

Ranbaxy (Poland) Sp. z o.o.

**Opinion and Report
of the Independent Auditor
Financial Year ended
31 March 2015**

The opinion contains 2 pages
The supplementary report contains 9 pages
Opinion of the independent auditor
and supplementary report on the audit
of the financial statements
for the financial year ended
31 March 2015

OPINION OF THE INDEPENDENT AUDITOR

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This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

OPINION OF THE INDEPENDENT AUDITOR

To the Shareholders' Meeting of Rcm.baxy (Poland) Sp. z o.o.

Opinion on the Financial Statements

We have audited the accompanying financial statements of Ranbaxy (Poland) Sp. z o.o., with its registered office in Warsaw, Kubickiego 11 ("the Company"), which comprise the introduction to the financial statements, the balance sheet as at 31 March 2015, the profit and loss account, the statement of changes in equity and the cash flow statement for the year then ended and the supplementary information and explanations.

Management's Responsibility for the Financial Statements

Management of the Company is responsible for the correctness of the accounting records, the preparation and fair presentation of these financial statements and preparation of the Report on the Company's activities in accordance with the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) ("the Accounting Act") and related bylaws, and other applicable regulations. Management of the Company is also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act, Management of the Company is required to ensure that the financial statements and the report on the Company's activities are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit. We conducted our audit in accordance with section 7 of the Accounting Act, National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accounting records from which they are derived are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying financial statements of Ranbaxy (Poland) Sp. z o.o. have been prepared and present fairly, in all material respects, the financial position of the Company as at 31 March 2015 and its financial performance and its cash flows for the year then ended in accordance with the accounting principles applicable to the territory of the Republic of Poland as set out in the Accounting Act and related bylaws, are in compliance with the respective regulations and the provisions of the Company's articles of association that apply to the Company's financial statements and have been prepared from accounting records that, in all material respects, have been properly maintained.

Specific Comments on Other Legal and Regulatory Requirements

Report on the Company's Activities

As required under the Accounting Act, we report that the accompanying report on the Company's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and the information is consistent with the financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Chłodna 51
00-867 Warsaw

Magdalena Paulinek
Key Certified Auditor
Registration No. 11528

.. .
Limited Liability Partner
with power of attorney

30 April 2015

text

Company name **Ranbaxy (Poland) Sp. z o.o.**
Financial statements for the year ended 31
March 2015

Accuracy of financial statement (PLN vs. PLN thousand) PLN thousand

Beginning of the financial	01.01.2014	01.01.2014
End of the financial year:	31.03.2015	31.03.2015

Beginning of the previous		
financial year:	01.01.2013	01.01.2013
End of the previous financial		
year:	31.12.2013	31.12.2013

Does the Company prepare the profit and loss account by type of expenditure	No
Does the Company prepare the equity statement in table format (Yes/No)	Yes

Corporate income tax rate in	
current accounting year:	19%
Corporate income tax rate in	
previous accounting year:	19%

Corporate income tax rate	
used in calculation of the	
deferred tax in the current	
year (for the next year)	19%
Corporate income tax rate	
used in calculation of the	
deferred tax in the previous	
year (for the current year)	19%

RANBAXY (POLAND) SP. Z O.O.

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 2015**

Ranbaxy (Poland) Sp. z o.o.

Financial statements for the year ended 31 March 2015

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Ranbaxy (Poland) Sp. z o.o.

Financial statements for the year ended 31 March 2015

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 2015 with total assets and total liabilities and equity of PLN 10,875.9 thousand;
- 3) the profit and loss account for the period from 1 January 2014 to 31 March 2015 with a net profit of PLN 1,451.0 thousand;
- 4) the statement of changes in equity for the period from 1 January 2014 to 31 March 2015 with an equity decrease of PLN 2,138.7 thousand;
- 5) the statement of cash flows for the period from 1 January 2014 to 31 March 2015 with a net cash decrease of PLN 2,411.1 thousand;
- 6) supplementary information and explanations.

Ranjan Chakravarti

Member of the Management Board

Przemysław Chromiec

Member of the Management Board

Małgorzata Czarnecka

Person responsible for Financial Accounting

Warsaw, 30 April 2015

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 scope of business activities listed in its Deed include 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 Statement were prepared for the period from 1 January 2014 to 31 March 2015 and the comparative information is prepared for the period from 1 January 2013 to 31 December 2013.

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 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 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>31.03.2015</u>	<u>31.12.2013</u>
EUR	4.0890	4.1472
USD	3.8125	3.0120
GBP	5.6295	4.9828

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.

