

Public Accountants
An Independent Member
Firm of Morison International

 **Morison (Mauritius)**

Piramal International

FINANCIAL STATEMENTS

31 March 2011

PIRAMAL INTERNATIONAL

CONTENTS	PAGES
CORPORATE INFORMATION	1
COMMENTARY OF THE DIRECTORS	2
CERTIFICATE FROM THE SECRETARY	3
INDEPENDENT AUDITORS' REPORT	4 - 5
STATEMENT OF COMPREHENSIVE INCOME	6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10 - 15

PIRAMAL INTERNATIONAL**CORPORATE INFORMATION**

		Date appointed
DIRECTORS:	Mr Ajay Gopikisan Piramal	22 August 1996
	Mr Ashraf Ramtoola	19 August 1996
	Mr Poovazhagan Soobramanien	3 October 2008
	Mr Khushru Jijina	30 September 2009

CORPORATE SECRETARY: International Management (Mauritius) Ltd
 Les Cascades
 Edith Cavell Street
 Port Louis
 REPUBLIC OF MAURITIUS

REGISTERED OFFICE: C/o International Management (Mauritius) Ltd
 Les Cascades
 Edith Cavell Street
 Port Louis
 REPUBLIC OF MAURITIUS

AUDITORS: Morison (Mauritius)
 Public Accountants
 2nd Floor, Fairfax House
 21, Mgr Gonin Street
 Port Louis
 REPUBLIC OF MAURITIUS

PIRAMAL INTERNATIONAL

COMMENTARY OF THE DIRECTORS

The directors present their commentary, together with the audited financial statements of Piramal International (the "Company") for the year ended 31 March 2011.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of investment holding.

RESULTS

The results for the year are as shown in the statement of comprehensive income.

The directors do not recommend the payment of dividend for the year under review (2010: NIL)

DIRECTORS

The present membership of the Board is set out on page 1.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting 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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Morison (Mauritius), have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting of the shareholders.

PIRAMAL INTERNATIONAL**CERTIFICATE FROM THE SECRETARY**

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001 in terms of Section 166(d) for the year ended 31 March 2011.



for International Management (Mauritius) Ltd
Corporate Secretary

Date: 20 APR 2011



Morison (Mauritius)

4

Public Accountants

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF PIRAMAL INTERNATIONAL

This report is made solely to the Company's shareholder as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of Piramal International, the ("Company"), which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

1st Floor, Fairfax House, 21 Mgr Gonin Street - Port Louis - Republic of Mauritius

Tel: (230) 212 9487 / 210 13 78 / 210 5172 - Fax: (230) 210 5927

Email Address: naz.bhugaloo@mmultd.net

Email Address: poornim.beeharry@mmultd.net

**An Independent Member of Morison International,
a Global Association of Independent Professional Firms**



Morison (Mauritius)

5

Public Accountants

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF PIRAMAL INTERNTAIONAL

Opinion

In our opinion, the financial statements on pages 6 to 15 give a true and fair view of the financial position of the Company as at 31 March 2011, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Morison (Mauritius)

Morison (Mauritius)
Public Accountants

Pudmanee R Beeharry, FCCA
Signing Partner

Date: 20 APR 2011

Port Louis, Mauritius

1st Floor, Fairfax House, 21 Mgr Gonin Street - Port Louis - Republic of Mauritius

Tel: (230) 212 9487 / 210 13 78 / 210 5172 - Fax: (230) 210 5927

Email Address: naz.bhugaloo@mmultd.net

Email Address: poornim.beeharry@mmultd.net

An Independent Member of Morison International,
a Global Association of Independent Professional Firms

PIRAMAL INTERNATIONAL**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2011**


	<u>Note</u>	<u>2011</u> INR	<u>2010</u> INR
INCOME			
Other income		<u>81,251</u>	<u>83,076</u>
EXPENSES			
Licence fees		<u>81,251</u>	<u>83,076</u>
Profit before taxation		-	-
Taxation	4	<u>-</u>	<u>-</u>
Profit for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		<u>-</u>	<u>-</u>

The notes on pages 10 to 15 form an integral part of these financial statements.
Independent auditors' report on pages 4 and 5

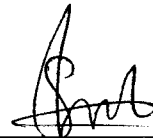
PIRAMAL INTERNATIONAL**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011**

	<u>Note</u>	<u>2011</u> INR	<u>2010</u> INR
ASSETS			
Total assets		-	-
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	5	36,791,443	36,791,443
Revenue deficit		(48,808,246)	(48,808,246)
Translation reserves		12,016,803	12,016,803
		-	-
Total equity and liabilities		-	-

Approved by the Board of Directors on 20 APR 2011 and signed on its behalf by



Director



Director

The notes on pages 10 to 15 form an integral part of these financial statements.
Independent auditors' report on pages 4 and 5

PIRAMAL INTERNATIONAL**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2011**

