

INDEPENDENT AUDITOR'S REPORTIN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE NO. 39
OF JANUARY 27, 2010To the Shareholders
of Ranbaxy Italia S.p.A.**Report on the Financial Statement**

We have audited the accompanying financial statements of Ranbaxy Italia S.p.A., which comprise the balance sheet as at March 31, 2017, the income statement for the year then ended, the cash flow statement and the notes to the financial statements including a summary of significant accounting policies.

Director's Responsibility for the Financial Statements

The Directors are responsible for the preparation of these financial statements in accordance with Italian Accounting Standards issued by the Italian Accounting Standards Setter (OIC).

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3, of Legislative Decree 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 Directors, as well as evaluating the overall presentation of the financial statements.

MILANO ROMA TORINO NAPOLI PADOVA BARI

Crowe Horwath AS S.p.A.
Sede Legale e Amministrativa
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SISTEMA DI GESTIONE
QUALITÀ CERTIFICATO

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Ranbaxy Italia S.p.A. as at March 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with Italian Accounting Standards issued by the Italian Accounting Standards Setter (OIC).

Report on compliance with other laws and regulations

Opinion on the consistency of the report on operations with the financial statements

We have performed the procedures required under auditing standard (SA Italia) 720B to express an opinion, as required by law, on the consistency of the report on operations, which is the responsibility of the Directors of Ranbaxy Italia S.p.A., with the financial statements of Ranbaxy Italia S.p.A., as of March 31, 2017. In our opinion, the report on operations is consistent with the financial statements of Ranbaxy Italia S.p.A., as of March 31, 2017.

Milan, May 24, 2017

Crowe Horwath AS SpA

Signed by

Alessandro Ruina
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers.

RANBAXY ITALIA SpA
Sole shareholder company

Company subject to management and coordination of:
Sun Pharmaceuticals Industries Limited

Head office: PIAZZA FILIPPO MEDA 3 MILANO MI
Registered at Milan Company Register - Fiscal Code: 04974910962
REA Number: MI 1787791
Share Capital: Euro 50,000 fully paid
Vat Code: 04974910962

**Statutory Board of Auditors Report to Statements closed at 31/03/2017
according to art. 2429 of Civil code**

Dear Shareholder,

The subjects of this Report are the draft financials for the year ending 31 March 2017 considered as the set of the Balance Sheet, the Income Statement, the Notes and the Management report.

Pursuant to Article. 2429 of the Italian Civil Code the Board reminds that, according to art. 6 and followings of D.Lgs. 39/2010 the Statutory Audit is entrusted to the independent auditors Crowe Horwath AS SpA, registered in the register held by the Ministry of Justice, according to Article 2409-bis of the Civil Code.

The Independent Auditors released today their report on the financials for the year ending 31 March 2017 with no remarks.

In compliance with the provisions contained in Article. 2403 Civil Code we watched over the observance of the law and the statute, the compliance to principles of proper administration and the adequacy of the organizational, administrative and accounting structure of the company.

The draft financial statements as at March 31, 2017, that Board of Directors is submitting for your approval, covers the economic and financial synthesis of the Ranbaxy Italy SpA, sole shareholder company.

The financial statements, made available to the Statutory Board of Auditors, have been prepared in accordance with the provisions of Articles 2423 and following of the Civil Code,

appropriately integrated by the accounting principles updated to the new laws by the Italian Accounting Institution (OIC).

The examination of the balance sheet shows a loss of Euro 511.807.

The Auditors, taking into account the principles of conduct of the Board of Auditors recommended by the National Council of Chartered Accountants and Accountants, inform to have verified the compliance to the principles of sound management and watched over the compliance with the law and the articles of incorporation, as of their responsibilities, as well as the adequacy of the organizational structure and the accounting system, and have reported their effectiveness.

In the Supplementary Notes to the financial statements all the information required by art. 2427 of the Civil Code and other laws have been given.

In the Management Report the information required by Article. 2428. Civil Code were provided.

The Board states that no complaints have been received pursuant to Article 2408 of the Civil Code, and no other complaints were received.

With reference to the loss of € 511.807, the amount of reserves allows to maintain a positive net equity of € 324.023.

Dear Shareholder,

The Statutory Board of Auditors has no objection to the approval of the financial statements at 31.03.2017, nor does it make any objection to the draft resolution submitted by the Board of Directors.

Finally, we remind you that with the approval of the financial statements at 31.03.2017 the mandate give to us will expire and, while we thank you for the trust assigned to us, we invite you to take appropriate action.

Milan 24 May 2017

The President of Statutory Board of Auditors

Dott. Giovanni Martinelli

The Permanent Auditor
Rag. Franco De Riso

The Permanent Auditor
Dott. Vittorio Vismara

RANBAXY ITALIA S.P.A.

Registered office: Piazza Filippo Meda N. 3 Milan (MI)
Registered with the Registrar of Trading Companies in Milan
Tax payer Code and registration no. 04974910962
Registered in the R.E.A. of Milan no.1787791
Share capital subscribed € 50.000 fully paid-in
VAT number: 04974910962
Sole shareholder

Company exercising the management and coordination activity: Sun Pharmaceuticals Industries Limited

Management Report

Financial Statements at 31/03/2017

Dear Shareholders,

We would like to bring to your attention to the Financial Statements for the Fiscal year ended on 31st March 2017, showing a loss before tax accounting for € 321.431, and a net loss of € 511.807.

First of all, we would like to highlight that this Directors' Report has been drawn up in compliance with the provisions set forth by art. 2428 of the Civil Code, so as amended by the Legislative Decree of 2 February 200, n. 32 and by the subsequent art. 2, comma 1, Legislative Decree of 6 November 2007, n. 195 and by the recent D.Lgs. 139/2015.

In the Supplementary Notes you have been given details concerning the financial statements at 31st March 2017; in this document, pursuant to the provisions set forth by art. 2428 of the Civil Code, we would like to provide you with information on the situation of your Company and on the management trend.

This report, drawn up with figures in Euros (thousands separated by "." and decimals separated by "."), is presented together with the financial statements for the FY to provide information on incomes, assets, financial situation and management together with – whenever possible – historical elements and perspective evaluations.

Company Information

The Company operates in the sector of pharmaceutical products distribution.

Also during fiscal year closed at 31st March 2017, the management focused on the market segment of generics

or equivalent medicines distributing its products not only as in previous years on the so-called "retail" channel but also on the hospital channel.

In fact, on May 6th 2016, the acquisition of the hospital branch of Sun Pharmaceuticals Italia Srl, a Company operating in the generic pharmaceuticals market since its establishment in 2008 and distributing exclusively the hospital channel (public and private hospitals), has been completed.

Through this operation, Ranbaxy Italia was able to acquire a portfolio of hospital products and a small commercial structure capable of managing the entire sales activity that is mainly characterized (and in relation to public hospitals representing the majority of hospital clients) by the tender process .

However, while supporting a net increase of around € 2,5 million in revenue and improving the Company's overall economic situation, integration did not allow to achieve the estimated net profit. In fact, the expected revenue was downsized because of the difficulties faced by some companies of the group in supplying products with high commercial potential, related to both the retail channel and, above all, the hospital channel.

Despite the fact that the cost of production sold increased from the previous year (the hospital market is characterized in fact by lower margins), and thanks to unchanged General Expenses, the Added Value improved by two percentage points.

Personnel Cost increased by 6%, mainly due to the acquisition of Sun Pharmaceuticals Italia Srl personnel, but significantly decreased its percentage of incidence.

Lastly, the Gross Operating Margin was back with a positive sign (from -2,7% to 2,5%).

The collection times remained stable, although the composition of the receivables has changed, considering that the acquisition of the Sun Pharmaceuticals Italia Srl branch of business also transferred to Ranbaxy all trade receivables not yet collected at the date of operation.

In addition, your Company has acquired new clients operating in the hospital channel; Receivables from public hospital customers are characterized by longer collection times, but by virtually zero insolvency risk.

During the financial year, the Company focused on the integration of the new hospital business from an organizational standpoint (with the creation of a dedicated business unit and the identification of specific resources in the regulatory and administrative areas), from a process point of view (e.g. logistic and distributive process, credit control) as well in relation to systems (including electronic billing to Public Administration). In addition, in order to minimize the impact of the lack of product supply, your Company has continuously monitored cost savings, and has consistently evaluated marginal indicators in order to implement improvement initiatives of the Gross Operating Margin.

The Company is focusing on the following business strategies:

- Sales optimization, with a focus on the mix of products and channels, and the realization of synergies between "retail" channel and "hospital" channel

- Cost control and decrease in the incidence of fixed costs
- Efficiency in warehouse rotation, minimizing obsolescence and unavailability of the product
- Credit management in order to reduce the risk of insolvency and improve payment times

Profit & Loss

To better understand the results of the Company management, the chart below shows the Income statement reclassification.