Ranjan Chakravarti
Member of the Management Board

Przemysław Chromiec
Member of the Management Board

Małgorzata Czarnecka
Person responsible for Financial Accounting

Warsaw, 30 April 2015

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

(All amounts are stated in PLN thousand)

ASSETS	Note	31.03.2015	31.12.2013
Fixed assets		608.2	847.7
Intangible fixed assets	1		
Other intangible fixed assets		-	3.0
		-	3.0
Tangible fixed assets	2		
Fixed assets		158.7	168.0
technical equipment and machinery		155.7	161.9
other tangible fixed assets		3.0	6.1
		158.7	168.0
Prepayments and deferred expenses			
Deferred tax asset	12.3	449.5	676.7
		449.5	676.7
Current assets		10,267.7	13,386.1
Short-term receivables			
Receivables from related parties		2,825.7	3,244.1
trade receivables	3.1	2,825.7	3,244.1
Receivables from third parties		1,209.0	1,456.1
trade receivables	3.2	94.5	519.3
taxation and social security debtors		797.7	625.6
other		316.8	311.2
		4,034.7	4,700.2
Short-term investments			
Short-term financial assets		6,224.4	8,635.5
cash and cash equivalents	4.1	6,224.4	8,635.5
		6,224.4	8,635.5
Short-term prepayments and deferred expenses	5	8.6	50.4
TOTAL ASSETS		10,875.9	14,233.8

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	31.03.2015	31.12.2013
Equity			
Share capital	6.1	4,291.0	4,291.0
Reserve capitals		2,207.9	4,707.9
Net profit		1,451.0	1,089.7
		<u>7,949.9</u>	<u>10,088.6</u>
Liabilities and provisions for liabilities		2,926.0	4,145.2
Provisions for liabilities			
Deferred tax liability	12.3	-	-
Provision for retirement and similar benefits	7.1	108.7	71.3
- long-term		108.7	71.3
Other provisions		2,257.0	3,483.8
- short-term	7.2	<u>2,257.0</u>	<u>3,483.8</u>
		<u>2,365.7</u>	<u>3,555.1</u>
Short-term liabilities			
Related party liabilities		-	9.7
trade liabilities		-	9.7
Liabilities due to third parties		429.5	423.0
trade liabilities	8.1	8.2	123.6
taxation and social security creditors		421.3	299.4
Special funds		<u>130.8</u>	<u>157.4</u>
		<u>560.3</u>	<u>590.1</u>
TOTAL EQUITY AND LIABILITIES		<u><u>10,875.9</u></u>	<u><u>14,233.8</u></u>

Ranjan Chakravarti
Member of the Management Board

Przemysław Chromiec
Member of the Management Board

Małgorzata Czarnecka
*Person responsible for Financial
Accounting*

Warsaw, 30 April 2015

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	01.01.2014 - 31.03.2015	01.01.2013 - 31.12.2013
Net revenues and net revenue equivalents, including:	9		
- <i>from related parties</i>		41,314.2	33,818.2
Net revenues from the sale of finished products		<u>43,472.4</u>	<u>35,998.8</u>
		<u>43,472.4</u>	<u>35,998.8</u>
Operating expenses			
Depreciation		(149.1)	(151.1)
Materials and energy		(5,104.9)	(4,041.0)
External services		(22,093.5)	(16,329.2)
Taxes and charges including:		(398.1)	(362.1)
Payroll		(11,668.1)	(11,084.4)
Social security and other benefits		(2,475.6)	(2,139.8)
Other expenditures by kind		<u>(474.7)</u>	<u>(226.0)</u>
		<u>(42,364.0)</u>	<u>(34,333.6)</u>
Profit on sales		1,108.4	1,665.2
Other operating revenues			
Other operating revenues		<u>806.0</u>	<u>19.9</u>
		<u>806.0</u>	<u>19.9</u>
Other operating expenses			
Other operating costs		<u>(12.5)</u>	<u>(395.5)</u>
		<u>(12.5)</u>	<u>(395.5)</u>
Operating profit		1,901.9	1,289.6

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.**Profit and Loss Account**

(All amounts are stated in PLN thousand)

	Note	01.01.2014 - 31.03.2015	01.01.2013 - 31.12.2013
Financial revenue			
Interest	10	175.3	157.4
Other		-	18.7
		<u>175.3</u>	<u>176.1</u>
Financial expenses			
Interest	11	(0.5)	(4.9)
Other		(160.8)	-
		<u>(161.3)</u>	<u>(4.9)</u>
Profit before taxation		1,915.9	1,460.8
Corporate income tax	12	(464.9)	(371.1)
Net profit		<u>1,451.0</u>	<u>1,089.7</u>

