u>	<u>6 224,4</u>
- <i>restricted cash</i>		<u>-</u>	<u>-</u>

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Warsaw, 29 April 2016

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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 01.04.2015	63,1	-	63,1
Additions		-	-
Reclassifications		-	-
Disposals	-	-	-
As at 31.03.2016	<u>63,1</u>	<u>-</u>	<u>63,1</u>
Accumulated depreciation			
As at 01.04.2015	(63,1)	-	(63,1)
Additions		-	-
Reclassifications		-	-
Disposals	-	-	-
As at 31.03.2016	<u>(63,1)</u>	<u>-</u>	<u>(63,1)</u>
Impairment losses			
As at 01.04.2015	-	-	-
Additions	-	-	-
Reclassifications	-	-	-
Disposals	-	-	-
As at 31.03.2016	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
As at 01.04.2015	<u>-</u>	<u>-</u>	<u>-</u>
As at 31.03.2016	<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 01.04.2015	585,3	101,3	686,6
Additions	47,3	10,5	57,8
Reclassifications	-	-	-
Disposals	-	-	-
As at 31.03.2016	<u>632,6</u>	<u>111,8</u>	<u>744,4</u>
Accumulated depreciation			
As at 01.04.2015	(429,6)	(98,3)	(527,9)
Additions	(92,8)	(12,6)	(105,4)
Reclassifications	-	-	-
Disposals	-	-	-
As at 31.03.2016	<u>(522,4)</u>	<u>(110,9)</u>	<u>(633,3)</u>
Impairment			
As at 01.04.2015	-	-	-
Additions	-	-	-
Reclassifications	-	-	-
Disposals	-	-	-
As at 31.03.2016	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
As at 01.04.2015	<u>155,7</u>	<u>3,0</u>	<u>158,7</u>
As at 31.03.2016	<u>110,2</u>	<u>0,9</u>	<u>111,1</u>

2. 2 Non-depreciated tangible fixed assets

The Company uses fixed assets under rental and other agreements, including lease agreements, valued at PLN 4,249 thousand (2014: PLN 4,607 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>31.03.2016</u>	<u>31.03.2015</u>
<i>Remaining term</i>		
Due within 12 months	4 117,9	2 825,7
Due in more than 12 months	-	-
	<u>4 117,9</u>	<u>2 825,7</u>
Gross trade receivables	4 117,9	2 825,7
Allowance for trade receivables	-	-
Net trade receivables	<u>4 117,9</u>	<u>2 825,7</u>

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

	<u>31.03.2016</u>	<u>31.03.2015</u>
<i>Remaining term</i>		
Due within 12 months	184,0	94,5
Due in more than 12 months	-	-
	<u>184,0</u>	<u>94,5</u>
Gross trade receivables	184,0	94,5
Allowances for trade receivables	-	-
Net trade receivables	<u>184,0</u>	<u>94,5</u>

4. Short-term investments

4. 1 Cash and cash equivalents

	<u>31.03.2016</u>	<u>31.03.2015</u>
Cash on hand and in bank	<u>6 095,9</u>	<u>6 224,4</u>
	6 095,9	6 224,4

5. Short-term prepayments and deferred expenses

	<u>31.03.2016</u>	<u>31.03.2015</u>
Other	11,6	8,6
	<u>11,6</u>	<u>8,6</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, 2016 will be made by the General Assembly.

7. Provisions

7. 1 Provision for retirement and similar benefits

	Retirement awards	Total
As at 01.04.2015	108,7	108,7
Disposals	(26,1)	(26,1)
Used	-	-
Released	-	-
As at 31.03.2016	82,6	82,6
<i>including:</i>		
long-term	82,6	82,6
short-term	-	-

7. 2 Short-term provisions

	Costs	Total
As at 01.04.2015	2 257,0	2 257,0
Raised	2 498,2	2 498,2
Used	(1 888,2)	(1 888,2)
Released	(477,4)	(477,4)
As at 31.03.2016	2 389,6	2 389,6

8. Short-term liabilities

Short-term trade liabilities to third parties 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>01.04.2015 - 31.03.2016</u>	<u>01.01.2014 - 31.03.2015</u>
<i>Geographical structure</i>		
Revenues from the sale of finished products and services		
Domestic	1 562,3	2 158,2
Export	29 241,8	41 314,2
	<u>30 804,1</u>	<u>43 472,4</u>

10. Interest received

(including on debt financial instruments, loans granted and the receivables originated by the company)

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>

in the period from 1 January 2014 to 31 March 2015

	Interest realised	Interest unrealised, allocated by period of payment term			Total
		< 3 months	3-12 months	>12 months	
Other financial assets	175,3	-	-	-	175,3
	<u>175,3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,3</u>

11. Interest payable

(including interest on financial liabilities)

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 short-term financial liabilities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

(All amounts are stated in PLN thousand)

12. Corporate income tax

12. 1 Structure of corporate income tax

	01.04.2015 - 31.03.2016	01.01.2014 - 31.03.2015
Current tax	347,8	237,7
Change in deferred tax	(24,5)	227,2
	<u>323,3</u>	<u>464,9</u>

