

Company Registration No. 3062051

RANBAXY HOLDINGS (U.K.) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

Ranbaxy Holdings (U.K.) Limited**CONTENTS**

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Ranbaxy Holdings (U.K.) Limited

COMPANY INFORMATION

DIRECTORS

Mr M Singh
Mr N Sharma

SECRETARY

REGISTERED OFFICE

Building 4, Chiswick Park
566 Chiswick High Road
London
W4 5YE

AUDITORS

KPMG LLP
15 Canada Square
London E14 5GL

COMPANY NUMBER

3062051

Ranbaxy Holdings (U.K.) Limited

Company No: 3062051

Strategic Report

REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

Financial Overview

The company doesn't trade or have operational activities. Its an holding company for various entities.

The net operating income was £14k (INR 1,308k) (2012: loss £ 22k (INR 1,864k). This is due to reversal of an expense provision made for prior year.

Strategy

Ranbaxy Holdings(U.K.) Limited serves as the holding investment company for various entities including Ranbaxy US, Ranbaxy Europe and others

PRINCIPAL RISKS AND UNCERTAINTIES

The company serves as the holding vehicle for some large units like Ranbaxy US. Any change in financials of the investee company would affect the financials of Ranbaxy Holdings as well.

Foreign exchange risk is minimal as the company doesnt engage in any trading or operational activities

Mr Neeraj Sharma

Director

Ranbaxy Holdings(U.K.) Limited

Building 4, Chiswick Park

566 Chiswick High Road

LONDON W4 5YE

Ranbaxy Holdings (U.K.) Limited
Company No: 3062051
DIRECTORS' REPORT

The directors submit their report and the audited accounts for the 15 months ended 31 March 2014.

1. PRINCIPAL ACTIVITY

The company is a holding company.

2. RESULTS AND DIVIDENDS

The results of the company for the period under review are as stated on Page 6 of the accounts.

The directors do not recommend the payment of a dividend. The profit for the financial year of £14,070 (INR 1,314,593) (2012: loss of £21,731 (INR1,841,610)) will be transferred to reserves.

3. REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

The company is a holding company.

4. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk facing the company is that the value of its investments in subsidiary undertakings falls below their carrying value.

5. DIRECTORS AND DIRECTORS' INTERESTS

The present directors of the company are set out on Page 2.

The directors who held office during the year are as follows:

Mr M Singh
Mr N Sharma

None of the directors held or had any interest in the shares of the company during the year under review.

None of the directors who held office during the year held any shares in Ranbaxy (Netherlands) BV., the holding company.

6. AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

7. DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Ranbaxy Holdings (U.K.) Limited
Company No: 3062051
DIRECTORS' REPORT (Continued)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT
AND THE FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

This report was approved by the Board on 17 May 2013
By order of the Board

Mr Neeraj Sharma
Director
Ranbaxy Holdings (U.K.) Limited
Building 4, Chiswick Park
566 Chiswick High Road
LONDON W4 5YE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Ranbaxy Holdings (U.K.) Limited

We have audited the financial statements of Ranbaxy Holdings (UK) Limited for the 15 months ended 31 March 2014 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ian Bone (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

Ranbaxy Holdings (U.K.) Limited
 Company No: 3062051
Profit & Loss Account
 For the 15 months ended 31 March 2014

	15 Months ended	Year Ended	15 Months ended	Year Ended
Notes	31 March	31 December	31 March	31 December
	2014	2012	2014	2012
	£	£	INR	INR
Net Operating Expenses/Income - continuing activities	14,070	(21,731)	1,314,953	(1,841,610)
(Loss) on ordinary activities before taxation	2 <u>14,070</u>	<u>(21,731)</u>	1,314,953	<u>(1,841,610)</u>
Tax on (loss) on ordinary activities	3 -	-	-	-
Retained (loss) on ordinary activities after taxation	7 <u>14,070</u>	<u>(21,731)</u>	<u>1,314,953</u>	<u>(1,841,610)</u>

There were no recognised gains or losses other than the loss for the financial year.