	Esercizio 2016		Esercizio 2015		Esercizio 2014	
	01.04.2016 31.03.2017	%	01.04.2015 31.03.2016	%	01.04.2014 31.03.2015	%
PRODUCTION VALUE	22.567.257	100,0%	17.186.754	100,0%	19.955.461	100,0%
- Cost of goods sold	10.205.869	45,2%	8.008.674	35,0%	7.298.797	36,6%
- General expenses	8.815.117	39,1%	8.826.498	51,4%	9.071.998	45,4%
VALUE ADDED	3.546.271	15,7%	2.351.581	13,7%	3.594.665	18,0%
- Personnel cost	2.991.367	13,3%	2.812.394	16,4%	2.720.672	13,6%
EBITDA	554.904	2,5%	- 460.813	-2,7%	873.994	4,4%
- Amortization & Depreciation	229.125	1,0%	1.711.063	10,0%	696.218	3,5%
GROSS OPERATING MARGIN	325.779	1,4%	- 2.171.876	-12,6%	177.776	0,9%
- Miscellaneous expenses	501.226	2,2%	542.000	3,2%	527.291	2,6%
MARGIN BEFORE INTERESTS	- 175.447	-0,8%	- 2.713.876	-15,8%	- 348.516	-1,8%
- Financial income	722	0,0%	1.611	0,0%	2.757	0,0%
+/- Forex adjustments	28.264	-0,1%	16.233	0,1%	32.520	-0,2%
NET OPERATING MARGIN	- 202.989	-0,9%	- 2.696.032	-15,7%	- 379.278	-1,9%
- Financial charges	118.442	-0,5%	77.872	-0,5%	103.977	-0,5%
PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEMS	- 321.431	-1,4%	- 2.773.904	-16,1%	- 483.255	-2,4%
+/- Extraord. Income and charges	-	0,0%	-	0,0%	84.367	0,4%
PROFIT/(LOSS) BEFORE TAX	- 321.431	-1,4%	- 2.773.904	-16,1%	- 398.888	-2,0%
- Income Taxes	190.376	-0,8%	59.735	0,3%	4.070	0,0%
NET PROFIT/(LOSS)	- 511.807	-2,3%	- 2.714.170	-15,8%	- 402.958	-2,0%

Note that the item "Depreciation and amortization and write-downs" includes, in the year ended 31 March 2016, the write-down of € 1.253.535.

Here below you can see the summary trend of sales and margins over the period 2009-31.3.2017:

	2009 1/1 - 31/12	2010 1/1 - 31/12	2011 1/1 - 31/12	2012 1/1 - 31/12	2013 1/1/13 - 31/3/14 15 mesi	31.03.2015 1/4/14 - 31/3/15	31.03.2016 1/4/15 - 31/3/16	31.03.2017 1/4/16 - 31/3/17
PRODUCTION VALUE	11 033.418	13 320.958	16 718 568	27 715.912	29 817.816	19 965.461	17.186.754	22.567 257
EBITDA	-2.889.533	-1.362.596	137 554	1.813 510	1.907.664	873.994	-460.813	554 904
EBT	-6.835.892	-4.748 837	-1.145.862	83.122	276.921	-441 719	-2.773.904	-321.431



The forecasts for the year 1/4/2017 - 31/03/2018 are positive and include a significant increase in sales, particularly in the hospital channel, thanks to:

- the continued growth of the generic market
- full availability of products provided by group companies
- the launch of new drugs, characterized in particular by high complexity and low competitiveness

The above, along with continuous cost control and rationalization, and the ever lower incidence of fixed costs, will allow to a further improvement in the Gross Operating Margin.

Balance Sheet

To better understand the Company assets and the financial situation, the chart below shows the Balance Sheet reclassification.

Item	FY 2016		FY 2015		Variation		FY 2014	
	01.04.2016 31.03.2017	%	01.04.2015 31.03.2016	%	2016-2015	%	01.04.2014 31.03.2015	%
WORKING CAPITAL	18.774.865	99%	11.253.714	98%	7.521.151	100%	11.990.115	87%
Cash & Bank Balances	594.540	3%	170.384	1%	424.157	6%	352.251	3%
Cash & Bank Balances	594.540	3%	170.384	1%	424.157	6%	352.251	3%
Current Assets	14.082.178	74%	8.833.319	77%	5.248.858	70%	8.920.838	64%
Sundry Debtors	13.020.104	69%	7.758.498	68%	5.261.605	70%	7.876.000	57%
Deferred Tax Assets	986.031	5%	1.045.880	9%	-59.849	-1%	986.145	7%
Accrued Income and Prepaid Expenses	76.043	0%	28.941	0%	47.102	1%	58.693	0%
Inventory	4.098.147	22%	2.250.011	20%	1.848.136	25%	2.717.027	20%
FIXED ASSETS	189.932	1%	205.415	2%	-15.483	0%	1.846.904	13%
Intangible Fixed Assets	146.429	1%	175.050	2%	-28.621	0%	1.806.606	13%
Tangible Fixed Assets	43.503	0%	30.364	0%	13.138	0%	40.298	0%
TOTALE ASSETS	18.964.797	100%	11.459.128	100%	7.505.669	100%	13.837.019	100%
Liabilities								
Item	FY 2016		FY 2015		Variation		FY 2014	
	01.04.2016 31.03.2017	%	01.04.2015 31.03.2016	%	2016-2015	%	01.04.2014 31.03.2015	%
THIRD PARTIES CAPITAL	18.640.774	98%	10.623.298	93%	8.017.476	107%	13.807.741	100%
Current Liabilities	14.659.389	77%	6.691.211	58%	7.968.178	106%	6.428.314	46%
Short-term payables (Debts)	13.820.663	73%	6.147.829	54%	7.672.834	102%	5.975.536	43%
Accrued Expenses and Deferred Income	838.725	4%	543.382	5%	295.343	4%	452.777	3%
Loans Funds & Provisions	3.981.386	21%	3.932.087	34%	49.299	1%	7.379.427	53%
Medium Term VC Loan	3.500.488	18%	3.460.910	30%	39.577	1%	6.903.595	50%
Provisions	83.378	0%	89.885	1%	-6.507	0%	93.413	1%
Provision for Retirement Benefit	397.520	2%	381.291	3%	16.228	0%	382.419	3%
NET EQUITY	324.023	2%	835.830	7%	-511.807	-7%	29.278	0%
Share Capital	50.000	0%	50.000	0%	0	0%	200.000	1%
Reserves	3.500.000	18%	3.500.000	31%	0	0%	8.263	0%
Retained Earnings	- 2.714.170	-14%	-	0%	- 2.714.170	-36%	260.585	2%
Profit (loss) for the period	-511.807	-3%	-2.714.170	-24%	2.202.362	29%	-439.569	-3%
TOTAL SOURCES	18.964.797	100%	11.459.128	100%	7.505.669	100%	13.837.019	100%

Information ex art 2428 C.C.

Here below the information required by the provisions of art. 2428 of the Civil Code are analysed in detail.

Main risks and uncertainties for the company

According to the first paragraph of art. 2428 of the Civil Code, it was not considered necessary to provide further information on this subject as, given the size of the Company, the memo accounts and the information specified in the supplementary notes, are already properly expressed on any risk and uncertainty related with the corporate business.

Non-financial main ratios

According to the second paragraph of art. 2428 of the Civil Code, for a better understanding of the Company current position, of the business trend and result, indicating the non-financial ratios was considered irrelevant.

Environment information

The Company has not proceeded with any particular environmental policy, as unnecessary to its business.

Personnel information

The Personnel at March 31, 2017 is composed of 35 units (2 of which are fixed-term contracts); the increase is the result of the integration of the personnel coming from Sun Pharmaceuticals Italia Srl which led to an organization change, through the set up of a new business unit for the hospital market.

1. R&D activity

According to and setting forth on point 1) of the third paragraph of art. 2428 from Civil Code, no R&D activity was performed during this financial year.

2. Relationships with subsidiaries, associated and parent companies

According to the provisions on point 2) of the third paragraph of art. 2428 from Civil Code the Company holds no interests. Ranbaxy Italia has a sole shareholder of 100%, Ranbaxy NBV, which is a subsidiary of Sun Pharmaceutical Industries Ltd .

During the year commercial relationships and financial transactions were entertained with certain companies of the Group; all transactions with related parties were carried out at market conditions and related revenue and costs are in line to those that could have been carried out with third parties.

Following table shows credit and debit balances, as well as revenue and expenses related to transactions with

third parties

Company	Description	Amount \$	Amount €
<i>Debts</i>			
Ranbaxy NBV	Loan		3.279.278
Ranbaxy NBV	Interests on loan		221.210
Alkaloida Chemical	Loan		2.907.177
Alkaloida Chemical	Interests on loan		324.359
Terapia	Purchase of goods and management services		21.107
Sun Pharma Ltd (North)	Purchase of goods		4.102.577
Sun Pharma Ltd (West)	Purchase of goods		934.494
Sun Pharma Global FZE	Purchase of goods		2.746.196
Sun Pharma Ind. Europe BV	Admin services		173.026
	Total		14.709.424

Company	Description	Amount \$	Amount €
<i>Credits</i>			
Sun Pharma Ltd (North)	Recharge of costs (product distruction)		76.488
Sun Pharma Ltd (North)	Recharge of costs (penalties)		35.970
Sun Pharma Global FZE	Recharge of costs (penalties and expenses)		2.427.919
Sun Pharma Ind. Europe BV	Recharge of costs (regulatory costs)		4.552
	Total		2.544.929

Company	Description	Amount \$	Amount €
<i>Expenses</i>			
Ranbaxy Europe	Admin services		817.347
Terapia	Purchase of goods		76.633
Terapia	Admin services		2.580
Ranbaxy Ireland	Purchase of goods		383.744
Ranbaxy NBV	Financial services		39.578
Alkaloida Chemical	Financial services		57.498
Alkaloida Chemical	Purchase of goods		240.855
Sun Pharma Ltd (North)	Purchase of goods		4.332.027
Sun Pharma Ltd (West)	Purchase of goods		938.083
Sun Pharma Global FZE	Purchase of goods		915.931
Sun Pharma Italia	Re-charge of expenses		6.108
	Total		7.810.384

Società	Descrizione	Importo \$	Importo €
<i>Revenue</i>			
Sun Pharma Italia	Sale of goods	-	41.886
Sun Pharma Italia	Service agreement	-	5.806
Alkaloida Sweden Ab	Sale of goods	-	11.200
	Total	-	58.892

3. Own shares

According to art. 2428, paragraphs 3 nn. 3 and 4 from the Civil Code, the Company has no own shares.

