

**Independent Auditor's Report and SME
annual accounts for the year ended March
31ST, 2016**

SUN PHARMACEUTICALS SPAIN, S.L.U.

Barcelona, may 2016

This report corresponds to the translation of the original report issued in Spanish at May 30th, 2016



INDEPENDENT AUDITOR'S REPORT ON THE SME ANNUAL ACCOUNTS

To the sole partner of
SUN PHARMACEUTICALS SPAIN, S.L.U.

We have audited the attached SME annual accounts of the company SUN PHARMACEUTICALS SPAIN, S.L.U. which comprise the SME balance sheet as at March 31ST, 2016, the SME profit and loss statement, the SME statement of changes in equity and the SME report for the year then ended.

Board of directors' responsibility for the SME annual accounts

The directors are responsible for the preparation of SME annual accounts that present a true and fair view, in accordance with the regulatory framework of financial information that is identified in Note 2 to the attached SME report, and for such internal control as directors determine is necessary to enable the presentation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the attached SME annual accounts based on our audit. We conducted our audit in compliance with International Audit Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the annual accounts 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 the management, as well as evaluating the overall presentation of the annual accounts.

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

Auren Auditors BCN S.L.P. is in process of merger and simultaneous segregation with other companies operating under the trademark Auren, therefore all the rights and obligations will be taken over by the company AUREN AUDITORES SP. SLP, according to the Deed granted in front of Notary Antonio L. Reina Gutierrez on 28th April 2016, with protocol number 2.772. Deed that at date of today is still pending of registration

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Opinion

In our opinion the attached SME annual accounts present, the true and fair view of the financial position of SUN PHARMACEUTICALS SPAIN, S.L.U. at March 31st, 2016 and its financial performance for the year then ended, in accordance with the financial reporting framework that it identified in note 2 of the attached SME report.

Emphasis of matter paragraph

Without affecting our opinion, we draw attention to Note 2 c) Critical aspects of the measurement and estimation of uncertainty of SME annual accounts, which describes "The company has a net worth that is 50% lower than the share capital, and this could lead to the winding-up of the company unless its asset balance is restored. In this regard, it should be said that the most significant item of the liabilities corresponds to a loan of 5.3 million euros from the parent company, booked as long term and that could be capitalised. The company's working capital is positive and sufficient, in the opinion of the directors.

On March 31st, 2016 a commercial agreement was signed with the company LABORATORIOS RANBAXY, S.L.U. with a view to concentrating the Spanish business of the two companies in the same Indian-owned group. The company LABORATORIOS RANBAXY, S.L.U. acquired the business, including its assets, employees, contracts and obligations, and therefore the company SUN PHARMACEUTICALS SPAIN, S.L.U. has ceased its habitual business activity.

The balance at the close of this year shows current assets for the expected recoverable value and current liabilities for the amount of the debts to be settled during the next twelve months. Consequently, in the event that the winding-up of the company is subsequently approved, there would be no relevant differences in the asset and liability figures."

Other issues

The company was not submitted to audit the SME annual accounts for the previous years because it was not legally obligated. Consequently, the comparative figures have not been audited. Our opinion refers exclusively to the attached SME annual accounts for the year ended March 31st, 2016.

AUREN
NÚM. R.O.A.C. S0521

Carme Monserrat Querol
Partner
Barcelona, May 30th, 2016



AUREN AUDITORS BCN, SLP

Ay 2016 Núm. 2016/04867
CÓPIA GRATUITA

Informe subjecte a la normativa reguladora de l'activitat d'auditoria de comptes a Espanya

Miembro de





SME ANNUAL ACCOUNTS

FROM 01/04/2015 TO 31/03/2016

SME BALANCE SHEET

AS AT 31/03/2016

SUN PHARMACEUTICALS SPAIN, S.L. (Single Member Company)
BALANCE SHEET AT 31 MARCH 2016 (stated in Euros)

	Note	2015	2014		Note	2015	2014
ASSETS				NET EQUITY AND LIABILITIES			
NON-CURRENT ASSETS				NET EQUITY			
Intangible fixed assets		-	611,294	Shareholders' funds	8	(4,927,763)	(3,431,118)
Development		-	-	Capital		(4,927,763)	(3,431,118)
Concessions		-	-	Authorised share capital		3,100	3,100
Patents, licenses, trade marks and similar		-	-	(Share capital not issued and not called up)		3,100	3,100
Goodwill		-	-	Share issue premium		-	-
Computer software		-	-	Reserves		-	-
Other intangible fixed assets		-	-	Legal and statutory		-	-
Tangible fixed assets			40,505	Other reserves		-	-
Land and buildings		-	-	Own shares, treasury stock and similar		-	-
Plant, machinery and others		-	40,505	Prior year results		(3,834,218)	(2,431,385)
Assets in course and advance payments		-	-	Remainder		-	-
Investments in property and real estate		-	-	(Retained losses from prior years)		(3,834,218)	(3,431,385)
Land		-	-	Result for the year		-	-
Buildings		-	-	(Dividend paid on account)	3	(1,096,665)	(402,833)
Long-term investments in group and associated entities				Other share based instruments		-	-
Equity based instruments		-	-	Valuation adjustments		-	-
Loans to companies		-	-	Financial assets for sale		-	-
Debt based instruments		-	-	Hedging operations		-	-
Derivatives		-	-	Others		-	-
Other financial assets		-	-	Subsides, grants and donations		-	-
Long-term investments			43,818	NON-CURRENT LIABILITIES			
Equity based instruments		-	-	Long-term provisions		5,325,058	4,866,028
Loans to the third parties		-	-	Long-term commitments with employees		-	-
Debt based instruments		-	-	Environmental liabilities		-	-
Derivatives		-	-	Restructuring provisions		-	-
Other financial assets		-	-	Other provisions		-	-
Deferred tax assets			43,818	Long-term borrowings			
CURRENT ASSETS			1,363,930	Debentures and other negotiable instruments		-	-
NON-CURRENT ASSETS FOR SALE			1,265,195	Borrowings from financial institutions		-	-
Stocks		-	-	Finance lease borrowings		-	-
Goods for resale		-	417,521	Derivatives		-	-
Raw materials and consumables		-	417,521	Other financial liabilities		-	-
Work in progress and partially finished goods		-	-	Long-term debts with group and associated entities	7 11	5,325,058	4,866,028
Finished goods		-	-	Deferred tax liabilities		-	-
By-products, waste and materials recovered		-	-	Long-term accruals		-	-
Payments on account		-	-	CURRENT LIABILITIES			
Accounts receivable - commercial and other	8	1,169,850	719,902	Liabilities linked to non-current assets held for sale		986,655	841,578
Accounts receivable for sales and services		1,155,350	715,402	Short-term provisions		-	-
Trade debtors - group and associated entities		-	-	Short-term borrowings		-	-
Sundry debtors		4,500	4,500	Debentures and other negotiable instruments		-	-
Employees		-	-	Borrowings from financial institutions		-	-
Current tax assets		-	-	Finance lease borrowings		-	-
Tax, Social Security and Government entities		-	-	Derivatives		-	-
Short-term investments in group and associated entities				Other financial liabilities		-	-
Equity based instruments		-	-	Short-term debts with group and associated entities		986,655	841,578
Loans to companies		-	-	Loans due to group and associated entities		811,849	742,959
Debt based instruments		-	-	Accounts payable - commercial and other	7 11	811,849	742,959
Derivatives		-	-	Suppliers		-	-
Other financial assets		-	-	Trade creditors, group and associated entities		-	-
Short-term financial investments			30,314	Sundry creditors		-	-
Equity instruments		47,417	30,314	Employees (payroll creditor)		-	-
Loans to third parties		-	-	Customer advanced		-	-
Debt based instruments		-	-	Tax, Social Security and Government entities		154,806	98,619
Derivatives		-	-	Others suppliers		-	-
Other financial assets		-	-	Short-term accruals		-	-
Short-term accruals and prepayments			3,840	TOTAL NET EQUITY AND LIABILITIES		1,363,930	1,876,489
Cash and equivalent liquid assets		156,663	93,618				
Cash resources		15,663	93,618				
Other equivalent liquid assets		-	-				
TOTAL ASSETS		1,363,930	1,876,489				