Ranjan Chakravarti
Member of the Management Board

Przemysław Chromiec
Member of the Management Board

Małgorzata Czarnecka
*Person responsible for Financial
Accounting*

Warsaw, 30 April 2015

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

(All amounts are stated in PLN thousand)

	Note	01.01.2014 - 31.03.2015	01.01.2013 - 31.12.2013
Equity at the beginning of the period		10,088.6	8,998.9
Share capital at the beginning of the period	6.1	4,291.0	4,291.0
Share capital at the end of the period		<u>4,291.0</u>	<u>4,291.0</u>
Reserve capital at the beginning of the period		4,707.9	3,946.0
Additions relating to:		-	761.9
- profit allocation		-	761.9
Deduction relating to:		(2,500.0)	-
- payment of dividend		<u>(2,500.0)</u>	<u>-</u>
Reserve capital at the end of the period		<u>2,207.9</u>	<u>4,707.9</u>
Accumulated profit from previous years at the beginning of the period		1,089.7	761.9
Deduction relating to:		(1,089.7)	(761.9)
- transfer to reserve capital		-	(761.9)
- payment of dividend		<u>(1,089.7)</u>	<u>-</u>
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		1,451.0	1,089.7
Equity at the end of the period		7,949.9	10,088.6
Equity after proposed profit distribution	6.2	<u>6,498.9</u>	<u>8,998.9</u>

Ranjan Chakravarti
Member of the Management Board

Przemysław Chromiec
Member of the Management Board

Małgorzata Czarnecka
*Person responsible for Financial
Accounting*

Warsaw, 30 April 2015

Statement of changes in equity 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>01.01.2014 - 31.03.2015</u>	<u>01.01.2013 - 31.12.2013</u>
Cash flow from operating activities			
Net profit		1,451.0	1,089.7
Total adjustments:			
Depreciation and amortization		149.1	151.1
Foreign exchange loss		0.1	13.4
Interest and share in profits (dividend income)		0.5	4.9
Loss on investing activity	13.1	1.2	-
Change in provisions		(1,189.4)	513.9
Change in receivables		665.5	406.9
Change in short-term liabilities (excluding loans and bank credits)	13.2	(29.8)	44.5
Change in prepayments, accruals and deferred income and expenses		269.0	728.3
Other adjustments		2.0	7.2
		<u>(131.8)</u>	<u>1,870.2</u>
Net cash flow from operating activities		<u>1,319.2</u>	<u>2,959.9</u>
Cash flow from investing activities			
Proceeds:		(1.0)	-
Disposal of tangible and intangible fixed assets		(1.0)	-
Disbursements:		(139.1)	(173.3)
Purchase of tangible and intangible fixed assets	13.3	(139.1)	(173.3)
Net cash flow from investing activities		<u>(140.1)</u>	<u>(173.3)</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>01.01.2014 - 31.03.2015</u>	<u>01.01.2013 - 31.12.2013</u>
Cash flow from financing activities			
Disbursements:		(3,590.2)	(4.9)
Dividends and other payments to shareholders		(3,589.7)	-
Interest		(0.5)	(4.9)
Net cash flow from financing activities		<u>(3,590.2)</u>	<u>(4.9)</u>
Net cash flow		<u>(2,411.1)</u>	<u>2,781.7</u>
Balance sheet change in cash, including:		(2,411.1)	2,781.7
Cash at the beginning of the financial year		8,635.5	5,853.8
Cash at the end of the financial year, including:	4.1	<u><u>6,224.4</u></u>	<u><u>8,635.5</u></u>

Ranjan Chakravarti
Member of the Management Board

Przemysław Chromiec
Member of the Management Board

Małgorzata Czarnecka
*Person responsible for Financial
Accounting*

Warsaw, 30 April 2015

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	Total
Gross book value		
As at 01.01.2014	59.8	59.8
Additions	3.3	3.3
As at 31.03.2015	63.1	63.1
Accumulated depreciation		
As at 01.01.2014	(56.8)	(56.8)
Additions	(6.3)	(6.3)
As at 31.03.2015	(63.1)	(63.1)
Net book value		
As at 01.01.2014	3.0	3.0
As at 31.03.2015	-	-