4. Shares/interests of parent company

According to art. 2428, paragraphs 3 nn. 3 and 4 from the Civil Code, the Company holds no interests of parent Company.

5. Business forecast

Pursuant to and for the purposes of the provisions on point 6) of the third paragraph of art. 2428 from the Civil Code, the Company will continue its commitment to improving its operating result. To this end, an economic budget has been prepared for the achievement of a positive result for the year as of March 31, 2018, thanks to the organic growth of the volume of business and to operational efficiency initiatives that will keep the level of operating expenses stable.

6. bis Use of relevant financial tools for assessment of financial position and results

The Company makes no use of financial tools to manage its exposure to market price risks, credit risks, cash risks and other risks arising from swing of cash flows.

Company locations

Address	Place
Viale G. Richard, 1	Milano

It is pointed out that the legal address of the Company is in Milan, Piazza Meda, 3, while in Viale Richard it is located the operative office.

* * *

RANBAXY ITALIA SpA

Head office: PIAZZA FILIPPO MEDA 3 MILANO MI
Fiscal Code: 04974910962 – REA Number: MI 1787791
Vat Code: 04974910962
Share Capital: Euro 50,000 fully paid
Legal Form: SOCIETA' PER AZIONI
Sector of main activity (ATECO): 464610
Società in liquidation: no
Sole shareholder company: yes
Company subject to management and coordination of others: yes
Company exercising the management and coordination activity : Sun Pharmaceuticals Industries
Limited
Group membership: yes

Financial statements at 31/03/2017

Amounts are shown in Euro

Balance Sheet

	31/03/2017	31/03/2016
Assets		
B Fixed Assets		
I – Intangible Assets	-	-
3) Industrial patent rights and others	16.068	29.026
4) Concessions, licenses, trademarks and similar rights	54.044	134.707
5) Goodwill	-	-
7) Other intangible assets	76.317	11.317
<i>Total intangible assets</i>	<i>146.429</i>	<i>175.050</i>
II – Tangible Assets	-	-
2) Equipment and machinery	-	639
4) Other tangible assets	43.503	29.726
<i>Total tangible assets</i>	<i>43.503</i>	<i>30.364</i>
<i>Total fixed assets (B)</i>	<i>189.932</i>	<i>205.414</i>
C) Current Assets		
I – Inventory		

	31/03/2017	31/03/2016
1) Raw materials and consumables	-	-
4) Finished goods and goods for resale	4.098.147	2.250.011
<i>Total inventory</i>	<i>4.098.147</i>	<i>2.250.011</i>
II – Receivables	-	-
1) Trade receivables	11.962.400	7.200.225
Receivables within 12 months	11.962.400	7.258.249
Receivables beyond 12 months	-	-
4) Receivables from Parent Companies	76.488	58.024
Receivables within 12 months	76.488	58.024
Receivables beyond 12 months	-	-
5) Receivables from Companies controlled by Parent Companies	2.468.441	-
Receivables within 12 months	2.468.441	-
Receivables beyond 12 months	-	-
5-bis) Tax credits	552.898	287.625
Tax credits within 12 months	552.898	287.625
Tax credits beyond 12 months	-	-
5-ter) Advanced taxes	986.031	1.045.881
Advanced taxes within 12 months	986.031	1.045.881
Advanced taxes beyond 12 months	-	-
5-quater) Other receivables from third parties	504.806	212.624
Other receivables within 12 months	504.806	212.624
Other receivables beyond 12 months	-	-
<i>Total receivables</i>	<i>14.006.135</i>	<i>8.804.379</i>
IV – Cash and Banks	-	-
1) Bank and postal deposits	592.687	168.465
3) Cash	1.853	1.919
<i>Total cash and banks</i>	<i>594.540</i>	<i>170.384</i>
<i>Total current assets (C)</i>	<i>18.698.822</i>	<i>11.224.774</i>
D) Deferrals and Accruals – Assets	-	-
Prepayment and deferred expenditures	76.043	28.941
<i>Total deferrals and accruals (D)</i>	<i>76.043</i>	<i>28.941</i>
<i>Total Assets</i>	<i>18.954.797</i>	<i>11.459.130</i>
Liabilities	-	-
A) Shareholders' Equity	-	-

	31/03/2017	31/03/2016
I – Share Capital	50.000	50.000
IV - Legal Reserve	-	-
VII – Other Reserves, separately shown	-	-
Miscellaneous other reserves	3.500.000	3.500.000
<i>Total other reserves</i>	<i>3.500.000</i>	<i>3.500.000</i>
VIII – Profits and Losses brought forward	2.714.170-	-
IX – Profit (loss) for the period		
Profit (loss) for the period	511.807-	2.714.170-
Profit (loss) residual	3.225.977-	2.714.170-
Total shareholders' equity	324.023	835.830
B) Contingency Reserves		
1) Reserve for pensions and similar obligations	83.378	87.113
2) Deferred taxes	-	2.772
<i>Total contingency reserves</i>	<i>83.378</i>	<i>89.885</i>
C) Staff Leave Indemnity	397.520	381.291
D) Payables		
3) Debts towards members for financing	3.500.488	3.460.910
Payable within 12 months	-	-
Payable beyond 12 months	3.500.488	3.460.910
7) Trade payables	2.267.580	3.093.021
Payable within 12 months	2.267.580	3.093.021
Payable beyond 12 months	-	-
11) Payables to Parent companies	4.102.577	2.707.165
Payable within 12 months	4.102.577	2.707.165
Payable beyond 12 months	-	-
11-bis) Payables to Companies controlled by Parent Companies	7.106.359	
Payable within 12 months	3.874.823	
Payable beyond 12 months	3.231.536	
12) Taxes payables	100.594	44.828
Payable within 12 months	100.594	44.828
Payable beyond 12 months	-	-
13) Social securities payables	123.753	126.022
Payable within 12 months	123.753	126.022
Payable beyond 12 months	-	-

	31/03/2017	31/03/2016
14) Other payable	119.800	176.796
Payable within 12 months	119.800	176.796
Payable beyond 12 months	-	-
<i>Total Payables</i>	<i>17.321.151</i>	<i>9.608.742</i>
E) Deferrals and Accruals – Liabilities		
Accruals and deferred income	838.725	543.382
<i>Total accruals and deferred income</i>	<i>838.725</i>	<i>543.382</i>
<i>Total Liabilities</i>	<i>18.964.797</i>	<i>11.459.130</i>

Profit and loss account

	31/03/2017	31/03/2016
A) Production value		
1) Net sales from products and services	19.698.087	17.185.374
2) Variation of inventory products	1.599.528	244.108-
5) Other operating income	-	-
Others	1.269.642	245.488
<i>Total other operating income</i>	<i>1.269.642</i>	<i>245.488</i>
<i>Total production value</i>	<i>22.567.257</i>	<i>17.186.754</i>
B) Production costs		
6) Costs of raw materials, auxiliary materials, merchandise and other goods	10.205.869	6.008.674
7) Costs of services	8.582.544	8.389.241
8) Costs for use of third parties assets	232.573	437.257
9) Labour costs	-	-
a) Salaries and wages	1.880.011	1.976.875
b) Costs of social security	697.880	555.486
c) Staff leave indemnity	187.774	133.015
e) Other labour costs	225.703	147.018
<i>Total labour costs</i>	<i>2.991.368</i>	<i>2.812.394</i>
10) Depreciation and write downs	-	-
a) Depreciation of intangible assets	111.598	370.288
b) Depreciation of tangible fixed assets	29.629	17.240
b) Other Depreciations of fixed assets	-	1.253.535

	31/03/2017	31/03/2016
d) Current assets written off	87.897	70.000
<i>Total depreciation and write downs</i>	229.124	1.711.063
14) Other operating expenses	501.226	542.001
<i>Total production costs</i>	22.742.704	19.900.630
Net Income from operating activities (A - B)	175.447	2.713.876
C) Financial Income and Expenses		
16) Other financial income	-	-
d) Other financial income	-	-
Other	722	1.611
<i>Total other financial income</i>	722	1.611
<i>Total other financial income</i>	722	1.611
17) Interests payable and other financial expenses	-	-
Other	118.442-	77.872-
<i>Total Interests payable and other financial expenses</i>	118.442-	77.872-
17-bis) Profit and loss on exchange	28.264-	16.233
<i>Net financial income and expenses (15+16-17+-17-bis)</i>	145.984-	60.028-
Result before taxes (A-B+C+D)	321.431-	2.773.904-
22) Current, deferred and advanced income taxes for the period		
Current income taxes	-	-
Advanced income taxes	59.849	59.734
Taxes related to prior years	130.527	
<i>Total income taxes, current, deferred and advanced</i>	190.376	59.734-
23) Profit (loss) for the year	511.807-	2.714.170-

Supplementary Notes to Financials Statements closed at 31/03/2017

Supplementary Notes Initial session

Dear Shareholders, these supplementary Notes are an integral part of the financial statements at 31/03/2017.