The notes on pages 8 to 12 form an integral part of these accounts.

Ranbaxy Holdings (U.K.) Limited
Company No: 3062051
BALANCE SHEET

	Notes	As at 31.03.2014 £	As at 31.12.2012 £	As at 31.03.2014 INR	As at 31.12.2012 INR
FIXED ASSETS					
Investments	4	<u>32,010,922</u>	31,978,643	<u>3,169,398,207</u>	2,829,968,407
CURRENT ASSETS					
Cash at bank		25,796	26,494	2,554,090	2,344,602
CREDITORS: amounts falling due within one year	5	<u>(77,622)</u>	(60,110)	<u>(7,685,347)</u>	(5,319,469)
NET CURRENT LIABILITIES		<u>(51,826)</u>	<u>(33,616)</u>	<u>(5,131,256)</u>	<u>(2,974,867)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		31,959,096	31,945,027	3,164,266,950	2,826,993,540
NET ASSETS		<u><u>31,959,096</u></u>	<u><u>31,945,027</u></u>	<u><u>3,164,266,950</u></u>	<u><u>2,826,993,540</u></u>
CAPITAL & RESERVES					
Share capital	6	30,556,201	30,556,201	3,025,366,436	2,704,088,584
Profit & Loss Account	7	1,402,895	1,388,826	138,900,515	122,904,929
EQUITY SHAREHOLDERS' FUNDS	7	<u><u>31,959,096</u></u>	<u><u>31,945,027</u></u>	<u><u>3,164,266,950</u></u>	<u><u>2,826,993,513</u></u>

The accounts on Pages 6 to 12 were approved by the board on 17 May 2013

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Mr Neeraj Sharma
Director

The notes on pages 8 to 12 form an integral part of these accounts

Ranbaxy Holdings (U.K.) Limited
 Company No: 3062051
NOTES TO THE ACCOUNTS
 for the 15 months ended 31 March 2014

1 ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention in accordance with applicable accounting standards in the United Kingdom and on a going concern basis. The principal accounting policies of the company have remained unchanged from the previous year. A summary of the more important accounting policies is set out below.

Going Concern

The directors have reviewed the financial position of the company and note that at 31 March 2014 it has insufficient current assets to cover its liabilities. As a holding company with no independent source of income, it is therefore dependent on the wider Ranbaxy group for funding. On the basis of their assessment of the company's financial position and of the enquiries made of the directors of the immediate and intermediate parent companies, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves together with the exchange difference on the carrying amount of the related investments.

Investments

Investments are shown at historic cost. The directors are of the opinion that the holding value does not exceed open market valuation.

Cash Flow Statement

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

Consolidation

The company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Deferred Taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION HAS BEEN STATED AFTER CHARGING/(CREDITING):

	15 months end Year ended		15 months ended Year ended	
	31-Mar	31-Dec	31-Mar	31-Dec
	2014	2012	2014	2012
	£	£	INR	INR
Auditors remuneration				
Amounts receivable by the auditors (KPMG LLP) in respect of:				
Audit of these financial statements	4,000	21,000	373,832	1,779,661

The company had no employees during the year and consequently there were no employment costs.

Ranbaxy Holdings (U.K.) Limited
 Company No: 3062051
NOTES TO THE ACCOUNTS
 for the 15 months ended 31 March 2014 (continued)

3	15 Months ended 31 March 2014	Year ended 31-Dec 2012	15 Months ended 31 March 2014	Year ended 31-Dec 2012
	£	£	INR	INR
TAX ON LOSS ON ORDINARY ACTIVITIES				
The corporation tax comprises:-				
UK corporation tax at 24 % (2011 - 26%)	-	-	-	-