Notes 1 to 14 to the annual accounts form an integral part of the balance sheet at 31 March, 2016



SME PROFIT & LOSS STATEMENT

FROM 01/04/2015 TO 31/03/2016

SUN PHARMACEUTICALS SPAIN, S.L. (Single Member Company)
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2016
(stated in euros)

	Note	2.015	2.014
Continuing Operations:			
Net turnover		1.797.653	1.867.373
Sales		1.797.653	1.867.373
Services Rendered		-	-
Variation in stocks of finished goods and work-in-progress		-	-
Own work capitalised		-	-
Supplies	10	(1.617.960)	(1.443.865)
Consumption of goods for resale		(1.617.960)	(1.443.865)
Consumption of raw materials and other consumables		-	-
Subcontracting and similar		-	-
Impairment of raw materials, goods for resale and supplies		-	-
Other operating income		-	-
Ancillary income and other income from normal operations		-	-
Operating subsidies transferred to income		-	-
Employee costs		(352.815)	(392.388)
Salaries, wages and similar		(352.815)	(392.388)
Allowances		-	-
Social Security and similar costs		-	-
Provisions		-	-
Other operating costs	10	(267.914)	(283.981)
External services		(267.914)	(283.981)
Taxes		-	-
Losses, impairment and movement on provisions for commercial operations		-	-
Other normal operating costs		-	-
Depreciation of fixed assets		(23.095)	(25.459)
Transfer of grants for non-financial assets and others		3.466	-
Excess provisions		-	-
Impairment and results on sale of fixed assets		-	-
Impairment and losses		-	-
Other results		-	(60)
OPERATING RESULT		(460.666)	(278.380)
Financial income		1	1
From holdings in equity based instruments		1	1
In group and associated entities		-	-
In third parties		1	1
From tradable investments and other financial instruments		-	-
Group and associated entities		-	-
Third parties		-	-
Financial costs		(109.029)	(124.446)
Borrowings from group and associated entities		(109.029)	(124.446)
Borrowings from third parties		-	-
Recalculation of provisions		-	-
Variation in fair value of financial instruments		-	-
Investment portfolio and others		-	-
Transfer to results for the year concerning financial assets held for sale		-	-
Differences on Exchange		-	(8)
Impairment and results on sale of financial assets		-	-
Impairment and losses		-	-
Results on sale and others		-	-
FINANCIAL RESULT		(109.028)	(124.453)
RESULT BEFORE TAX		(569.694)	(402.833)
Corporation tax	9	(526.971)	-
RESULT FOR THE YEAR		(1.096.665)	(402.833)

Notes 1 to 14 form an integral part of the 2016 profit and loss account

**SME STATEMENT OF CHANGES IN
EQUITY**

FROM 01/04/2015 TO 31/03/2016

SUN PHARMACEUTICALS SPAIN, S.L. (Single Member Company)
STATEMENT OF CHANGES IN THE NET EQUITY FOR THE YEAR ENDED 31 MARCH, 2016
 (stated in euros)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES FOR THE YEAR ENDED 31 MARCH, 2016

	2015	2014
Profit and loss account - result	(1,096,665)	(402,833)
Total income and expenses recognised directly in equity	-	-
Total transfers to the profit and loss account	-	-
TOTAL RECOGNISED INCOME AND EXPENSES	(1,096,665)	(402,833)

B) STATEMENT OF TOTAL CHANGES IN NET EQUITY FOR THE YEAR ENDED 31 MARCH, 2016

	Authorised capital	Reserves	Prior year results	Other contributions from shareholders	Result for the year	TOTAL
CLOSING BALANCE 2014	3,100	-	(3,431,385)	-	(402,833)	(3,831,118)
Adjusted Opening Balance 2015	3,100	-	(3,431,385)	-	(402,833)	(3,831,118)
Total recognised income and expenses	-	-	-	-	(1,096,665)	(1,096,665)
Share capital reduction	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Distribution of the result	-	-	(402,833)	-	402,833	-
Shareholders contribution	-	-	-	-	-	-
CLOSING BALANCE 2015	3,100	-	(3,834,218)	-	(1,096,665)	(4,927,783)

Notes 1 to 14 to the annual accounts form an integral part of the statement of changes in net equity for the year ended 31 March, 2016



SME ANNUAL REPORT FOR THE FINANCIAL YEAR

FROM 01/04/2015 TO 31/03/2016

NOTE 1 - BUSINESS ACTIVITY OF THE COMPANY

SUN PHARMACEUTICALS SPAIN, S.L.U. is a limited liability company incorporated in Madrid on 27 March 2009. Since 16 October 2015, the company's registered office is located at Paseo de Gracia 9, 7th floor, Barcelona.

Pursuant to Article 13.1 of the Recast Text of the Capital Companies Act, the Company is recorded in the Companies Registry as a sole proprietorship.

Its corporate purpose is the wholesale trading of pharmaceuticals and medicines.