This financial statements have been prepared taking into account the regulatory changes introduced by Legislative Decree 139/2015 and the consequent updating of OIC accounting standards. For the effects of the application of the new principles, please refer to the following section "Application of the new OIC accounting standards" in this Explanatory Notes.

The financial statements comply with the provisions of Articles 2423 and following of the Italian Civil Code, which are interpreted and supplemented by the national accounting principles as published by the Italian Accounting Organization ("OIC Accounting Standards") and consist of the following documents: Balance Sheet, Income Statement, Cash Flow and supplementary notes. It therefore clearly and truthfully and correctly describes the company's balance sheet and financial position and the financial result for the year.

The contents of the balance sheet and income statement are those provided for in Articles 2424 and 2425 of the Italian Civil Code, while the Cash flow statements have been prepared in accordance with art. 2425-ter.

The Cash Flow Statement presents the positive or negative variations in the cash flows that occurred during the year and was prepared using the indirect method using the template provided by the OIC 10 Accounting Standard.

The supplementary note, drawn up in accordance with art. 2427 of the Italian Civil Code, it also contains all the information necessary to provide a correct interpretation of the statements.

As of the present financial statements, significant events occurring after the end of the financial year and the proposal to allocate the result for the year are shown in the relevant paragraphs in this Notes.

Drafting Information

Financial Statements Drafting

The information contained herein are presented in the order in which the related items are reported in the balance sheet and income statement.

With reference to what is stated in the introduction to these notes, we declare that, pursuant to art. 2423, paragraph 3 of the Civil Code, if the information required by specific provisions of the law are not sufficient to give a true and fair view of the company, information deemed necessary for the purpose are provided.

There were no exceptional circumstances that required the use of derogations under Article. 2423, paragraph 4 and article. 2423 paragraph 2 Civil Code.

The Financial Statements, as well as these notes, have been prepared in Euros in accordance with the Civil Code.

Financial Statements Drafting principles

The evaluation of balance sheet items was made in accordance with the principle of prudence and with a view to the going-concern of the company. In accordance with national accounting standards and the Community arrangements, in posting the assets and liabilities the substantial aspects were given priority with respect to the formal ones.

In preparing the financial statements income and expense were recorded on an accrual basis, regardless from their actual cash flow.

Implementation of the new OIC accounting principles

The application of the new rules introduced by Legislative Decree 139/2015 and the new OICs did not result in any change in classification due to new or eliminated financial items or changes to the valuation criteria.

Main management events

It is recalled that Ranbaxy Italia SpA has completed the acquisition of a business unit from Sun Pharmaceuticals Italia Srl, a company that also operates in the pharmaceutical sector, through the act of the Notary Gabriella Quatraro of May 6, 2016 (Repertory No 7179, Collected No 3008).

Since its set up in 2008, Sun Pharmaceuticals Italia Srl has been active in the generic pharmaceuticals market, distributing exclusively the hospital channel, mainly represented by public hospitals (about 90% of the total) and private hospitals (the remaining 10%).

The transaction was carried out with the aim of acquiring a new business unit complementing the retail business unit, which will enable the development of important synergies and affirmation of a more complete market presence.

Structure and contents of Financial Statements

The Balance Sheet, the Income Statement and the accounting information contained in these notes are in accordance with the accounting records, from which they have been directly derived.

In drafting the balance sheet and income statement, no items preceded by Arabic numbers or by lower-case letters have been grouped together, as optionally provided by art. 2423 ter of the Civil Code.

Under Article. 2423 ter of the Civil Code, it should be noted that all items were comparable with the previous year; there was therefore no need to adjust any of the previous year items.

Under Article. 2424 of the Civil Code it is confirmed that there are no assets or liabilities that fall under several items of the draft Financial Statements.

Evaluation Criteria

The criteria applied to evaluate the items posted and the value adjustments comply with the provisions of the Civil Code and the guidance provided in the accounting standards issued by OIC. The same also did not vary compared to the previous year.

Here are the most significant accounting policies adopted in compliance with the provisions of the Civil Code at art.2426, and with particular reference to those items for which the legislator allows several criteria for evaluation and correction or for which no specific criteria are set.

Other Information

Translation criteria for values expressed in foreign currency

The accounting amounts expressed in foreign currencies have been posted, after conversion into euros at the rate of exchange ruling at the time of recognition, or the exchange rate at the close of the financial year as shown in the accounting standard OIC 26.

The assets and liabilities that are not fixed assets are stated at the exchange rate at the date of the closing of balance sheet date. Gains and losses which are derived from the conversion have been credited and debited to the income statement under 17 bis profits and losses. They mainly relate to ordinary operations intracompany.

There are no intangible assets to the balance sheet date.

Between the end of the year and the date of preparation of financial statements there were no significant effects of changes in exchange rates.

Operations with compulsory relegation to end

The company during the year has not placed any operation under an obligation to relegation to the end.

Supplementary Notes - Assets

The amounts recorded in the balance sheet were evaluated in accordance with Article 2426 of the Civil Code and in accordance with national accounting standards; in the sections related to the individual items the specific criteria applied are shown.

Fixed Assets

Fixed assets are recorded at purchase cost and / or production cost.

As for the cost of production, these only include overheads to a reasonable allocation to each asset, relating to the period of production and up to the time at which the asset could be objectively used.

Pursuant to and for the purposes of article 10 of the law March 19, 1983, and No. 72, and as recalled by the subsequent revaluation laws, it should be noted that for the tangible and intangible assets that still exist any currency appreciation has never been performed.

Please note that the fixed assets acquired by Sun Pharmaceuticals Italia on May 5, 2016 have been indicated in the "Acquisition / Alienation" columns and added to acquisitions and disposals during the year.

At the bottom of the table showing the analysis and value balances acquired through this operation are reported.

Intangible fixed assets

Intangible assets are recorded in the balance sheet, upon the prior consent of the Statutory Board of Auditors where required, at their cost of acquisition and / or production, and they are depreciated on a straight-line basis according to their useful life.

The value of fixed assets is shown net of accumulated amortization and depreciation funds.

Depreciation was operated in accordance with the following pre-established scheme, which is thought to properly allocate the cost incurred over the useful life of such assets:

Intangible fixed assets items	Period
Start-up and expansion costs	{20,00}%
Concessions, licenses and trademarks (software)	{33,33}%
Concessions, licenses and trademarks (marketing authorisations, "AIC")	{20,00}%
Concessions, licenses and trademarks (trademarks)	{5,56}%
Other fixed assets (improvement of third parties' assets)	{16,67}% Based on duration of rental agreement

The criteria for the amortization of intangible assets were unchanged from the previous year.

Movements of intangible fixed assets

Intangible assets amount to € 146.429: they relate primarily to licenses (Marketing Authorizations) acquired from third parties outside the group, and to leasehold improvements related to new offices.

The total impact on the income statement at 31/03/2017 of depreciation of intangible assets amounted to € 111.598.

For a complete evaluation and analysis on movements of such assets, please refer to the information detailed in the annexes to these notes.

Movements of Intangible Assets

Description	Detail	Historical cost	Beginning balance	Movements from/to	Acquisitions / dismissals	Revaluation / write down	Deprec.	Closing balance
<i>Start-up costs</i>								
	Corporate Expenses	8.467	-		-	-	-	8.467
	Provision for Depreciation of corporate Expenses	-	8.467-		-	-	-	8.467-
<i>R&D and advertising Costs</i>								
	Advertising Costs	40.109			-	-	-	40.109
	Provision for depreciation of advertising costs	-	40.109-		-	-	-	40.109-
<i>Patents and copyrights</i>								
	Capitalized own software	138.628			350			138.978
	Provision for capitalized own software	-	109.602-		350-	-	12.958-	122.910-
<i>Concessions, licences, trademarks and similar rights and assets</i>								
	Marketing Authorisation develop.	1.392	-	-				1.392
	Marketing Authorisation acquired	3.666.676						3.666.676
	Concessions and licences	2.599			615			3.214
	Provision for Marketing Authorisation acquired	-	3.534.861-				81.162-	3.616.023-
	Provision for Concessions and licences	-	1.052-				163-	1.215-
<i>Other intangible Assets</i>								
	Depreciated maintenance expenses	41.968			50.775			92.743
	Provision for Depreciated maintenance	-	30.650-		31.539		17.314-	16.425-

Description	Detail	Historical cost	Beginning balance	Movements from/to	Acquisitions /dismissions	Revaluation / write down	Deprec.	Closing balance
expenses								

Own software

The acquisition of € 350 relates to software capitalized by Sun Pharmaceuticals Italia S.r.l. in the year 2009 and wholly amortized.

Other intangible assets

They refer to leasehold improvements relating to new offices in Milan, Via Giulio Richard.

The amounts of € 50.775 and € 31.539 shown in the column "Acquisitions/dismissions" are following detailed:

	Acquisitions	Dismissions	Acquisition from Sun Pharmaceuticals Italia Srl	Total Acquisitions/dismissions
Depreciated maintenance expenses	16.295	41.968-	76.448	50.775
Provision for Depreciated maintenance expenses		33.148	1.609-	31.539

The amount of € 41,968 was written off since related to the maintenance costs incurred for the offices in Via Ariberto, which contract ended in April 2016.

