

Company Registration No. 3062051

RANBAXY HOLDINGS (U.K.) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR TO 31 DECEMBER 2010

Ranbaxy Holdings (U.K.) Limited

COMPANY INFORMATION

DIRECTORS

Mr. D Dasgupta
Mr. Maninder Singh
Mr. Omesh Kumar Sethi(Resigned on 25th Jan 2011)

SECRETARY

Mr. Roshan Abraham

REGISTERED OFFICE

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

AUDITORS

KPMG LLP
15 Canada Square
London E14 5GL

COMPANY NUMBER

3062051

Ranbaxy Holdings (U.K.) Limited

Company No: 3062051

DIRECTORS' REPORT

The directors submit their report and the audited accounts for the year ended 31 December 2010

1. PRINCIPAL ACTIVITY

The company is a holding company

2. RESULTS AND DIVIDENDS

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

The directors do not recommend the payment of a dividend. The loss for the financial year of £5,546 [IN INR 39,333] will be transferred to reserves (the loss for the year ended 31 December 2009 was £3347[IN INR 23,738)

3. REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

The company is a holding company

4. PRINCIPAL RISKS AND UNCERTAINTIES

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

5. DIRECTORS AND DIRECTORS' INTERESTS

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

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

Mr. D Dasgupta
Mr. Maninder Singh
Mr. Omesh Kumar Sethi(Resigned on 25th Jan 2011)

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

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

6. AUDITORS

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

7. DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

This report was approved by the board on 5th May 2011
On behalf of the Board

Sd/-
Mr D Dasgupta
Director

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

We have audited the financial statements of Ranbaxy Holdings (UK) Limited for the year ended 31 December 2010 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective Responsibilities of directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Sd/-

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

Chartered Accountants
15 Canada Square
London
E14 5GL
5-May-11

Ranbaxy Holdings (U.K.) Limited
 Company No: 3062051
Profit & Loss Account
 For the year ended 31 December 2010

	Notes	2010 £	2009 £	2010 IN INR	2009 IN INR
Net Operating Expenses - continuing activities		(5,546)	(3,347)	(393,333)	(237,376)
(Loss) on ordinary activities before taxation	2	<u>(5,546)</u>	<u>(3,347)</u>	<u>(393,333)</u>	<u>(237,376)</u>
Tax on (loss) on ordinary activities	3	-	-	-	-
Retained (loss) on ordinary activities after taxation	7	<u>(5,546)</u>	<u>(3,347)</u>	<u>(393,333)</u>	<u>(237,376)</u>

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

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

Ranbaxy Holdings (U.K.) Limited

Company No: 3062051

BALANCE SHEET

	Notes	As at 31.12.2010 £	As at 31.12.2009 £	As at 31.12.2010 IN INR	As at 31.12.2009 IN INR
FIXED ASSETS					
Investments	4	<u>31,988,887</u>	<u>31,988,887</u>	<u>2,236,985,129</u>	<u>2,236,985,129</u>
CURRENT ASSETS					
Cash at bank		18,632	18,623	1,302,913	1,302,308
CREDITORS: amounts falling due within one year	5	<u>(34,286)</u>	<u>(28,731)</u>	<u>(2,397,627)</u>	<u>(2,009,161)</u>
NET CURRENT LIABILITIES		<u>(15,654)</u>	<u>(10,108)</u>	<u>(1,094,713)</u>	<u>(706,853)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		31,973,233	31,978,779	2,235,890,416	2,236,278,276
NET ASSETS		<u><u>31,973,233</u></u>	<u><u>31,978,779</u></u>	<u><u>2,235,890,416</u></u>	<u><u>2,236,278,276</u></u>
CAPITAL & RESERVES					
Share capital	6	30,556,201	30,556,201	2,136,797,273	2,136,797,273
Profit & Loss Account	7	1,417,032	1,422,578	99,093,161	99,480,979
EQUITY SHAREHOLDERS' FUNDS	7	<u><u>31,973,233</u></u>	<u><u>31,978,779</u></u>	<u><u>2,235,890,433</u></u>	<u><u>2,236,278,252</u></u>