The functional currency of the Company is the euro. Consequently, operations in currencies other than the euro are deemed to be called in "foreign currency".

SUN PHARMACEUTICALS SPAIN, S.L.U. belongs to the GRUPO SUN PHARMA companies group, under the terms foreseen in Article 42 of the Commercial Code. Its direct controlling company is ALKALOIDA CHEMICAL COMPANY ZRT (sole shareholder) and the last parent company of the group is SUN PHARMACEUTICALS INDUSTRIES LIMITED. The registered office of the direct controlling company is at Tiszavasvári, Hungary, and the registered office of the last parent company is at Mumbai, Maharashtra, India, with the latter being responsible for formulating the consolidated accounts.

NOTE 2 - BASIS OF PRESENTATION OF THE SME ANNUAL FINANCIAL STATEMENTS

a) TRUE AND FAIR VIEW

The attached annual financial statements have been obtained from the company's official accounting records and are presented in accordance with current commercial law and the regulations set forth in the SME General Accounting Plan, approved by Royal Decree 1515/2007 of 16 November, in such a way that they give a true and fair view of the company's equity, financial situation and results.

The attached annual financial statements of the company have been formulated by the Board of Directors and will be submitted to the approval of the Sole shareholder, and they are expected to be approved without modification.

All the standards and criteria in force established in the General Accounting Plan at the time when these financial statements were prepared have been followed, without exception.

b) NON-MANDATORY ACCOUNTING PRINCIPLES APPLIED

No non-mandatory accounting principles have been applied.

c) CRITICAL ASPECTS OF ASSESSMENT AND ESTIMATION OF UNCERTAINTY

The company has a net worth that is 50% lower than the share capital, and this could lead to the winding-up of the company unless its asset balance is restored. In this regard, it should be said that the most significant item of the liabilities corresponds to a loan for 5.3 million euros from the parent company, booked as long term and that could be capitalised. The company's working capital is positive and sufficient, in the opinion of the directors.

On 31 March 2016 a commercial agreement was signed with the company LABORATORIOS RANBAXY, S.L.U. with a view to concentrating the Spanish business of the two companies from the same Indian-owned group. The company LABORATORIOS RANBAXY, S.L.U. acquired the business, including its assets, employees, contracts and obligations, and therefore the company SUN PHARMACEUTICALS SPAIN, S.L.U. has ceased its habitual business activity.

The balance at the close of this year shows current assets for the expected recoverable value and current liabilities for the amount of the debts to be settled during the next twelve months. Consequently, in the event that the winding-up of the company is subsequently approved, there would be no relevant differences in the asset and liability figures.

d) COMPARISON OF INFORMATION

There are no exceptional reasons justifying a change in the structure of the balance sheet, profit and loss statement and statement of changes in equity for the previous year. There is no cause that might prevent a comparison between the financial statements of the current year and those of the preceding financial year.

e) ELEMENTS RECORDED IN VARIOUS ITEMS

There are no equity elements that are recorded in more than one item of the Balance Sheet.

f) CHANGES IN ACCOUNTING CRITERIA

No changes have been made due to changes in accounting criteria during the year.

g) CORRECTION OF ERRORS

No errors existing at the close of the financial year have been detected, which would require a re-formulation of the financial accounts. Any significant events that were learned about after the close and that could make it advisable to adjust the estimates at the close of the financial year have been mentioned in the corresponding sections.

NOTE 3 - APPROPRIATION OF EARNINGS

a) PROPOSED APPROPRIATION OF EARNINGS OF THE FINANCIAL YEAR

AVAILABLE FOR DISTRIBUTION	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015
Balance of the Profit and Loss Statement	-1,096,665.17	-402,832.84
Unappropriated surplus	0.00	0.00
Voluntary Reserves	0.00	0.00
Other Freely Distributable Reserves	0.00	0.00
TOTAL BASIS OF DISTRIBUTION = TOTAL APPLICATION	-1,096,665.17	-402,832.84
APPLIED TO	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015
Legal Reserve	0.00	0.00
Special Reserves	0.00	0.00
Voluntary Reserves	0.00	0.00
Dividends	0.00	0.00
Unappropriated surplus and other	0.00	0.00
Losses from previous years	-1,096,665.17	-402,832.84
TOTAL APPROPRIATION = TOTAL AVAILABLE FOR DISTRIBUTION	-1,096,665.17	-402,832.84

b) DISTRIBUTION OF INTERIM DIVIDENDS

No interim dividends were distributed during the financial year.

c) LIMITATIONS ON THE DISTRIBUTION OF DIVIDENDS

There is no limitation on the distribution of dividends.

NOTE 4 - RECORDING AND ASSESSMENT STANDARDS

1. TANGIBLE FIXED ASSETS

The goods included in Tangible Fixed Assets are valued at their acquisition price or cost of production, less cumulative depreciation and, if applicable, the cumulative amount of the recognised value corrections due to impairment. The following constitute a greater value of the items of tangible fixed assets:

- Indirect taxes that encumber elements of tangible fixed assets and that cannot be directly recovered from public finance.
- The initial estimate of the current value of the assumed obligations derived from dismantling or removal of the asset.
- The costs of renovation, expansion or improvement that represent an increase in capacity, productivity or expansion of useful life.

In Tangible Fixed Assets that require a period of time over one year to be in conditions of use, the acquisition price or cost of production include financial expenses accrued before putting the asset into conditions of use incurred by the supplier or corresponding to loans or other types of external finance, whether specific or generic, directly attributable to the acquisition, manufacture or construction of the asset.

The costs of major repairs are recognised at the carrying value of the fixed asset as replacements, as long as the conditions for the recognition thereof are met.

Technical installations, machinery and tools

The valuation thereof includes all acquisition or manufacturing and construction expenses until they are placed in operating condition.

Depreciation

Items of tangible fixed assets are depreciated systematically and rationally according to the useful life of the goods and their residual value. Each part of an element with a useful life that is different from the rest is depreciated differently.

Impairment of tangible and intangible assets

On the date of the balance sheet, the Company revises the book amounts of its tangible and intangible assets to determine if there are signs that said assets have sustained a loss due to impairment. If there is any sign, the recoverable amount of the asset is calculated (the greater value of either the fair value less the cost of sale or the value of use) in order to determine the scope of the loss due to impairment (if there were any). In the event that the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the asset belongs is calculated.

When a loss due to impairment is subsequently reversed, the book value of the asset increases to the revised estimate of its recoverable amount, but such that the increased book value does not exceed the book value that would have been determined had there not been a loss due to impairment in previous financial years. A reversal of an impairment loss is immediately recognised as income.