This dismissal resulted in a loss of € 8,819, as evidenced in the Income Statement.

Tangible Assets

The assets belonging to the category of tangible assets are recorded at cost of acquisition and / or production, increased by accessories costs incurred to bring the asset to use. The production cost corresponds to the set of all manufacturing costs incurred until the assets became operative either direct or common manufacturing costs.

The criteria for the depreciation of fixed assets have not changed with respect to those applied the previous year.

During the year 2016, the company has acquired from Sun Pharmaceuticals Italia Srl a new category of assets, vehicles, for which an annual depreciation of 25% was applied, following the percentage previously applied.

It should be noted that it was not necessary to operate any write-downs under art. 2426, paragraph 1 no. 3 of the Civil Code.

Movements of tangible fixed assets

Tangible assets before accumulated depreciation amounted to € 312.850; the accumulated depreciation is equal to € 269.347.

The impact to the income statement as at 31/03/2017 for the amortization of tangible fixed assets was € 29.629.

The table below shows the movements of such assets.

Movements of Tangible Assets

Description	Detail	Historical cost	Beginning balance	Movements from/to	Acquisitions /dismissions	Revaluation / write down	Deprec.	Closing balance
<i>Plant and machinery</i>								
	Other plants and machinery	2.700			2.700-	-		-
	Provision for depreciation of plants and machinery		2.061-	-	2.247		186-	-
<i>Other tangible assets</i>								
	Furniture and fitting	57.889			12.892			70.881
	Electronic office machinery	130.852			36.641			167.493
	Mobile telephone services	8.469			4.123			12.592
	Vehicles				61.884			61.884
	Provision for depreciation of furniture and fitting		58.000-		4.636-	-	2.309-	62.945-
	Provision for depreciation of electronic Office machinery		103.014-		30.283-	-	11.774-	145.071-
	Provision for depreciation of mobile telephone services		8.469-		1.094-	-	741-	10.304-
	Provision for depreciation of vehicles				-36.408		14.619-	51.027-

Plant and machinery

During the year a telephone switchboard remained at the offices of Via Ariberto; This transaction generated a loss of € 453.

Other tangible assets

The above acquisitions and disposals are detailed below:

	Acquisitions	Dismissions	Acquisition from Sun Pharmaceuticals Italia Srl	Total Acquisitions/dismissions
Furniture and fitting	7.562	1.500-	6.930	12.992
Provision for depreciation of furniture and fitting		622	5.258-	4.636-
Electronic office machinery	4.130	2.137-	34.648	36.641
Provision for depreciation of electronic Office machinery		1.963	32.246-	30.283-
Mobile telephone services	667		3.456	4.123
Provision for depreciation of mobile telephone services			1.094-	1.094-
Vehicles		31.844-	93.728	61.884
Provision for depreciation of vehicles		28.737	65.145-	36.408-

Furniture and fittings

The above acquisitions are related to the purchase of furniture allocated at the new offices; The alienations refer to the disposal of the reception located in the offices of Via Ariberto.

This disposal resulted in a loss of € 878 in the Income Statement.

Electronic office machines

The amount of € 4.130 relates to acquisitions of some PCs that took place during the year. Allocations refer to the sales of some PCs., which have produced a total capital gain of € 58.

Vehicles

During the year, two cars were sold, generating a total capital gain of € 2.684.

Operations of finance lease

Information on operations of finance lease

The company, at the date of year end closure, has no on-going finance lease contract.

Current Assets

Current assets are valued in accordance with the numbers 8 to 11 of Article 2426 of the Civil Code. The criteria used are listed in the paragraphs of the respective items.

Stock

Stocks refer to finished goods. These have been posted at the lowest value between the purchase and the fair value as it can be inferred from market trends.

The purchase cost includes the possible additional direct charges.

The cost of inventories of finished products, of a fungible nature, was calculated by taking the weighted average cost method, in order to reflect the trend in market prices, considering the stock costs more recent.

The value so calculated has been duly compared with the fair value that can be inferred from the market trend, as explicitly required by art. 2426 of the Civil Code.

The write-down of obsolete and slow moving items is carried out, in accordance with accounting standard OIC 13 creating depreciation funds. The depreciation provision is deducted from assets.

Analysis of stock movements

	Initial Value	Change in figures	Final value
<i>Finished products and Write-downs of finished products</i>	2.250.011	1.848.136	4.098.147
	2.250.011	1.848.136	4.098.147

The finished products are stated net of provision for depreciation, which had during the year following movements:

Description	Total
Balance at 31/03/2016	329.765
Use during the year	-
Provision for the year	232.613
Balance at 31/03/2017	562.378

Finished products

The cost of inventories of finished products, of a fungible nature, was calculated by taking the weighted average cost method, in order to reflect the trend in market prices, considering the stock costs more recent.

The value thus determined has been appropriately compared with the realizable value estimated by the market trend, as explicitly required by Art. 2426 of the Italian Civil Code.

Inventory rotation index increased compared to the previous year due to the acquisition of hospital business, characterized by a slower product rotation.

Current asset: Receivables

Receivables are stated at estimated realizable value, in accordance with Art. 2426, n. 8 of Civil Code; the adjustment to this value was made by allocation of a provision for bad debts whose amount and whose movements are detailed following in these these notes.

Movements of receivables posted in current assets

The following table shows the information related to movements of receivables posted in current assets and, if material, the due date of the same.

Analysis of movements and due date of receivables posted in current assets

	Initial Value	Change in figures	Final value
Trade Receivables	7.258.249	4.704.151	11.962.400
Receivables from Parent Companies	58.024	18.464	76.488
Receivables from Companies controlled by Parent Companies	-	2.468.441	2.468.441
Tax credit	287.625	265.273	552.898
Advance income taxes	1.045.881	59.850-	986.031
Accounts receivable from other undertakings	212.624	292.181	504.805
	8.804.379	5.201.756	14.006.134

The increase in receivables recorded in the current assets is mainly due to the acquisition of the hospital business unit as the receivables from public entities have longer recovery times than private companies. For this reason, there is a worsening in the collection time index (DSO) against previous year.

Receivables are shown net of the provision for doubtful debts, the movements of which have been reported below, adjusted for the prudent hedging of insolvency risks.

Descrizione	Totale
Balance at 31/03/2016	508.131
Use during the year	-
Provision for the year	87.897
Acquisition from Sun Pharmaceuticals Italia srl	69.973
Balance at 31/03/2017	666.001

Trade receivables are stated net of a provision for "credit notes to be issued" the value of which, amounts to approximately € 250.000 (€ 350.000 at 31 March 2016).

The provision was decreased after the analysis of the historical trend of the difference between provision accrued and credit notes issued, and also in consideration of reduction of revenue.

Other receivables mainly include a pledge accounts for tenders for € 380k, guarantee deposits for € 57k and advances to suppliers for € 37k.

There are no receivables due after more than five years.

Deferred tax assets

Among receivables, assets for deferred tax assets of EUR 986,031 have been posted, which with reasonable assurance will be used during next years on taxable income in consideration of the budget for the year 2017/18 and multiyear business plan.

Details of the movements can be found in the paragraph on the deferred taxation of this Notes to the Financial Statements.

Breakdown by geographical area of receivables included in current assets

The breakdown of receivables by geographical area is as follows:

	Italy	The Netherlands	India	Total
Trade Receivables	9.417.471			9.417.471
Receivable from Parent Companies			76.488	76.488
Receivable from Companies controlled by Parent Companies		4.552	2.463.889	2.468.441
Tax Credits	552.898			552.898
Advanced taxes	986.031			986.031
Other Receivable	504.805			504.805
Total	11.461.205	4.552	2.540.377	14.006.134

Current assets: cash and banks

Movements of cash and banks

Cash and banks are posted at their nominal value.

Analysis of movements of cash and banks

	Initial value	Change in figures	Final value
Current bank accounts and post-office deposits	168.465	424.222	592.687
Cash and cash equivalents	1.919	-65	1.853
Total	170.384	424.157	594.540

Effects of exchange rates variances

Description	Initial value	Value at the date of preparation of financial statements	Change in figures
US Dollars cash	571	608	37
GBP Pounds cash	171	158	13-
Euro Dollars cash	1.177	1.087	90-
	1.919	1.853	66-

Evolution of cash and banks is described in cash flow statement.

Prepayments and accrued income

Prepayments and accrued income have been posted in the Financial statements on an accrual basis, through repartition of costs and revenues across two fiscal years.

Analysis of movements of prepayments and accrued income

	Beginning balance	Change in figures	Closing Balance
<i>Accrued income</i>		60	60
<i>Prepayments</i>	28.941	47.042	75.983
Total prepayments and accrued income	28.941	47.102	76.043

Capitalised financial charges

All interest and financial charges were entirely posted in the Income Statement during the FY. Therefore, no capitalised financial charges are posted pursuant to art. 2427, par. 1, n. 8 of the Italian Civil Code.

Supplementary Notes – Liabilities and Net Equity

The items of the balance sheet liabilities were recorded in accordance with national accounting standards, the specific criteria applied are shown in the sections relating to the individual items.

Net Equity

Items are recorded at their carrying amount in accordance with the instructions contained in the accounting standard OIC 28.

Movements of components of net equity

With reference to the closure changes in the individual components of shareholders' equity are shown in the tables below, as well as the breakdown of other reserves, if any in the Statements.