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 book value			
As at 01.01.2014	557.4	97.1	654.5
Additions	131.6	4.2	135.8
Disposals	(103.7)	-	(103.7)
As at 31.03.2015	585.3	101.3	686.6
Accumulated depreciation			
As at 01.01.2014	(395.5)	(91.0)	(486.5)
Additions	(135.5)	(7.3)	(142.8)
Disposals	101.4	-	101.4
As at 31.03.2015	(429.6)	(98.3)	(527.9)
Net book value			
As at 01.01.2014	161.9	6.1	168.0
As at 31.03.2015	155.7	3.0	158.7

2. 2 Non depreciated fixed assets

The Company uses fixed assets under rental and other agreements, including lease agreements, valued at PLN 4,607 thousand (2013: PLN 5,115 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

	31.03.2015	31.12.2013
<i>Remaining term</i>		
Due within 12 months	2,825.7	3,244.1
	<u>2,825.7</u>	<u>3,244.1</u>
Gross trade receivables	2,825.7	3,244.1
Net trade receivables	<u>2,825.7</u>	<u>3,244.1</u>

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

	31.03.2015	31.12.2013
<i>Remaining term</i>		
Due within 12 months	94.5	519.3
	<u>94.5</u>	<u>519.3</u>
Gross trade receivables	94.5	519.3
Net trade receivables	<u>94.5</u>	<u>519.3</u>

4. Short-term investments

4. 1 Cash and cash equivalents

	31.03.2015	31.12.2013
Cash on hand and in bank	6,224.4	8,635.5
	<u>6,224.4</u>	<u>8,635.5</u>

5. Short-term prepayments and deferred expenses

	31.03.2015	31.12.2013
Other	8.6	50.4
	<u>8.6</u>	<u>50.4</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	100.0%
Ranbaxy (Holding) UK LTD	2	1.0	0.0%
	8,582	4,291.0	100.0%

6. 2 Proposals for profit distribution or coverage of losses

The Management Board proposes to transfer the profit for the 2014/2015 financial year to payment of dividends.

7. Provisions

7. 1 Provision for retirement and similar benefits

	Retirement awards	Total
As at 01.01.2014	71.3	71.3
Raised	37.4	37.4
As at 31.03.2015	108.7	108.7
<i>including:</i>		
long-term portion	108.7	108.7

7. 2 Short-term provisions

	Costs	Total
As at 01.01.2014	3,483.8	3,483.8
Raised	2,256.9	2,256.9
Used	(1,735.7)	(1,735.7)
Released	(1,748.0)	(1,748.0)
As at 31.03.2015	2,257.0	2,257.0

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

(All amounts are stated in PLN thousand)

8. Short-term liabilities

8. 1 Short-term trade liabilities to third parties of PLN 8.2 thousand are due within 12 months from balance sheet date.

9. Structure of revenues from sales

	01.01.2014 - 31.03.2015	01.01.2013 - 31.12.2013
<i>Geographical structure</i>		
Revenues from the sale of finished products		
Domestic	2,158.2	2,180.6
Export	41,314.2	33,818.2
	<u>43,472.4</u>	<u>35,998.8</u>

10. Interest received

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

in the period from 1 January 2014 to 31 March 2015

**Interest unrealised, allocated by period of
payment term**

	Interest realised	< 3 months	3-12 months	>12 months	Total
Other non-financial assets	175.3	-	-	-	175.3
	<u>175.3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175.3</u>

in the period from 1 January 2013 to 31 December 2013

**Interest unrealised, allocated by period of
payment term**

	Interest realised	< 3 months	3-12 months	>12 months	Total
Other non-financial assets	157.4	-	-	-	157.4
	<u>157.4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>157.4</u>

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(All amounts are stated in PLN thousand)

11. Interest payable
(including interest on financial liabilities)

in the period from 1 January 2014 to 31 March 2015

Interest unrealised, allocated by period of payment term					
	Interest realised	< 3 months	3-12 months	>12 months	Total
Other short-term financial liabilities	0.5	-	-	-	0.5
	0.5	-	-	-	0.5

in the period from 1 January 2013 to 31 December 2013

Interest unrealised, allocated by period of payment term					
	Interest realised	< 3 months	3-12 months	>12 months	Total
Other short-term financial liabilities	4.9	-	-	-	4.9
	4.9	-	-	-	4.9

12. Corporate income tax

12. 1 Structure of corporate income tax

	01.01.2014 - 31.03.2015	01.01.2013 - 31.12.2013
Current tax	237.7	471.1
Change in deferred tax	227.2	(100.0)
	464.9	371.1

Ranbaxy (Poland) Sp. z o.o.
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(All amounts are stated in PLN thousand)