2. SWAPS

No swap occurred during the financial year.

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Categories of financial assets and liabilities

a) Financial Assets

Financial assets are recognised on the balance sheet when they are acquired, and they are classified as:

- **Financial assets carried at amortised cost:** loans for commercial operations and other financial assets carried at amortised cost.
 - Initial valuation: at cost, except loans for commercial operations maturing within one year and that have no contractual interest rate, staff advances and loans, deposits, dividends receivable collection and payments required on asset instruments that are expected to be received in the short term, which are valued at their nominal value. Directly attributable transaction costs can be recognised in the Profit and Loss statement.
 - Subsequent assessment: at their amortised cost, except for credits with a maturity of no more than one year, as stated, which continue to be assessed at the same amount.
- **Financial assets held for trading:** assets whose acquisition originates for the purpose of selling the assets in the short term.
 - Initial valuation: at their cost. The directly attributable transaction costs are recognised in the Profit and Loss Statement.
 - Subsequent valuation: at their fair value, without deducting the transaction costs that could be incurred in the disposal thereof. Changes in the fair value are taken to the profit and loss statement of the financial year.
- **Financial assets carried at cost:** investments in group company, multigroup and associate assets.
 - Initial valuation: at cost.
 - Subsequent valuation: at cost less the amount of corrections in value for impairment.

b) Financial Liabilities

Financial liabilities are classified, according to the content of the contractual agreements and considering the economic background of the operation, into the following categories:

- **Financial liabilities carried at amortised cost:** debits for commercial and non-commercial operations.
 - Initial valuation: at their cost (except debits for commercial operations maturing within one year and with no contractual interest rate, payments required by third parties on equity units expected to be paid in the short term, which are valued at their nominal amount).
 - Subsequent valuation: at their amortised cost (except for debts with a maturity of no more than one year, as stated, which continue to be valued at the same amount).
 - Accrued interest: posted in the profit and loss statement, thereby applying the effective interest rate method.
- **Financial liabilities held for trading:** liabilities issued for the purpose of re-acquiring them in the short term.
 - Initial valuation: at their cost. The directly attributable transaction costs are recognised in the Profit and Loss Statement.
 - Subsequent valuation: at their fair value, without deducting the transaction costs that could be incurred in the disposal thereof. Changes in the fair value are taken to the profit and loss statement of the financial year.

Impairment

Valuation corrections are made at the end of the year due to impairment whenever there is objective evidence that the value of a credit or of an investment has been impaired.

The loss is:

- For financial assets carried at amortised cost, the difference between the book value of the asset and the current value of future cash flows they are expected to generate, discounted at the effective interest rate calculated at the time of their initial recognition.
- For financial assets carried at cost, the difference between the book value of the asset and the recoverable value (the higher of the fair value less sales costs and the current value of future cash flows generated by the investment).

All corrections, as well as the reversal thereof, are recognised as an expense or as income, respectively, in the profit and loss statement. The reversal of impairment has a limit of the book value of the credit or of the investment that would be recognised on the reversal date if impairment of the value had not been recorded.

De-registration of financial assets and liabilities

The criteria used for de-registering a financial asset are the following:

- it must have expired or
- the contractual rights on the financial asset cash flows must have been transferred, with a substantial transfer of the risks and benefits inherent to its ownership.

Once the asset has been de-registered, the profit or loss generated by the operation forms a part of the profit/loss of the financial year in which it occurs.

In the case of financial liabilities, the company de-registers them when the obligation has extinguished. A financial liability is also de-registered when an exchange of financial instruments occurs, with substantially different conditions. The difference between the book value of the financial liability and the consideration paid, including the attributable transaction costs, is recorded in the profit and loss statement.

Income or expenses coming from financial instruments

The interest and dividends from financial assets reported after the time of acquisition have been recognised as income in the profit and loss statement. The effective interest rate method has been used to recognise interest. Dividends are recognised when the right of the shareholder to receive it is declared.

4. OWN EQUITY INSTRUMENTS IN THE COMPANY'S POSSESSION

Own equity instruments are classified according to the content of the contractual agreements and considering the economic background of the operation. The expenses derived from transactions with own equity instruments are recorded directly against own equity as lower reserves.

5. INVENTORY

Inventory is valued at its acquisition price or at the cost of production. All indirect taxes that encumber inventory and that are not directly recoverable from public finance are included in the acquisition price.

For inventory that needs a period of time of greater than one year to be in condition to be sold, the financial expenses accrued before placing the inventory in condition to be sold, which have been charged by the supplier or corresponding to loans or another type of third-party financing, whether specific or generic and directly attributable to the acquisition, manufacture or construction of the asset, are included in the acquisition or manufacturing of the inventory.

When the net realisable value of inventories is lower than the acquisition cost or cost of production, valuation corrections are made, recognising them as an expense in the profit and loss statement.

For raw materials and other consumables, no valuation correction is made if the finished products into which they are incorporated are expected to be sold at above the cost.

Those goods and services that may have been the object of a firm contract of sale or for the provision of services, according to which compliance will take place subsequently, are not the object of a valuation correction if the sale price stipulated in the contract at least covers the cost of the goods and services, plus all the pending costs that may be necessary for performance of the contract.

In the event that the circumstances that caused a value correction cease to exist, such a correction will be reversed and will be recognised as income in the profit and loss statement.

6. TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currency are recorded at the time of initial recognition, therefore using the functional currency and applying the exchange rate in force between the functional currency and the foreign currency on the date of the transaction.

On the date of each balance sheet, all monetary assets and liabilities in foreign currency are converted according to the exchange rates in force on the close date. All non-monetary items in foreign currency measured in terms of the historical cost are converted at the exchange rate on the transaction date. The exchange rate differences of monetary items arising when settled and when converting them to the closing interest rate are recognised in the profits/losses for the year, except those forming part of investing in a foreign business, which are recognised directly in equity, after tax and up to the time of their disposal.

On some occasions, in order to cover exposure to certain exchange rate risks, the Company formally executes term contracts and options in foreign currency.

7. INCOME TAXES

Current tax is the amount paid by the company as a consequence of tax settlements of the profits tax for a specific financial year. Tax relief and other tax credits in the tax liability, excluding withholding and payments on account, and tax losses offset in previous years and effectively applied during the current year will give rise to a lower current tax amount.

Current tax for the present financial year and previous years is recognised as a liability if not yet paid. Otherwise, if the amount already paid for the present year and previous years exceeds the current tax for those years, the surplus is recognised as an asset.