Analysis of changes of components of net equity

	Beginning balance	Allocation	Others change in figures - increases	Others change in figures - decreases	results for the year	Closing balance
Share capital	50.000					50.000
Legal Reserve	-					-
Other Reserves	3.500.000					3.500.000
Total Other Reserves	3.500.000					3.500.000
Income (losses) carried forward	-	(2.714.170)				(2.714.170)
Profit of the FY	(2.714.170)	2.714.170			(511.807)	(511.807)

There were no movements in the Shareholders' Equity during the year.

The Shareholders' Meeting held on July 27, 2016 resolved to bring forward the prior year loss of € 2.714.170.

The Company, as in previous years, has obtained from the Shareholder an irrevocable written commitment to support Ranbaxy Italia Spa financially in order to guarantee business continuity.

Following the changes described above, shareholders' equity at the close of the financial year amounts to € 324.023.

Movements of Net Equity

Description	Share capital	Legal Reserve	Income (losses) carried forward	Other Reserves	Result for the year	Total
Value at 31/12/14	200.000			1.280.071	1.176.466	303.605

Allocation result 2011		1.176.466	1.176.466	0
- Dividend payments				
- Other destinations				
Change in figures				
Result for the year			28.950	28.950
Value at 31/12/12	200.000	103.605	28.950	332.555

Descrizione	Capitale sociale	Riserva Legale	Utile/Perdita portata a nuovo	Altre riserve	Risultato d'esercizio	Totale
Value at 31/12/12	200.000			103.605	28.950	332.555
Allocation result 2012		1.448		27.502	-28.950	0
- Dividend payments						
- Other destinations						
Change in figures						
Result for the year					136.292	136.292
Value at 31/03/14	200.000	1.448		131.107	136.292	468.847

Descrizione	Capitale sociale	Riserva Legale	Utile/Perdita portata a nuovo	Altre riserve	Risultato d'esercizio	Totale
Value at 31/03/14	200.000	1.448		131.107	136.292	468.847
Allocation result at 31/03/14		6.815		129.477	136.292	0
- Dividend payments						
- Other destinations						
Change in figures				1		1
Result for the year					439.569	439.569
Value at 31/03/15	200.000	8.263		260.585	439.569	29.279

Descrizione	Capitale sociale	Riserva Legale	Utile/Perdita portata a nuovo	Altre riserve	Risultato d'esercizio	Totale
Value at 31/03/15	200.000	8.263		260.585	439.569	29.279
Allocation result at 31/03/15	170.722	8.263		260.584	439.569	-
- Dividend payments						
- Other destinations				1-		1-
Change in figures	20.722			3.500.000		3.520.722
Result for the year					2.714.168-	2.714.168-
Value at 31/03/16	50.000			3.500.000	2.714.168-	835.832

Descrizione	Capitale sociale	Riserva Legale	Utile/Perdita portata a nuovo	Altre riserve	Risultato d'esercizio	Totale
Value at 31/03/16	50.000			3.500.000	2.714.168-	835.832
Allocation result at 31/03/16			2.714.168-		2.714.168	-
- Dividend payments						
- Other destinations						
Change in figures			2-			2-
Result for the year					511.807-	511.807
Value at 31/03/17	50.000		2.714.170-	3.500.000	511.807-	324.023

It has to be noted that all the subscribed shares have been fully paid.

Availability and use of net equity

In following tables net equity elements are analytically shown, indicating their origin, possibility of use and distribution, as well as their use in previous years.

Description	Amount	Origin/type	Possibility of using
Share capital	50.000	Capital	

Description	Amount	Origin/type	Possibility of using
Legal Reserve	0	Capital	
Other Reserves	3.500.000	Capital	
Total Other Reserves	3.500.000	Capital	
Income (losses) carried forward	0	Capital	A;B;
Total	3.550.000		
Quote not distributable	3.550.000		
Residual distributable	0		

In the table above for each item the possibilities of use are provided as indicated below:

- A: for capital increase
- B: to cover losses
- C: for distribution to shareholders.

Provisions for liabilities and charges

Information on provisions for liabilities and charges

The balance of the provisions for risks is equal to € 83.378 and refers to FISC and FIRR accrued to Agents at March 31, 2017.

During the FY no certain or potential costs have been posted, whose total amount and occurrence date are unknown.

	Beginning balance	Increase	Decrease	Net Variations	Closing balance
FIRR and FISC	87.113	27.200	30.935-	3.735-	83.378
Provision for deferred income taxes	2.772	2.772-	-	-	-

Employees leaving indemnity

Information on employee leaving indemnity

Employees leaving indemnity has been calculated in accordance with art. 2120 of the Italian Civil Code, taking into account the provisions of the law and the specifics of contracts and professional categories and it comprises all the annual accruals and the revaluations calculated on the basis of the ISTAT (Central Statistics Institute) rates.

The amount of the provision is registered net of advance payments and accruals paid for the termination of employment during the FY and it represents the certain amounts due to subordinate employees at the closing date of the Financial Statements.

	Beginning balance	Increase	Decrease	Quotes to Funds	Net movements	Closing balance
Provision for subordinate employees' leaving indemnity	381.291	64.551	187.774	101.842-	134.254-	16.229

Payables

Payables are shown in the financial statements at their nominal value, eventually adjusted in case of subsequent variations.

Payable movements and due date

The following table shows the information related to changes in the payables and any information related to the expiration of the same.

They include payables to Ranbaxy NBV shareholder for a loan of € 3.500.488 (including interest of € 221.210), and payables to Alkaloida Chemical acquired by Sun Pharmaceuticals Italia for € 3.231.536 (including interest of € 324.359), classified as payable beyond the next financial year.

All other payables are considered due within the next financial year.

	Beginning balance	Increase/Decrease	Closing balance
Amounts due to shareholders for loans	3.460.910	39.576	3.500.488
Trade creditors	3.093.019	(825.439)	2.267.580
Amounts due to parent companies	2.707.164	1.396.413	4.102.577
Amounts due to companies under control of parent companies	-	7.106.358	7.106.358
Taxation	44.828	55.766	100.594
Social security	126.022	(2.268)	123.754
Other debts	176.796	(56.996)	119.800
Total	9.608.739	7.712.412	17.321.151

Payables to parent companies mainly refer to trade payables to the indirect parent company Sun Pharma Ltd (North) for the purchase of goods and services as best described in the Management Report.

Payables to companies controlled by the parent companies were acquired by Sun Pharmaceuticals Italia Srl, including the financing provided by the company Alkaloida Chemical Group to Sun Pharmaceuticals Italia Srl,

as well as debts for the purchase of goods from Sun Pharma Global FZE Companies Sun Pharmaceuticals Industries Ltd (West).

The summary increase of the debts is mainly attributable to the balances acquired with the business unit from Sun Pharmaceuticals Italia S.r.l.

Breakdown of payables by geographic area

Below is the breakdown of the debts by geographical area:

	Italy	The Netherlands	Romania	Sweden	Hungary	India	Total
<i>Amounts due to shareholders for loans</i>		3.500.488					3.500.488
<i>Trade creditors</i>	2.233.530			34.050			2.267.580
<i>Amounts due to parent companies</i>						4.102.577	4.102.577
<i>Amounts due to companies under control of parent companies</i>	100.594						100.594
<i>Taxation</i>		173.026	21.106		3.231.536	3.680.690	7.106.358
<i>Social security</i>	123.754						123.754
<i>Other debts</i>	119.800						119.800
Total	2.577.678	3.673.514	21.106	34.050	3.231.536	7.783.267	17.321.151

Debts secured by mortgages on company assets

Pursuant to and by effect of art. 2427, c. 1 n. 6 of the Civil Code, it is stated that there are no social debts secured by collateral.

Loans made by company shareholders

Here are the funds of the company shareholders with a separate indication of those with subordination clause over other creditors.

The company has a loan granted by shareholders of € 3.279.278 as at 31/03/2017.

This is an interest-bearing loan (Libor 6 months + a spread of 0.125%), granted by the only shareholder, Ranbaxy (Netherdands) B.V.

Interest accrued and not yet paid on the loan in question amounted to € 221.210 at 31/03/2017, against € 181.632 at 31/03/2016.

There are no payable due after more than five years.

Deferred income and accrued liabilities

Accruals and deferred income were calculated on an accrual basis, through repartition of costs e/o income commons to two fiscal years.

	Opening balance	Increase/Decrease	Closing balance
Accrued liabilities	543.382	101.441	644.823
Deferred Income	-	193.902	193.902
Total accrued expenses and deferred income	543.382	295.343	839.725

Commitments not disclosed in the balance sheet and memorandum accounts

Under Article. 2427, paragraph I, point 22-b) of the Civil Code it is specified that during the period there was no agreement in place not resulting from the balance sheet.

Supplementary Notes – Profit & Loss

Revenues, income, costs and charges are recognized in accordance with Article 2425-bis of the Civil Code.

Production value

Introduction

Revenues from product sales and income from services were posted upon transfer of title which coincides, respectively, to the criterion of delivery or shipment of the goods and their yield. The Financial revenues were instead recognized on an accrual basis.

Revenues and income, costs and charges relating to currency transactions are calculated at the exchange rate on the date on which the relevant transaction is placed.

The value of production amounted to € 22.567.257; below it is shown a breakdown of revenues between sales, changes in inventories, other operating income and changes in absolute terms compared to the previous year.