Factors affecting future tax charges

The rate of UK corporation tax that was substantively enacted at the balance sheet date was 21% which is applicable from 1st April 2014. It is expected that the corporation tax rate will reduce to 20% by 1st April 2015. There are no other factors that may significantly affect future tax charges

4	15 Months ended 31 March 2014	Year ended 31-Dec 2012	15 Months ended 31 March 2014	Year ended 31-Dec 2012
	£	£	INR	INR
INVESTMENTS				
Shares at Cost in group undertakings - subsidiaries				
At 1 January	31,978,643	31,978,643	3,166,202,277	2,829,968,407
Addition	32,279		3,195,941	-
Net book amount at 31 December	<u>32,010,922</u>	<u>31,978,643</u>	<u>3,169,398,218</u>	<u>2,829,968,407</u>

The company owns:

100% (13,000,000 shares) of the ordinary share capital of Ranbaxy Inc., a company incorporated and operating as a distributor of Pharmaceuticals in the United States of America.

100% (10,000 shares) of the ordinary share capital of Ranbaxy Europe Limited, a company incorporated and operating as a management service provider in England.

0.02%(2 shares) of the ordinary share capital of Ranbaxy (Poland) Sp.zo.o., a company incorporated and operating as a management service provider in Poland.

0.1%(50 shares) of the ordinary share capital of Ranbaxy Egypt Limited, a company incorporated and operating as a distributor of Pharmaceuticals in Egypt.

1% (30 shares) of the ordinary share capital of ZAO Ranbaxy, a company incorporated and operating as a distributor of Pharmaceuticals in Russia.

1%(113 shares) of the ordinary share capital of Ranbaxy Belgium, a company incorporated and operating as a distributor of Pharmaceuticals in Belgium.

1% of the ordinary share capital of Ranbaxy Ukraine LLC, a company incorporated and operating as a distributor of Pharmaceuticals in Ukraine.

The aggregate capital and reserves of Ranbaxy Inc. and subsidiaries as at 31st March 2014 were \$407,424,254 (2012: \$346,620,286). During the 15 months to 31st March 2014 Ranbaxy Inc. made a profit of \$60,303,644 (2011: \$91,164,664)

Ranbaxy Holdings (U.K.) Limited
 Company No: 3062051
NOTES TO THE ACCOUNTS
 for the 15 months ended 31 March 2014 (continued)

4 INVESTMENTS (Continued)

Undertakings in which the company through its subsidiary undertaking, Ranbaxy Inc. has an investment representing not less than 20% of the voting rights are as follows :

Name of Company	Country of incorporation and operation	Proportion held	Holding
Ranbaxy Pharmaceuticals Inc.	USA	100%	Ordinary shares
Ranbaxy USA, Inc.	USA	100%	Ordinary shares
Ohm Labs Inc	USA	100%	Ordinary shares
Ranbaxy Laboratories, Inc.	USA	100%	Ordinary shares
Ranbaxy Signature LLC	USA	67.50%	Ordinary shares

The above USA companies are engaged in the manufacture and distribution of pharmaceuticals.

The consolidated net assets of Ranbaxy Inc. at 31 March 2014 when translated at the closing exchange rate amount to £ 244,964,078 (INR 24,253,869,109) (2012: £ 214,433,424 (INR 18,976,409,203) produced a surplus compared to the investment holding value in Ranbaxy Holdings (UK) Ltd of £ 213,005,055 (INR 21,089,609,406) (2012:£ 182,474,401) (INR 16,148,177,080).

The aggregate capital and reserves of Ranbaxy Europe Limited as at 31st March 2014 was £1,481,279 (INR 146,661,287) (2012 - £ 1,249,126 (INR 110,542,123). Ranbaxy Europe Limited generated a profit for the year ended 31st March 2014 of £232,153 (INR 21,696,542) (2012 - £290,313) (INR 24,602,797) .