Liabilities for deferred tax are recognised for all taxable temporary differences unless they arise from the initial recognition of an asset or a liability in a transaction that is not a business combination and in addition, do not affect the book result or the tax base.

Based on the principle of caution, assets for deferred tax are only recognised if it is likely that the company will have future tax gains that permit the application of these assets.

On occasion of the accounting close, recognised deferred tax assets and those that were not previously recognised are reviewed in order to check that the recovery thereof is likely, therefore making the appropriate corrections to the same according to the result of the analyses that are conducted.

Assets and liabilities for current tax are valued at the amounts expected to be paid to or recovered from the tax authorities, in accordance with current or approved law and pending publication on the date of the close of the financial year.

Assets and liabilities for deferred tax are valued based on the expected tax rates at the time of their reversal, in accordance with current or approved law and pending publication on the date of the close of the financial year, depending on the manner in which it is reasonably expected to recover or pay the asset or liability.

8. INCOME AND EXPENSES

Income and expenses are attributed according to the accrual basis. Income is calculated at the fair value of the consideration received or to be received and represents amounts receivable or payable for goods delivered and services provided within the normal framework of the business activity, less discounts and taxes.

Sales of goods are recognised when all the significant risks and benefits inherent in ownership of the goods have been transferred. Income associated with the provision of services is recognised based on the degree to which the services have been provided on the balance sheet date, as long as the result of the transaction can be reliably estimated. Interest income is reported following a time financial criterion according to the principle pending collection and the applicable effective interest rate.

9. PROVISIONS AND CONTINGENCIES

The Company's annual financial statements record all the significant provisions with respect to which it is estimated that there is the likelihood that an obligation will have to be taken care of. Contingent liabilities are not recognised in the annual financial statements, rather they are included in the annual report, if they exist.

Provisions are only recognised based on present or past events that generate future obligations. They are quantified considering the best available information about the consequences of the event from which they are originated, and they are re-estimated on the occasion of each accounting close. They are used to cover the specific obligations for which they were originally recognised. They are completely or partially reversed when the obligations cease to exist or decrease.

10. JOINT VENTURES

There is no economic activity controlled jointly with another natural or legal person.

11. CRITERIA USED IN RELATED-PARTY TRANSACTIONS

Commercial or financial operations with related parties are conducted at market price. No profit or loss is recognised in internal operations.

NOTE 5 - TANGIBLE FIXED ASSETS, INTANGIBLE FIXED ASSETS AND REAL ESTATE INVESTMENTS

MOVEMENT OF TANGIBLE FIXED ASSETS, INTANGIBLE FIXED ASSETS AND REAL ESTATE INVESTMENT ACCOUNTS DURING THE FINANCIAL YEAR

FINANCIAL YEAR ENDED AT 31/Mar./2016

FIXED ASSET/INVESTMENT	FIXED ASSET/INVESTMENT				DEPRECIATION				NET (FIXED/INV. - DEPREC.)	
	BALANCE AT 31/Mar./2015	CREDITS	DEBITS	VALUE CORRECTIONS DUE TO REAPPRAISAL	BALANCE AT 31/Mar./2016	DEPRECIATION CHARGES	INCREASES	REDUCTIONS		VALUE CORRECTIONS DUE TO REAPPRAISAL
INTANGIBLE FIXED ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TANGIBLE FIXED ASSETS	117,235.37	0.00	-117,235.37	0.00	0.00	23,095.44	0.00	-99,825.84	0.00	0.00
REAL ESTATE INVESTMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	117,235.37	0.00	-117,235.37	0.00	0.00	23,095.44	0.00	-99,825.84	0.00	0.00

FIXED ASSET/INVESTMENT	NET (FIXED/INV. - DEPREC.)			VALUE CORRECTIONS DUE TO IMPAIRMENT			NET FIXED ASSETS
	BALANCE AT 31/Mar./2015	CORRECT. FOR IMPAIRMENT	REVERSAL OF CORRECTIONS FOR IMPAIR.	REDUCTIONS	BALANCE AT 31/Mar./2016	NET FIXED ASSETS	
INTANGIBLE FIXED ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TANGIBLE FIXED ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
REAL ESTATE INVESTMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00

There are no intangible fixed assets with an undefined useful life.
 The company's fixed assets were transferred to Laboratorios Ranbaxy, S.L.U. at their net book value.
 There is positive profit of 3,466.70 euros.

FINANCIAL YEAR ENDED AT 31/Mar./2015

FIXED ASSET/INVESTMENT	FIXED ASSET/INVESTMENT				DEPRECIATION					NET (FIXED/INV. - DEPREC.)	
	BALANCE AT 31/Mar./2014	CREDITS	DEBITS	VALUE CORRECTIONS DUE TO REAPPRAISAL	BALANCE AT 31/Mar./2015	DEPRECIATION CHARGES	INCREASES	REDUCTIONS	VALUE CORRECTIONS DUE TO REAPPRAISAL		BALANCE AT 31/Mar./2015
INTANGIBLE FIXED ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TANGIBLE FIXED ASSETS	117,235.37	0.00	0.00	0.00	117,235.37	25,459.23	0.00	0.00	0.00	76,730.40	40,504.97
REAL ESTATE INVESTMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	117,235.37	0.00	0.00	0.00	117,235.37	25,459.23	0.00	0.00	0.00	76,730.40	40,504.97

FIXED ASSET/INVESTMENT	NET (FIXED/INV. - DEPREC.)	VALUE CORRECTIONS DUE TO IMPAIRMENT				NET FIXED ASSETS
		BALANCE AT 31/Mar./2014	CORRECT. FOR IMPAIRMENT	REVERSAL OF CORRECTIONS FOR IMPAIR.	REDUCTIONS	
INTANGIBLE FIXED ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
TANGIBLE FIXED ASSETS	40,504.97	0.00	0.00	0.00	0.00	40,504.97
REAL ESTATE INVESTMENTS	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	40,504.97	0.00	0.00	0.00	0.00	40,504.97

FINANCIAL LEASES AND OTHER OPERATIONS OF A SIMILAR NATURE

No operations of this type were carried out during the year. Nor were any such operations carried out during the previous year.