Description	31/03/2016	change in figures	31/03/2017
Sales	17.185.374	2.512.713	19.698.087
Changes in inventories of finished goods	244.108-	1.843.636	1.599.528
Other operating income	245.488	1.024.154	1.269.642
Total	17.186.754	5.380.503	22.567.257

The positive change from the previous year's revenue was mainly due to the acquisition of the hospital business unit.

"Other revenues and income" includes mainly:

- A € 500.000 reimbursement for missed royalties, a debit note issued to Sun Pharma Global FZE for € 594.730 as a partial reimbursement of the costs incurred for the implementation of the hospital business and in execution of the contract stipulated between parts.

The residual amount mainly refers to the re-payment of distribution fees, the re-charge of regulatory costs to companies of the group and to ordinary contingent assets.

Breakdown of sales and service revenues by business segment

Breakdown of sales and service revenues by business segment is not provided as information is not significant.

Production costs

Costs and expenses are recognized on an accrual basis, while respecting the principle of correlation with the revenues, and recorded under the respective item in accordance with accounting principle OIC 12.

Costs for purchases of goods and services are recognized in the income statement net of adjustments for returns, discounts, allowances and rebates.

Production costs amounted to € 22.742.704; here is the breakdown and movements in absolute terms against previous year.

Description	31/03/2016	change in figures	31/03/2017
Raw materials, subsidiary materials, consumables and goods for resale	6.008.674	4.197.195	10.205.869
Services	8.389.241	193.303	8.582.544
Hire and leases	437.257	204.684-	232.573
Personnel costs	2.812.394	178.974	2.991.368
Depreciation and other amounts written off tangible and intangible fixed assets;	1.711.063	1.481.939-	229.124
Other operating costs	542.001	40.775-	501.226
Total	19.900.630	2.842.074	22.742.704

Costs related to goods and personnel costs are mainly due to the acquisition of the hospital business unit.

Costs for the hire and lease, mainly due to the following:

- Revision of the Company's policy regarding rental vehicles as well as a decrease in the number of cars, which led to a total cost reduction of € 30K;
- Costs related to fuel costs for rental vehicles were reclassified to service costs of € 50K;
- Decrease in the cost of renting offices (due to transfer from Via Ariberto to Viale Richard), for € 42K;
- Reclassification of costs not strictly linked to the fees for the "services costs" category, for € 78K.

The negative change in the item "depreciation and amortization and write-downs" relates to the write-down of goodwill carried out last year for € 1.3 million.

Financial income and expenses

Financial income and expenses are posted on an accrual basis in relation to the amount accrued in the year.

Composition of income from investments

There are no income from investments as per art. 2425, n. 15 of the Civil Code.

Allocation of interests and other financial costs by type of debt

The following table gives evidence of the interests and other financial expenses as per art. 2425, n. 17 of the Civil Code, with specific split between those concerned bonds, bank debt and other cases.

	Other	Total
--	-------	-------

	Other	Total
Interest and other financial charges	118.442	118.442

Interest expense relates mainly to interest accrued on the loan from the shareholder and on the loan granted by Alkaloida Chemical (acquired by Sun Pharmaceuticals Italia S.r.l).

Gains/losses on foreign exchange

Below information about the gains or losses on exchange differences by distinguishing the component realized from valuations of assets and liabilities recorded in the balance sheet at year-end.

Description	Amount in statement	Evaluation component	Realized component
<i>Foreign exchange gains and losses</i>			
Exchange gains	4.782	4.713	69
Exchange losses	33.046-	4.979-	28.067-
Total	28.264-	266	27.998-

Income taxes for the year, current and deferred

Income taxes for the year, current and deferred

The company booked the provision for income taxes based on the application of the tax laws in force. The taxes for the year are represented by current taxes, as well as resulting from the tax return, deferred taxes and deferred tax assets relating to positive or negative income components, respectively subject to taxation or deduction in other years than those of recording in compliance to the Civil code.

Below, in detail, the information required by 2427, paragraph 1, point 14, letter a) and b), namely:

- a) a description of the temporary differences that led to the recognition of deferred tax assets and liabilities, with specific indication of the rate applied, the changes compared to the previous year and the amounts credited or debited to the income statement or in equity; please note that there are no items excluded from the calculation;
- b) the amount of deferred tax assets recognized in the balance sheet relating to losses occurring during this FY and the past Fys and the reasons for recording.

Below is the breakdown of the temporary differences that generated the deferred taxes.

Below is the breakdown of temporary differences that generated deferred taxation.

Deferred tax assets: IRES

Temporary deductible differences	Risk Provision	Bad debt provision	Inventory provision	Goods return provision	Interest expenses	Exchange rate losses	Totale 31 March 2017	Totale 31 March 2016
Total temporary differences	50.000	23.503	232.614	158.595	117.721	4.979	587.412	559.347
IRES deferred 24%	12.000	5.641	55.827	38.063	28.253	1.195	140.979	153.820
IRES use in current exercise				260.009-		18.211-	278.220-	348.471-
IRES reversal				62.402-		4.371-	66.772-	95.829
Alignment for IRES rate change prior years (from 27,50% to 24%)							130.100-	0
Total IRES deferred	12.000	5.641	55.827	24.339-	28.253	3.176-	55.893-	57.990

Deferred tax assets: IRAP

Temporary deductible differences	Goods Return Provision 31.03.2017	Goods Return Provision 31.03.2016
Total temporary differences	158.595	351.794
IRAP deferred 3,9%	6.185	13.720
IRAP use in current exercise	260.009-	307.073-
IRAP reversal	10.140-	11.976-
Total IRAP deferred	3.955-	1.744

Deferred tax assets for an amount of € 986.031 are:

- Accrued in respect of the tax losses made by the company in previous years
- receivables for advance taxes relating to the year ending and previous years.

It has to be highlighted the realignment of the IRES rate from 27.50% to the current 24% which resulted in a total passive adjustment of € 130.100.

The accounting treatment of deferred taxes was made as set forth by Accounting Standard 25 of the Board of Certified Chartered Accountants and Registered Auditors as it is reasonably certain to achieve taxable income over the future FYs and that said losses can be indefinitely carried forward.

Reconciliation between actual tax liability and estimated tax liability

In compliance with the provisions of Accounting Standard n. 25 laid down by the National Association of Certified Chartered Accountants, we report here below the detail of the reconciliation between the statutory tax liability resulting from the Financial Statements and the theoretical tax burden.

IRES

Description	Amounts	Deferred tax
Profit before tax	-321.480	
Tax (theoretical)	-	
<u>Permanent increase variances</u>	<u>485.283</u>	
<u>Temporary increase variances</u>	<u>587.412</u>	
Total increase variances	1.072.695	
<u>Permanent decrease variances</u>	<u>-216.030</u>	
<u>Temporary decrease variances</u>	<u>-278.220</u>	
Total decrease variances	-494.251	
Total variances	578.445	
Tax loss use	-205.572	
Donations	0	
ACE	-54.172	
Taxable Income	-2.779	
Current Tax IRES	0	

IRAP

Description	Amounts	Deferred tax
Difference between production value and production costs	-175.495	
Non deductible costs IRAP	3.079.264	
Taxable Income IRAP	2.903.769	
Theoretical Tax (rate 3,9%)	113.247	
<u>Permanent increase variances</u>	<u>59.780</u>	-
<u>Temporary increase variances</u>	<u>158.595</u>	-
Total increase variances	218.394	
<u>Permanent decrease variances</u>	<u>-3.446.181</u>	-
<u>Temporary decrease variances</u>	<u>-260.009</u>	
Total decrease variances	-3.706.190	
Total adjustments		
Taxable Income	584.027	
IRAP current Tax	0	

Also we point out that:

- Deferred tax assets and liabilities were calculated on the basis of the average rates expected for the FY when temporary differences will be reversed;
- Deferred tax assets are recorded because it is reasonably certain that during the FY when the aforesaid temporary differences are reversed, the taxable income will not be lower than said losses;

- Taxes related to previous years (2011-2012-2013 and 2014 annual accounts) for a total of € 130.527, referred to ongoing negotiations with the Revenue Agency, have been posted.

Supplementary Notes – Other Information

Here following other information required by articles 2427 and 2427 bis of Civil Code are reported.

Employment data

The chart below shows the average number of employees, grouped by category and calculated considering the daily average.

Category	Number
Managers	3,5
Executives	11,5
Office workers	17
Total	32

The changes compared to last year are mainly related to the acquisition of the personnel of Sun Pharmaceuticals Italia srl.

Remuneration to Directors and Statutory Board of Auditors

No remunerations is provided to the Board of Directors.

The remuneration due to the Statutory Board of Auditors amounts to € 13.665.

Remuneration to legal auditor of audit firm

The remuneration due to the audit firm (Crowe Horwath AS S.r.l.) is € 14.400.

Categories of shares issued by the company

The number of company's shares is 50.000 and their nominal value is € 1 each.

With the Shareholders' meeting held on May 29, 2015 it was approved a reduction of the Company's share capital under the legal minimum, for use to cover losses, and a subsequent recovery through the waiver of a portion of the financial debt shareholder.

The previous number of shares amounted to 200.000, and their nominal value amounted to € 1. There are no classes of shares other than ordinary. All shares are owned by the sole shareholder of the Company since its incorporation.

All subscribed shares have been fully paid.

Securities issued by the company

The company has not issued any securities or similar value falling within the provisions of art. 2427. 18 Civil Code.