The accounts on Pages 6 to 12 were approved by the board on . 5th May 2011

Sd/-

Mr D Dasgupta

Director

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

Ranbaxy Holdings (U.K.) Limited
 Company No: 3062051
NOTES TO THE ACCOUNTS
 for the year ended 31 December 2010

1 ACCOUNTING POLICIES

Accounting convention

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

Going Concern

The company has sufficient assets to cover its liabilities. As a consequence, the directors have a reasonable expectation that the company has adequate resources to continue in operation existence for a foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Foreign currencies

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

Investments

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

Cash Flow Statement

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

Consolidation

The company has not prepared consolidated group financial statements, being itself a wholly owned subsidiary of Ranbaxy (Netherlands) BV, a company incorporated in the Netherlands and in whose consolidated group financial statements this company's results are included and consequently the company is exempt from doing so in accordance with FRS2 and Section 400 of the Companies Act 2006. The financial statements present information about the undertaking as an individual undertaking and not about its group

Deferred Taxation

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

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

	2010	2009
	£	£
Auditors remuneration		
Amounts receivable by the auditors (KPMG LLP) in respect of:		
Audit of these financial statements	4,000	4,000
Exchange loss/(gain) on foreign transactions	161	(2,053)
Bank Charges	386	295
Tax Computation	500	500
Administration expenses	499	605

	2010	2009
	IN INR	IN INR
Auditors remuneration		
Amounts receivable by the auditors (KPMG LLP) in respect of:		
Audit of these financial statements	283,688	283,688
Exchange loss/(gain) on foreign transactions	11,388	(145,603)
Bank Charges	27,345	20,922
Tax Computation	35,461	35,461
Administration expenses	35,390	42,908

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

Ranbaxy Holdings (U.K.) Limited

Company No: 3062051

NOTES TO THE ACCOUNTS

for the year ended 31 December 2010 (continued)

3 TAX ON LOSS ON ORDINARY ACTIVITIES	2010	2009	2010	2009
	£	£	IN INR	IN INR
The corporation tax comprises:-				
UK corporation tax at 28 %	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The taxable loss of £5546 has been group relieved for nil consideration				
 4 INVESTMENTS	 2010	 2009	 2010	 2009
Shares at Cost in group undertakings - subsidiaries	£	£	IN INR	IN INR
At 1 January	<u>31,988,887</u>	31,990,266	<u>2,236,985,105</u>	<u>2,237,081,538</u>
Investment	-	-	-	-
Disposed	<u>-</u>	-1379	<u>0</u>	<u>-96,434</u>
Net book amount at 31 December	<u><u>31,988,887</u></u>	<u><u>31,988,887</u></u>	<u><u>2,236,985,105</u></u>	<u><u>2,236,985,105</u></u>

The company owns:

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

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

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

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

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

2% (2162 shares) of the ordinary share capital of Ranbaxy Mexico Ltd, a company incorporated and operating as a distributor of Pharmaceuticals in Mexico.

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

The aggregate capital and reserves of Ranbaxy Inc. and subsidiaries as at 31st December 2010 were \$ 197,010,467 [IN INR 13,776,955,734] (2009 - \$167,298,537 [In INR 11,699,198,391]). During the year to 31st December 2010 Ranbaxy Inc. made a profit of \$ 29,659,620 [IN INR 2,103,519,149 (2009 \$17,542,670[IN INR 1,244,160,099])

Ranbaxy Holdings (U.K.) Limited

Company No: 3062051

NOTES TO THE ACCOUNTS

for the year ended 31 December 2010 (continued)