12. 2 Calculation of corporate income tax

	01.04.2015 - 31.03.2016	01.01.2014 - 31.03.2015
Profit before tax	1 259,5	1 915,9
Amounts increasing the tax base		
Rent of cars	135,8	180,0
Representation	55,9	63,6
Unrealised foreign exchange differences	23,3	0,2
PFRON	104,2	141,0
Car insurance	0,5	2,3
Provisions for services	1 343,8	1 314,4
Provisions for untaken holiday	478,6	459,4
Provisions for bonuses	650,0	591,8
Other	145,9	143,5
	<u>2 938,0</u>	<u>2 896,2</u>
Amounts reducing the tax base		
Realised provision from previous year	1 222,4	1 055,2
Realised provision for bonuses	665,9	680,6
Released provision for untaken holidays	459,4	475,1
Released provision for costs	168,8	1 004,1
Released provision for bonuses	(150,9)	340,1
Foreign exchange differences	1,2	6,1
	<u>2 366,8</u>	<u>3 561,2</u>
Tax base	1 830,7	1 250,9
Investment tax relief	-	-
Donations	-	-
Losses from prior years	-	-
Taxable profit	<u>1 830,7</u>	<u>1 250,9</u>
Current tax	<u>347,8</u>	<u>237,7</u>

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

(All amounts are stated in PLN thousand)

12. 3 Deferred tax assets and liabilities

	<u>31.03.2016</u>	<u>31.03.2015</u>
Deductible temporary differences:		
Unrealised foreign exchange losses	23,3	0,2
Provisions	2 472,4	2 365,6
	<u>2 495,7</u>	<u>2 365,8</u>
Gross value of deferred tax asset	<u>474,2</u>	<u>449,5</u>
Net value of deferred tax asset	<u>474,2</u>	<u>449,5</u>
Taxable temporary differences:		
Foreign exchange gains	1,1	-
	<u>1,1</u>	<u>-</u>
Deferred tax liability	<u>0,2</u>	<u>-</u>
Deferred tax asset presented in the balance sheet	<u>474,2</u>	<u>449,5</u>
Deferred tax liability presented in the balance sheet	<u>0,2</u>	<u>-</u>
	<u>01.04.2015 -</u>	<u>01.01.2014 -</u>
	<u>31.03.2016</u>	<u>31.03.2015</u>
Net change of deferred tax asset / liability	<u>24,5</u>	<u>(227,2)</u>
Change in deferred tax recognised in the income statement	<u>24,5</u>	<u>(227,2)</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 Loss on investment activity**

	<u>01.04.2015 - 31.03.2016</u>	<u>01.01.2014 - 31.03.2015</u>
Loss on investment disposals	-	1,2
	<u>-</u>	<u>1,2</u>

13. 2 Change in short-term liabilities (excluding loans and bank credits)

	<u>01.04.2015 - 31.03.2016</u>	<u>01.01.2014 - 31.03.2015</u>
Change in short-term liabilities	(97,4)	(29,8)
	<u>(97,4)</u>	<u>(29,8)</u>

13. 3 Purchase of intangible fixed assets and tangible fixed assets

	<u>01.04.2015 - 31.03.2016</u>	<u>01.01.2014 - 31.03.2015</u>
Increase in intangible fixed assets	-	(3,3)
Increase in tangible fixed assets	(57,8)	(135,8)
	<u>(57,8)</u>	<u>(139,1)</u>

Ranbaxy (Poland) Sp. z o.o.

Supplementary information and explanations

(All amounts are stated in PLN thousand)

14. Related party transactions

14. 1 Balances outstanding as at balance sheet date

	Receivables	Liabilities
Ranbaxy Ireland Limited	2 745,1	-
SC Terapia S.A. (Ranbaxy Romania)	201,5	-
Ranbaxy UK Limited	17,3	-
Sun Pharmaceutical Industries Ltd.	1 154,0	-
	<u>4 117,9</u>	<u>-</u>

14. 2 Revenues from related party transactions for the year

	Sales revenue
Ranbaxy Ireland Limited	26 137,8
Ranbaxy Europe Ltd	102,6
SC Terapia S.A. (Ranbaxy Romania)	1 609,9
Ranbaxy UK Limited	200,6
Sun Pharmaceutical Industries Ltd.	1 177,6
	<u>29 228,5</u>

14. 3 Costs of related party transactions for the year

	Purchase of materials and goods	Purchase of services
Ranbaxy UK Limited	-	10,9
	<u>-</u>	<u>10,9</u>

15. Employment

	01.04.2015 - 31.03.2016
Average level of employment during the year by group of employees:	91
Employees on non-worker positions	91

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 664.0 thousand (2015: PLN 569.6 thousand).

Ranbaxy (Poland) Sp. z o.o.

Supplementary information and explanations

(All amounts are stated in PLN 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.

Consolidated financial statements at the lowest level in the group, which includes the Company as a subsidiary are prepared by Ranbaxy Laboratories Limited, seated in New Dehli

18. Contingent liabilities

	<u>31.03.2016</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.

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

Ranbaxy (Poland) Sp. z o.o.

Supplementary information and explanations

(All amounts are stated in PLN thousand)

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 2016, 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.

Ranbaxy (Poland) Sp. z o.o.

Supplementary information and explanations

(All amounts are stated in PLN thousand)

19. 2 Classification of financial instruments

Financial instrument	Description	Carrying value	Terms and conditions affecting future cash flows
Loans and receivables	Overnight deposit	-	0,37%
	Cash on hand and in bank	-	non-interest bearing

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Przemysław Chromiec
Member of the Management Board

Warsaw, 29 April 2016

Małgorzata Czarnecka
Person responsible for Financial Accounting