NOTE 6 – FINANCIAL ASSETS

FINANCIAL ASSETS EXCEPTING INVESTMENTS IN THE EQUITY OF GROUP, MULTIGROUP AND ASSOCIATE COMPANIES

The book value of each of the financial asset categories, barring investments in the equity of group companies, multigroup and associate companies, is as follows:

CATEGORY	CLASSES OF LONG-TERM FINANCIAL ASSETS										TOTAL	
	EQUITY INSTRUMENTS (except group, multig. and associ. comp. equity)		SECURITIES REPRESENTING DEBT		CREDITS, DERIVATIVES AND OTHERS		SECURITIES REPRESENTING DEBT		CREDITS, DERIVATIVES AND OTHERS		TOTAL	
	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015
FINANC. ASSETS HELD FOR TRADING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCIAL ASSETS CARRIED AT AMORTISED COST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43,817.85	0.00	0.00	0.00	43,817.85
FINANCIAL ASSETS CARRIED AT COST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43,817.85	0.00	0.00	0.00	43,817.85

CATEGORY	CLASSES OF SHORT-TERM FINANCIAL ASSETS										TOTAL	
	EQUITY INSTRUMENTS (except group, multig. and associ. comp. equity)		SECURITIES REPRESENTING DEBT		TRADE DEBTORS AND OTHER ACCOUNTS RECEIVABLE		CREDITS, DERIVATIVES AND OTHERS		SECURITIES REPRESENTING DEBT		TOTAL	
	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015
FINANC. ASSETS HELD FOR TRADING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCIAL ASSETS CARRIED AT AMORTISED COST	0.00	0.00	0.00	0.00	1,159,849.87	719,902.48	47,417.06	30,314.42	1,207,266.93	750,216.90	1,207,266.93	750,216.90
FINANCIAL ASSETS CARRIED AT COST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00	1,159,849.87	719,902.48	47,417.06	30,314.42	1,207,266.93	750,216.90	1,207,266.93	750,216.90

Balances with Public Administrations are not included in the following tables.

The movement of corrective accounts representing losses for impairment incurred by credit risk is set out below:

	CLASSES OF FINANCIAL ASSETS					
	SECURITIES REPRESENTING DEBT		CREDITS, DERIVATIVES AND OTHERS		TOTAL	
	LONG TERM	SHORT TERM	LONG TERM	SHORT TERM	LONG TERM	SHORT TERM
LOSSES FOR IMPAIRMENT AT 31/Mar./2014	0.00	0.00	0.00	1,362.81	0.00	1,362.81
+ VALUE CORRECTION DUE TO IMPAIRMENT	0.00	0.00	0.00	0.00	0.00	0.00
- REVERSAL OF IMPAIRMENT	0.00	0.00	0.00	0.00	0.00	0.00
- DISPOSALS AND REDUCTIONS	0.00	0.00	0.00	0.00	0.00	0.00
+/- TRANSFERS AND OTHER VARIATIONS	0.00	0.00	0.00	0.00	0.00	0.00
IMPAIRMENT LOSS AT 31/Mar./2015	0.00	0.00	0.00	1,362.81	0.00	1,362.81
+ VALUE CORRECTION DUE TO IMPAIRMENT	0.00	0.00	0.00	0.00	0.00	0.00
- REVERSAL OF IMPAIRMENT	0.00	0.00	0.00	0.00	0.00	0.00
- DISPOSALS AND REDUCTIONS	0.00	0.00	0.00	0.00	0.00	0.00
+/- TRANSFERS AND OTHER VARIATIONS	0.00	0.00	0.00	0.00	0.00	0.00
IMPAIRMENT LOSS AT 31/Mar./2016	0.00	0.00	0.00	1,362.81	0.00	1,362.81

NOTE 7 – FINANCIAL LIABILITIES

The book value of each of the financial liability categories is as follows:

CATEGORY	CLASSES OF LONG-TERM FINANCIAL LIABILITIES										TOTAL			
	DEBTS WITH CREDIT INSTITUTIONS		DEBENTURES AND OTHER MARKETABLE SECURITIES		DERIVATIVES AND OTHERS		DEBTS WITH CREDIT INSTITUTIONS		DEBENTURES AND OTHER MARKETABLE SECURITIES		DERIVATIVES AND OTHERS		TOTAL	
	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015
FINANCIAL L. CARRIED AT AMORTISED COST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCIAL L. MAINTAINED FOR NEGOTIATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

CATEGORY	CLASSES OF SHORT-TERM FINANCIAL LIABILITIES										TOTAL							
	DEBTS WITH CREDIT INSTITUTIONS		DEBENTURES AND OTHER MARKETABLE SECURITIES		TRADE CREDITORS AND OTHER ACCOUNTS PAYABLE		DERIVATIVES AND OTHERS		DEBTS WITH CREDIT INSTITUTIONS		DEBENTURES AND OTHER MARKETABLE SECURITIES		TRADE CREDITORS AND OTHER ACCOUNTS PAYABLE		DERIVATIVES AND OTHERS		TOTAL	
	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015
FINANCIAL L. CARRIED AT AMORTISED COST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCIAL L. MAINTAINED FOR NEGOTIATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Balances with Public Administrations are not included in the following tables.

The amount of the debts maturing during each of the five years following the close of the financial year and the remainder up to their maturity date is set out below:

	MATURITY IN YEARS						TOTAL
	1	2	3	4	5	OVER 5	
DEBTS WITH CREDIT INSTITUTIONS							
LEASING CREDITORS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER DEBTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEBTS WITH GROUP AND ASSOCIATED COMPANIES	0.00	0.00	5,325,058.40	0.00	0.00	0.00	5,325,058.40
NON-CURRENT TRADE PAYABLES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TRADE CREDITORS AND OTHER ACCOUNTS PAYABLE							
SUPPLIERS	811,848.75	0.00	0.00	0.00	0.00	0.00	811,848.75
OTHER CREDITORS	98,640.18	0.00	0.00	0.00	0.00	0.00	98,640.18
DEBT WITH SPECIAL CHARACTERISTICS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	910,488.93	0.00	5,325,058.40	0.00	0.00	0.00	6,235,547.33

Assets and rights held abroad:

The company holds no assets or rights abroad.

NOTE 8 – OWN FUNDS

Number of shares or equity units and nominal value

The share capital of SUN PHARMACEUTICALS SPAIN, S.L. is formed by 3,100 ordinary nominative equity units, each worth 1.00 euros, fully subscribed and paid up. All the units belong to the same series and grant the same rights.

Payments pending and due date

There are no payments pending.

Special circumstances restricting the availability of reserves

In accordance with the Recast Text of the Capital Companies Act, a sum equal to 10% of the year's profits must be allocated to the legal reserve until it reaches at least 20% of the share capital.

The legal reserve may only be used to increase capital by the part of the balance that exceeds 10% of the capital already increased. Barring the aforementioned purpose and whilst the reserve does not exceed 20% of the share capital, the reserve may only be available to offset losses and only as long as there are no other available reserves that are sufficient for this purpose.