	15 months ended on 31 March 2014	Year ended 31-Dec 2012	15 months ended on 31 March 2014	Year ended 31-Dec 2012
	£	£	INR	INR
5 CREDITORS: amounts falling due within one year				
Due to group undertaking	67,321	37,694	6,665,446	3,335,752
Accruals	10,301	22,416	1,019,901	1,983,717
	<u>77,622</u>	<u>60,110</u>	<u>7,685,347</u>	<u>5,319,469</u>

Ranbaxy Holdings (U.K.) Limited

Company No: 3062051

NOTES TO THE ACCOUNTS

for the 15 months ended 31 March 2014 (continued)

6 SHARE CAPITAL	15 Months	12 Months	15 Months	12 Months
	ended 31st March 2014	ended 31st December 2012	ended 31st March 2014	ended 31st December 2012
	£	£	INR	INR
(a) Authorised at the beginning and end of year				
50,000,000 Ordinary shares of £1 each	<u>50,000,000</u>	<u>50,000,000</u>	<u>4,950,495,050</u>	<u>4,424,778,761</u>
	£	£	INR	INR
(b) Allotted, called up and fully paid				
30,556,201 Ordinary shares of £1 each	<u>30,556,201</u>	<u>30,556,201</u>	<u>3,025,366,436</u>	<u>2,704,088,584</u>

7 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	Called up	Profit and	Total equity	Called up	Profit and	Total equity
	share capital	loss account	shareholders' funds	share capital	loss account	shareholders' funds
	£	£	£	INR	INR	INR
Balance at 31 December 2011	30,556,201	1,410,557	31,966,758	2,704,088,584	124,828,053	2,828,916,637
Retained loss for the year	-	(21,731)	(21,731)	-	(1,923,097)	(1,923,097)
Balance at 31 December 2012	<u>30,556,201</u>	<u>1,388,826</u>	<u>31,945,027</u>	<u>2,704,088,584</u>	<u>122,904,955</u>	<u>2,826,993,539</u>
Retained profit for the year	-	14,070	14,070	-	1,393,030	1,393,030
Balance at 31 March 2014	<u>30,556,201</u>	<u>1,402,895</u>	<u>31,959,096</u>	<u>2,704,088,584</u>	<u>124,297,985</u>	<u>2,828,386,569</u>

Ranbaxy Holdings (U.K.) Limited

Company No: 3062051

NOTES TO THE ACCOUNTS**for the 15 months ended 31 March 2014 (continued)****8 DIRECTORS' EMOLUMENTS**

None of the directors received any emoluments from the company during the year.

Mr N Sharma is employed by a subsidiary undertaking Ranbaxy Europe Limited, other directors are employees of Ranbaxy Laboratories Ltd. No directors received remuneration for qualifying services in respect of Ranbaxy Holdings (UK) Ltd.

9 TRANSACTIONS WITH RELATED PARTIES

As the company is a wholly owned subsidiary of Ranbaxy Laboratories Ltd, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

There are no other related party transactions.

10 ULTIMATE HOLDING COMPANY

The Company's shares are wholly owned by Ranbaxy (Netherlands) BV a company incorporated in Netherlands, whose ultimate parent company is Daiichi Sankyo Co.,Ltd.

The largest group in which the results of the company are consolidated is that of Daiichi Sankyo Co., Ltd, incorporated in Japan. The consolidated financial statements of this group are available to the public and may be obtained from Corporate Communications Department in Daiichi Sankyo Head Office Building 3-5-1, Nihonbashi Honcho, Chuo-ku, Tokyo 103-8426, Japan.

The smallest group in which the results of the company are consolidated is that of Ranbaxy Laboratories Limited incorporated in India, whose accounts are available to the public from the Registrar of Companies, Haryana, India.

Note : Conversion rate used against Indian Rupees for the year 2014 and 2012 are:

i) Items relating to Profit and Loss account at Average rate: 1 GBP= 0.0107 [2012: 1 GBP =0.0118]

ii) Items relating to Balance sheet at Closing rate: 1 GBP = 0.0101 [2012: 1 GBP=0.0113]