4 INVESTMENTS (Continued)

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

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

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

The consolidated net assets of Ranbaxy Inc. at 31 December 2010 when translated at the closing exchange rate amount to £ 126,256,387 [IN INR 8,829,117,972] (2009: £ 103,532,729 [IN INR 7,240,050,979]) produced a surplus in comparison to the investment holding value in Ranbaxy Holdings (UK) Ltd of £ 94,297,364 [IN INR 6,594,221,259] (2009:£ 71,573,706 [IN INR 5,005,154,266)

The aggregate capital and reserves of Ranbaxy Europe Limited as at 31st December 2010 was £ 771,355 [IN INR 53,940,909] (2009 - £555,035 [IN INR 38,813,636]). Ranbaxy Europe Limited generated a Profit for the year ended 31st December 2010 of £ 216,320 [IN INR 15,341,844] (2009 - £186,789 [IN INR 13,247,447] profit).

5 CREDITORS: amounts falling due within one year	2010	2009
	£	£
Due to group undertaking	29,286	24,031
Accruals	5,000	4,700
	<u>34,286</u>	<u>28,731</u>
CREDITORS: amounts falling due within one year	2010	2009
	IN INR	IN INR
Due to group undertaking	2,047,947	1,680,490
Accruals	349,680	328,671
	<u>2,397,627</u>	<u>2,009,161</u>

Ranbaxy Holdings (U.K.) Limited

Company No: 3062051

NOTES TO THE ACCOUNTS

for the year ended 31 December 2010 (continued)

6 SHARE CAPITAL	2010	2009	2010	2009
	£	£	IN INR	IN INR
(a) Authorised at the beginning and end of year				
50,000,000 Ordinary shares of £1 each	<u>50,000,000</u>	<u>50,000,000</u>	<u>3,496,503,497</u>	<u>3,496,503,497</u>
	£	£	IN INR	IN INR
(b) Allotted, called up and fully paid				
30,556,201 Ordinary shares of £1 each	<u>30,556,201</u>	<u>30,556,201</u>	<u>2,136,797,273</u>	<u>2,136,797,273</u>

7 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	Called up share capital	Profit and loss account	Total equity shareholders' funds	Called up share capital	Profit and loss account	Total equity shareholders' funds
	£	£	£	IN INR	IN INR	IN INR
Balance at 31 December 2008	30,556,201	1,425,925	31,982,126	2,136,797,273	99,715,014	2,236,512,287
Retained loss for the year	-	(3,347)	(3,347)	-	(234,056)	(234,056)
Balance at 31 December 2009	<u>30,556,201</u>	<u>1,422,578</u>	<u>31,978,779</u>	<u>2,136,797,273</u>	<u>99,480,958</u>	<u>2,236,278,231</u>
Retained loss for the year	-	(5,546)	(5,546)		(387,832)	(387,832)
Balance at 31 December 2010	<u><u>30,556,201</u></u>	<u><u>1,417,032</u></u>	<u><u>31,973,233</u></u>	<u><u>2,136,797,273</u></u>	<u><u>99,093,126</u></u>	<u><u>2,235,890,399</u></u>

Ranbaxy Holdings (U.K.) Limited

Company No: 3062051

NOTES TO THE ACCOUNTS

for the year ended 31 December 2010 (continued)

8 DIRECTORS' EMOLUMENTS

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

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

9 TRANSACTIONS WITH RELATED PARTIES

The Company is exempt from the requirement to disclose transactions with other group companies, on the grounds that all of its voting rights are controlled by Ranbaxy (Netherlands) B.V. and the company's results are consolidated within the financial statements of Ranbaxy (Netherlands) B.V.

10 ULTIMATE HOLDING COMPANY

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

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

The financial statements of the company's intermediate parent company, Ranbaxy Laboratories Ltd, also include the results of the company

The directors regard Daiichi Sankyo Co., Ltd as the ultimate controlling party.

Note: The conversion rate used against Indian Rupees for the year 2010 & 2009 are as under:

i) Items relating to Profit and Loss Account at Average Rate : 1 GBP = 0.0141

ii) Items relating to Balance Sheet at Closing rate : 1 GBP = 0.0143