Information on financial instruments issued by the company

The company has not issued other financial instruments referred to in n. 19 of the 1st paragraph of art. 2427 of the Civil Code.

Summary financial statements of the company exercising the management and coordination activity

Ranbaxy Laboratories Limited, a company which exercised the management and coordination activities of Ranbaxy Italy S.p.A., was merged into Sun Pharmaceuticals Industries Limited on 25 March 2015.

Sun Pharmaceuticals Industries Limited is the company that now carries out the management and coordination activities with headquarters in Mumbai; following are the latest statements available on 31/03/2017:

BALANCE SHEET

AS AT 31ST MARCH, 2016

€ in Million

	Note No.	As at 31st March, 2016		As at 31st March, 2015	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	2,406.6		2,071.2	
Share Suspense Account	48			334.8	
Reserves and Surplus	2	212,424.3	214,830.9	225,307.7	227,715.7
Share Application Money Pending Allotment	56(b)		6.7		149.0
Non-current Liabilities					
Long-term Borrowings	3	19,292.7		11,703.2	
Deferred Tax Liabilities (Net)	4				
Other Long-term Liabilities	5	135.7		143.7	
Long-term Provisions	6	19,245.5	38,673.9	24,225.1	36,072.0
Current Liabilities					
Short-term Borrowings	7	37,337.2		42,528.1	
Trade Payables					
Total outstanding dues of micro enterprises and small enterprises	37	87.4		94.0	
Total outstanding dues of creditors other than micro enterprises and small enterprises		17,637.0		15,673.5	
Other Current Liabilities	8	19,068.3		31,558.3	
Short-term Provisions	9	14,257.9	88,387.8	20,666.9	110,520.8
Total			341,899.3		374,455.5
ASSETS					
Non-current Assets					
Fixed Assets					
Tangible Assets	10A	35,129.0		31,152.9	
Intangible Assets	10B	552.7		699.8	
Capital Work-in-Progress		7,677.3		10,863.2	
Intangible Assets under Development				42.7	
		43,359.0		42,758.6	
Non-current Investments	11	222,891.1		257,822.3	
Long-term Loans and Advances	12	21,654.7		18,957.3	
Other Non-current Assets	13	617.5	288,462.3	419.5	319,952.7
Current Assets					
Current Investments	14	824.9		939.3	
Inventories	15	21,321.6		21,892.5	
Trade Receivables	16	20,169.1		18,028.2	
Cash and Cash Equivalents	17	1,693.9		4,164.6	
Short-term Loans and Advances	18	7,450.3		6,965.9	
Other Current Assets	19	1,978.2	53,497.0	2,511.3	54,502.8
Total			341,899.3		374,455.5

See accompanying notes 1 to 60 forming part of the Financial Statements

In terms of our report attached

For and on behalf of the Board

For DELOITTE HASKINS & SELLS LLP
Chartered AccountantsDILIP S. SHANSHVI
Managing Director
New YorkRAJESH K. HIRANANDANI
Partner
Mumbai, 30th May, 2016UDAY V BALDOTA
Chief Financial Officer
MumbaiSUDHIR V VALIA
Wholesale Director
MumbaiSUNIL R AJMERA
Company Secretary
MumbaiSAILESH T DESAI
Wholesale Director
Mumbai

Date: 30th May, 2016

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2016

		₹ in Million	
	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue from Operations	20	77,448.9	81,687.4
Less: Excise Duty		1,304.3	1,403.0
		76,144.6	80,284.4
Other Income	21	4,318.2	2,115.8
Total Revenue		80,462.8	82,400.2
Expenses			
Cost of Materials Consumed	22	20,196.5	22,611.1
Purchases of Stock-in-Trade	32	11,700.0	9,342.2
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(684.8)	3,181.0
Employee Benefits Expense	24	14,805.1	14,876.5
Finance Costs	25	5,306.4	5,512.5
Depreciation and Amortisation Expense	10	4,639.8	6,606.8
Other Expenses	26	34,475.6	35,959.8
Total Expenses		90,448.6	97,999.9
Loss Before Exceptional Item and Tax		(9,977.8)	(15,599.7)
Exceptional Item	47	(701.3)	-
Loss Before Tax		(10,679.1)	(15,599.7)
Tax Expense:			
Current Tax	50	64.5	1,080.0
Deferred Tax Expense / (Credit)		54.5	(1,928.4)
Loss for the Year		(10,733.8)	(14,741.9)
Earnings per Share (Face Value per Equity share - ₹ 1)	39		
Basic (in ₹)		(4.5)	(6.1)
Diluted (in ₹)		(4.5)	(6.1)
See accompanying notes 1 to 60 forming part of the Financial Statements			

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered AccountantsRAJESH K. HIRANANDANI
Partner
Mumbai, 30th May, 2016UDAY V. BALDOTA
Chief Financial Officer
MumbaiSUNIL R. AJMERA
Company Secretary
Mumbai

For and on behalf of the Board

DILIPS SHANGHVI
Managing Director
New YorkSUDHIR V. VALIA
Wholtime Director
MumbaiSAILESH T. DESAI
Wholtime Director
Mumbai

Cash Flow Statement

In accordance with the recommendation made by the OIC here below it is reported the cash flow statement in the "indirect scheme" format as per provisions of accounting OIC 10.

	Amount at 31.03.17	Amount at 31.03.16
A. CASH FLOWS FROM OPERATING INCOME		
Result for the year	- 511.807	- 2.714.170
Income tax	190.376	- 59.735
Interest expense (interest income)	118.442	76.261
(Dividends)		
(Gains) losses on disposal of assets		
<i>1. Result for the year before income tax, interests, dividends and gain/losses on the sale</i>	<i>- 202.989</i>	<i>- 2.697.644</i>
Adjustments for non-cash items without impact in net working capital		3.520.723
Founds provisions	828.605	159.063
Depreciation of fixed assets	141.227	387.528
Devaluation of impairment losses		1.291.664
Other adjustments for non-cash items	10.102	
<i>2. Cash flow before changes in net working capital</i>	<i>776.945</i>	<i>2.661.334</i>
Change in net working capital		
Decrease (increase) in inventories	-2.080.750	382.954
Decrease (increase) in trade receivables	-2.273.703	331.151
Increase (decrease) in trade payables	-825.439	66.751
Decrease (Increase) in accrued income and prepaid expenses	-47.102	29.752
Increase (decrease) in accrued expenses and deferred income	295.343	90.604
Other changes in net working capital	5.511.021	- 183.187
<i>3. Cash flow after changes in net working capital</i>	<i>1.359.316</i>	<i>3.379.438</i>
Other adjustments		
Interest received (paid)	13.436-	-
(Income taxes paid)	30.953-	-
Dividends received		

	Amount at 31.03.17	Amount at 31.03.16
(Use of funds)	- 529.813	- 3.528
CASH FLOWS OPERATING INCOME(A)	782.114	3.375.910
B. CASH FLOWS GENERATED BY INVESTMENT ACTIVITY		
Tangible assets		
(Investments)	- 112.217	- 28.541
Sale price of divestments	6.023	
Intangible assets		
(Investments)	- 16.910	- 9.162
Sale price of divestments		
Financial fixed assets		
(Investments)		
Sale price of divestments		
Financial assets other than fixed assets		
(Investments)		
Sale price of divestments		
Acquisition or disposal of subsidiaries or branches of businesses, net of cash	-381.976	
FLOW OF FINANCIAL ASSETS INVESTMENT(B)	- 515.080	- 37.703
C. CASH FLOWS GENERATED BY FINANCING ACTIVITY		
Third-party funding	-	- 1.128
Increase (decrease) in accounts payable to banks	12.539	
Turning funding	- 144.583	- 3.518.946
Repayment of loans		
Equity		
Capital increase in payment		
Sale (purchase) of treasury shares		
Dividends (and interim dividends) paid		
CASH FLOWS OF ACTIVITY OF FINANCING(C)	- 157.122	- 3.520.074
Net increase (decrease) in cash	- 424.156	- 181.867

	Amount at 31.03.17	Amount at 31.03.16
Cash on 01/04/2016	170.384	352.251
Cash on 31/03/2017	594.540	170.384
Change in net financial position	424.156	-181.867
Unlike quadrature		-

Assets allocated to a specific business

This is to certify that at the date of closure of financial statements there are no assets allocated to a specific transaction, as per n. 20 of the 1st paragraph of art. 2427 of the Civil Code.

Funding for a specific business

This is to certify that at the date of closure of financial statements there is no funding for a specific business, as per n. 21 of the 1st paragraph of art. 2427 of the Civil Code.

Information about the fair value of financial instruments

This is to certify that no derivatives financial contract was signed.

Related party transactions

All related party transactions were carried out at market conditions and the corresponding revenues and costs were in line with those that could have been realized with third parties.

Relations with subsidiaries, related, parent companies and controlled companies do not include atypical and / or unusual transactions and are governed by normal market conditions.

Please refer to the Management Report for details of credit and debit positions as well as revenues and costs arising from all related party transactions.

Supplementary Notes – final part

Dear Shareholder,

We confirm that these Financial Statements, made up of the Balance Sheet, the Income Statement and the Supplementary Notes to the statements provide a true and fair view of the financial situation of the company and match the accounting records and we invite you to:

- approve these draft Financial Statements as at 31/03/2017, so as drafted by the Board of Directors
- Cover current and prior year losses through the available equity reserves.