12. 2 Calculation of corporate income tax

	01.01.2014 - 31.03.2015	01.01.2013 - 31.12.2013
Profit before tax	1,915.9	1,460.8
Amounts increasing the tax base		
Rent of cars	180.0	131.6
Representation costs	63.6	45.3
Unrealised foreign exchange differences	0.2	13.3
PFRON	141.0	117.1
Car insurance	2.3	3.6
Provisions for services	1,314.4	2,059.3
Provisions for unused holiday	459.4	475.1
Provisions for bonuses	591.8	1,020.6
Other	143.5	195.1
	<u>2,896.2</u>	<u>4,061.0</u>
Amounts reducing the tax base		
Realised provision from previous year	1,055.2	1,196.0
Realised provision for bonuses	680.6	700.3
Released provision for unused holidays	475.1	385.9
Released provision for costs	1,004.1	764.9
Released provision for bonus	340.1	(6.0)
Foreign exchange differences	6.1	0.1
	<u>3,561.2</u>	<u>3,041.2</u>
Tax base	1,250.9	2,480.6
Donations	-	(1.0)
Taxable profit	<u>1,250.9</u>	<u>2,479.6</u>
Current tax	<u>237.7</u>	<u>471.1</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

	31.03.2015	31.12.2013
Deductible temporary differences:		
Unrealised foreign exchange losses	0.2	6.6
Provisions	2,365.6	3,555.1
	<u>2,365.8</u>	<u>3,561.7</u>
Gross value of deferred tax asset	<u>449.5</u>	<u>676.7</u>
Net value of deferred tax asset	<u>449.5</u>	<u>676.7</u>
Taxable temporary differences:		
Foreign exchange gains	-	0.2
	<u>-</u>	<u>0.2</u>
Deferred tax liability	<u>-</u>	<u>-</u>
Deferred tax asset presented in the balance sheet	<u>449.5</u>	<u>676.7</u>
Deferred tax liability presented in the balance sheet	<u>-</u>	<u>-</u>
Net change of deferred tax asset / liability	<u>(227.2)</u>	<u>100.0</u>
Change in deferred tax recognised in the income statement	<u>(227.2)</u>	<u>100.0</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 investing activity**

	01.01.2014 - 31.03.2015	01.01.2013 - 31.12.2013
Loss on investment disposals	1.2	-
	<u>1.2</u>	<u>-</u>

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

	01.01.2014 - 31.03.2015	01.01.2013 - 31.12.2013
Change in short-term liabilities	(29.8)	44.5
	<u>(29.8)</u>	<u>44.5</u>

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

	01.01.2014 - 31.03.2015	01.01.2013 - 31.12.2013
Increase in intangible fixed assets	(3.3)	(1.1)
Increase in tangible fixed assets	(135.8)	(172.2)
	<u>(139.1)</u>	<u>(173.3)</u>

14. Related party transactions**14. 1 Balances outstanding as at balance sheet date**

	Receivables	Liabilities
Ranbaxy Ireland	2,727.6	-
Ranbaxy Europe	34.2	-
Ranbaxy Romania	63.9	-
	<u>2,825.7</u>	<u>-</u>

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

(All amounts are stated in PLN thousand)

14. 2 Revenues from related party transactions for the year

	Sales revenue
Ranbaxy Ireland	37,960.4
Ranbaxy Europe	279.6
Ranbaxy Romania	3,074.2
	<u>41,314.2</u>

14. 3 Costs of related party transactions for the year

	Purchase of raw materials and goods	Purchase of services
Ranbaxy UK	-	47.9
Ranbaxy Laboratories	-	29.6
	<u>-</u>	<u>77.5</u>

15. Employment

Average level of employment during the year by group of employees:	105
Employees on non-worker positions	105

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

The remuneration of the members of the Management Board, including profit-based remuneration, amounted to PLN 822.3 thousand (2013: PLN 624.4 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.

Ranbaxy (Poland) Sp. z o.o.

Supplementary information and explanations

(All amounts are stated in PLN thousand)

18. Contingent liabilities

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

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 2015, 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.
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(All amounts are stated in PLN thousand)

19. 2 *Classification of financial instruments*

Portfolio	Description (quantity)	Carrying Terms and value conditions	
Loans and receivables	Overnight deposit	6,087.5	1.09%
	Cash on hand and in bank	136.9	non-interest bearing

Ranjan Chakravarti
Member of the Management Board

Przemysław Chromiec
Member of the Management Board

Małgorzata Czarnecka
Person responsible for Financial Accounting

Warsaw, 30 April 2015