There are no obstacles to the availability of reserves other than those derived from the legal scheme.

Shareholder equity held by the company or by a third party acting on its behalf

The company holds no shareholder equity.

Distribution of dividends

Considering the losses for previous years, the company has not distributed any dividends during the past five years.

NOTE 9 - TAX SITUATION

1. PROFITS TAX

The ageing and foreseen term for the recovery of tax credits for negative tax bases are as follows:

Year	Amount	Offset limit
2009	1,087,382.20	No limit
2010	1,047,533.47	No limit
2011	824,660.32	No limit
2012	595,055.86	No limit
2013	381,883.20	No limit
2014	390,188.75	No limit
	4,326,703.80	

Negative tax bases generated during the present financial year amount to 1,097 thousand euros.

During the present year, the deferred tax asset for 527 thousand euros corresponding to the balance as at 31 March 2015 was cancelled.

The asset cancellation criterion is based on the ceasing of the company's normal business activity described in Note 2 of this report, making its future recovery highly unlikely.

In accordance with legislation in force, the statements made for the various taxes cannot be considered definitive until after having been audited by the tax authorities or after the statute of limitation has expired.

At 31 December, the entity has the last 5 financial years pending audit. However, in the opinion of the Company's Directors, in the event of an audit, it is not foreseeable that there would be differences that might significantly affect the annual financial statements.

NOTE 10 - INCOME AND EXPENSES

A breakdown of the "Supplies" and "Other operating income" items is given below, as well as the amount of sales of goods and service provision generated by the swap of non-monetary assets and services, and the results included in the item "Other gains or losses":

	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/Mar./2015
1. Consumption of goods purchased for resale	0.00	0.00
a) Purchases, net returns and any discount:		
National	0.00	0.00
Intra-community acquisitions	0.00	0.00
Imports	0.00	0.00
b) Change in inventory	0.00	0.00
2. Consumption of raw materials and other consumables	1,617,960.31	1,443,865.62
a) Purchases, net returns and any discount:		
National	1,200,439.66	970,468.92
Intra-community acquisitions	0.00	0.00
Imports	0.00	0.00
b) Change in inventory	1,200,439.66	970,468.92
b) Change in inventory	417,520.65	473,397.70
3. Other operating expenses	267,914.25	283,980.79
a) Losses and impairment in commercial operations	0.00	0.00
b) Other operating expenses	267,914.25	283,980.79
4. Sale of goods and provision of services produced through the swap of non-monetary goods and services	0.00	0.00
5. Earnings originating outside the normal business activity of the company included in Other Profits/Losses	0.00	60.11

NOTE 11 - OPERATIONS WITH RELATED PARTIES

The most relevant information regarding operations with related parties during the year is set out below:

- a) The persons and/or companies with whom related operations were carried out are listed below:
 - a. Parent company
 - b. Other group companies
- b) The nature of the relationship with the related parties is that of companies belonging to the same business group.
- c) The details of the operations and the quantification thereof, as well as the profits or losses that the operations have caused at the company, are the following:

FINANCIAL YEAR ENDED AT 31/Mar./2016

	PARENT COMPANY	OTHER GROUP COMPANIES	JOINT BUSINESS IN WHICH THE COMP. PARTICIPATES	RELATED COMPANIES	COMP. WITH JOINT CONTROL OR SIGNIF. INFL. OVER COMPANY	KEY MANAGEMENT STAFF COMP. OR PARENT COMP.	OTHER RELATED PARTIES
Sales of current assets, of which:	0.00	542,631.10	0.00	0.00	0.00	0.00	0.00
Sales of non-current assets, of which:	0.00	11,826.42	0.00	0.00	0.00	0.00	0.00
Purchases of current assets	0.00	1,145,467.50	0.00	0.00	0.00	0.00	0.00
Purchases of non-current assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Service provision, of which:	0.00	69,960.96	0.00	0.00	0.00	0.00	0.00
Reception of services	14,370.00	76,304.42	0.00	0.00	0.00	0.00	0.00
Financial lease contracts, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R+D transfers, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income from interest charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income from interest accrued but not charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses due to interest paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses due to interest accrued but not paid	109,029.35	0.00	0.00	0.00	0.00	0.00	0.00
Expenses resulting from bad or doubtful debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends and other profits distributed	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guarantees and bonds received	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guarantees and bonds provided	0.00	0.00	0.00	0.00	0.00	0.00	0.00

FINANCIAL YEAR ENDED AT 31/Mar./2015

	PARENT COMPANY	OTHER GROUP COMPANIES	JOINT BUSINESS IN WHICH THE COMP. PARTICIPATES	RELATED COMPANIES	COMP. WITH JOINT CONTROL OR SIGNIF. INFL. OVER COMPANY	KEY MANAGEMENT STAFF COMP. OR PARENT COMP.	OTHER RELATED PARTIES
Sales of current assets, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sales of non-current assets, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchases of current assets	0.00	880,868.85	0.00	0.00	0.00	0.00	0.00
Purchases of non-current assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Service provision, of which:	0.00	5,550.00	0.00	0.00	0.00	0.00	0.00
Reception of services	30,100.00	37,540.00	0.00	0.00	0.00	0.00	0.00
Financial lease contracts, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R+D transfers, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income from interest charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income from interest accrued but not charged	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses due to interest paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses due to interest accrued but not paid	124,446.18	0.00	0.00	0.00	0.00	0.00	0.00
Expenses resulting from bad or doubtful debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends and other profits distributed	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guarantees and bonds received	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guarantees and bonds provided	0.00	0.00	0.00	0.00	0.00	0.00	0.00

d) The amount of the pending balances of operations with related parties, as of the close date of the financial year, is the following:

FINANCIAL YEAR ENDED AT 31/Mar./2016

	PARENT COMPANY	OTHER GROUP COMPANIES	JOINT BUSINESS IN WHICH THE COMP. PARTICIPATES	RELATED COMPANIES	COMP. WITH JOINT CONTROL OR SIGNIF. INFL. OVER COMPANY	KEY MANAGEMENT STAFF COMP. OR PARENT COMP.	OTHER RELATED PARTIES
A) NON-CURRENT ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Long-term financial investments, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corrections in value for doubtful loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B) CURRENT ASSETS	0.00	633,787.44	0.00	0.00	0.00	0.00	0.00
1. Trade debtors and other accounts receivable	0.00	633,787.44	0.00	0.00	0.00	0.00	0.00
a) Clients for sales and service provision at long term, of which:	0.00	633,787.44	0.00	0.00	0.00	0.00	0.00
Corrections in value for doubtful clients	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Shareholders (partners) for called-up capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Other debtors, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corrections in value for doubtful accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Short-term financial investments, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corrections in value for doubtful loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C) NON-CURRENT LIABILITIES	5,325,058.40	0.00	0.00	0.00	0.00	0.00	0.00
1. Long-term debts	5,325,058.40	0.00	0.00	0.00	0.00	0.00	0.00
a) Bank debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Leasing creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Other long-term debts	5,325,058.40	0.00	0.00	0.00	0.00	0.00	0.00
2. Long-term debts of special characteristics	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D) CURRENT LIABILITY	5,150.00	856,535.75	0.00	0.00	0.00	0.00	0.00
1. Short-term debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
a) Bank debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Leasing creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Other short-term debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Trade creditors and other accounts payable	5,150.00	856,535.75	0.00	0.00	0.00	0.00	0.00
a) Suppliers	0.00	811,848.75	0.00	0.00	0.00	0.00	0.00
b) Other creditors	5,150.00	44,687.00	0.00	0.00	0.00	0.00	0.00
3. Short-term debt with special characteristics	0.00	0.00	0.00	0.00	0.00	0.00	0.00



FINANCIAL YEAR ENDED AT 31/Mar./2015

	PARENT COMPANY	OTHER GROUP COMPANIES	JOINT BUSINESS IN WHICH THE COMP. PARTICIPATES	RELATED COMPANIES	COMP. WITH JOINT CONTROL OR SIGNIF. INFL. OVER COMPANY	KEY MANAGEMENT STAFF COMP. OR PARENT COMP.	OTHER RELATED PARTIES
A) NON-CURRENT ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Long-term financial investments, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corrections in value for doubtful loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B) CURRENT ASSETS	0.00	1,850.00	0.00	0.00	0.00	0.00	0.00
1. Trade debtors and other accounts receivable	0.00	1,850.00	0.00	0.00	0.00	0.00	0.00
a) Clients for sales and service provision at long term, of which:	0.00	1,850.00	0.00	0.00	0.00	0.00	0.00
Corrections in value for doubtful clients	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Shareholders (partners) for called-up capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Other debtors, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corrections in value for doubtful accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Short-term financial investments, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corrections in value for doubtful loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C) NON-CURRENT LIABILITIES	4,866,029.05	0.00	0.00	0.00	0.00	0.00	0.00
1. Long-term debts	4,866,029.05	0.00	0.00	0.00	0.00	0.00	0.00
a) Bank debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Leasing creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Other long-term debts	4,866,029.05	0.00	0.00	0.00	0.00	0.00	0.00
2. Long-term debts of special characteristics	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D) CURRENT LIABILITY	7,770.00	754,983.73	0.00	0.00	0.00	0.00	0.00
1. Short-term debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
a) Bank debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Leasing creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Other short-term debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Trade creditors and other accounts payable	7,770.00	754,983.73	0.00	0.00	0.00	0.00	0.00
a) Suppliers	0.00	742,958.93	0.00	0.00	0.00	0.00	0.00
b) Other creditors	7,770.00	12,024.80	0.00	0.00	0.00	0.00	0.00
3. Short-term debt with special characteristics	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The Board of Directors is the governing, management and representative body of the company. The Board of Directors is therefore deemed to be the body that ultimately directs the company. In this regard, the Board of Directors has not received any amount under the concept of salaries, per diems or remuneration for the performance of its duties, nor have obligations been contracted regarding pensions or the payment of life insurance regarding past or present members of the body. No compensation for dismissal has been satisfied to the Board of Directors, nor have any payments been made based on equity instruments. They also have not been granted any advances or credits.

Apart from the Board of Directors, the company has no other staff that could be classified as senior management staff.

The members of the Board of Directors, in compliance with Article 229.3 of Law 31/2014 of 3 December, which approves the amendment of the recast text of the Capital Companies Act, have not reported any situation of direct or indirect conflict of interest with the company.

NOTE 12 - GREENHOUSE GAS EMISSION ALLOWANCES

The company has no greenhouse gas emission allowances assigned to it and no movements have taken place in regard to this item during the year. No expenses have been booked in relation to greenhouse gas emissions and no provisions have been set up for this concept.

NOTE 13 – OTHER INFORMATION

The **average number of employees** during the present year, by categories, is as follows:

	FINANCIAL YEAR ENDED AT	FINANCIAL YEAR ENDED AT
Senior executives	0.00	0.00
Other management staff	1.52	2.00
Technical staff, scientific and intellectual professionals and auxiliary	0.00	0.00
Administrative employees	1.50	1.00
Sales staff, sales reps and similar	2.00	2.78
Other skilled workers	0.00	0.00
Non-skilled workers	0.00	0.00
Total average employment	5.02	5.78

Fees for auditing accounts and other services provided by account auditors were as follows:

	FINANCIAL YEAR ENDED AT 31/Mar./2016	FINANCIAL YEAR ENDED AT 31/03/2015
Professional fees for account auditing	3,000.00	0.00
Professional fees charged for other verification services	0.00	0.00
Professional fees charged for tax advising services	0.00	0.00
Professional fees for services provided	0.00	0.00
Total	3,000.00	0.00

**NOTE 14 - INFORMATION ABOUT THE AVERAGE PAYMENT PERIOD TO SUPPLIERS.
ADDITIONAL PROVISION THREE. "INFORMATION DUTY" OF LAW 15/2010 OF 5 JULY**

The Resolution of the ICAC of 29/Jan./16 implements the obligation introduced by Law 31/2014 (Final Provision 2), which amends Law 15/2010 of 5 July, to include information in the report of the annual financial statements about PPMP, which is defined as the average payment period (days) as from the delivery of goods or the provision of services until the payment thereof. The information to be provided for the 2015 financial year is the following:

	2015-16 Days
Average payment period to suppliers	270

The long payment period is due to the fact that it is linked to the collection period and to the months in stock.



The present document setting out the SME Balance Sheet, Profit and Loss Statement, Statement of Changes in Equity and Annual Report of SUN PHARMACEUTICALS SPAIN, S.L.U. has been formulated in Barcelona on 27 May 2016 for the financial year ended at 31/03/2016. It consists of 34 pages, numbered in consecutive order from 1 to 29, and has been duly approved and signed by the members of the company Board of Directors.

SIGNATURES

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HARIN MEHTA

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PRASHANT LAKHAMSHI SAVLA

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