	<u>Stated capital</u> INR	<u>Revenue deficit</u> INR	<u>Translation reserves</u> INR	<u>Total</u> INR
At 1 April 2009	36,791,443	(48,808,246)	12,016,803	-
Total comprehensive income for the year	-	-	-	-
At 31 March 2010	<u>36,791,443</u>	<u>(48,808,246)</u>	<u>12,016,803</u>	<u>-</u>
At 1 April 2010	36,791,443	(48,808,246)	12,016,803	-
Total comprehensive income for the year	-	-	-	-
At 31 March 2011	<u>36,791,443</u>	<u>(48,808,246)</u>	<u>12,016,803</u>	<u>-</u>

The notes on pages 10 to 15 form an integral part of these financial statements.
Independent auditors' report on pages 4 and 5

PIRAMAL INTERNATIONAL**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2011**

	<u>2011</u> INR	<u>2010</u> INR
OPERATING ACTIVITIES		
Profit for the year	-	-
Net cash generated from operating activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of the year	<u>-</u>	<u>-</u>

The notes on pages 10 to 15 form an integral part of these financial statements.
Independent auditors' report on pages 4 and 5

PIRAMAL INTERNATIONAL**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011****1. COMPANY PROFILE**

Piramal International (the "Company") is a private company, limited by shares and incorporated in the Republic of Mauritius on 19 August 1996 under the Mauritius Companies Act 1984. Following the enactment of the Financial Act 2007, it has been granted a Category 1 Global Business Licence by the Financial Services Commission.

The principal activity of the Company is that of investment holding and its registered office is situated at C/o International Management (Mauritius) Ltd, Les Cascades, Edith Cavell Street, Port Louis, Republic of Mauritius.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS.

In the current year, the directors has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 April 2010.

2.1. New and revised IFRSs and IFRICs applied with no material effect on financial statements

The following relevant new and revised Standards and Interpretations have been applied in these financial statements. Their application did not have any significant impact on the amounts reported for the current and/or prior periods but may impact the accounting for future transactions or arrangements.

IAS 1	Presentation of financial statements - Amendments resulting from April 2009 Annual Improvements to IFRSs
IAS 7	Statement of Cash Flows - Amendments resulting from April 2009 Annual Improvements to IFRSs
IAS 17	Leases - Amendments resulting from April 2009 Annual Improvements to IFRSs
IAS 27	Consolidated and Separate Financial Statements - (Amendments resulting from periods beginning on or after 1 July 2010)
IAS 36	Impairment of Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs
IAS 39	Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items
IAS 39	Financial Instruments: Recognition and Measurement - Amendments resulting from April 2009 Annual Improvements to IFRSs
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments (Amendments resulting from periods beginning on or after 1 July 2010)

PIRAMAL INTERNATIONAL**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011****2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL
REPORTING STANDARDS (Cont'd)****2.2. New and revised IFRSs and IFRICs in issue but not yet effective**

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated:

- | | |
|----------|--|
| IAS 1 | Presentation of Financial Statements – Amendments resulting from May 2010 Annual Improvements to IFRSs (effective 1 January 2011) |
| IAS 12 | Income Taxes - Limited scope amendment (recovery of underlying assets) (effective 1 January 2012) |
| IAS 24 | Related Party Disclosures - Revised definition of related parties (effective 1 January 2011) |
| IAS 32 | Financial Instruments: Presentation - Amendments relating to classification of rights issues (effective 1 February 2010) |
| IFRS 1 | First-time Adoption of International Financial Reporting Standards - Replacement of 'fixed dates' for certain exceptions with the 'date of transition to the IFRSs' (effective 1 July 2011) |
| IFRS 1 | First-time Adoption of International Financial Reporting Standards - Additional exemption for entities ceasing to suffer from severe hyperinflation (effective 1 July 2011) |
| IFRS 3 | Business Combinations – Amendments resulting from May 2010 Annual Improvements to IFRSs (effective 1 January 2011) |
| IFRS 7 | Financial Instruments: Disclosures - Amendments resulting from May 2010 Annual Improvements to IFRSs (effective 1 January 2011) |
| IFRS 7 | Financial Instruments: Disclosures - Amendments enhancing disclosures about transfers of financial assets (effective 1 July 2011) |
| IFRS 9 | Financial Instruments - Classification and measurement (effective 1 January 2013) |
| IFRIC 13 | Customer Loyalty Programmes - (effective 1 January 2011) |
| IFRIC 14 | IAS 19 – The Limit on a Define Benefit Asset, Minimum Funding Requirements and their Interaction (effective periods beginnings on or after 1 January 2008; November 2009 amendment with respect to voluntary prepaid contributions is effective for annual periods beginning on or after 1 January 2011) |

The directors anticipate that the application of these Standards and Interpretations on the above effective dates in future periods will have no material impact on the financial statements of the Company.

PIRAMAL INTERNATIONAL**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011****3. ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below:

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) including International Accounting Standards (IAS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) issued by the International Accounting Standards Board (IASB).

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

(b) Basis of preparation

The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. At 31 March 2011 involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

(c) Foreign currencies*Functional currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in the Indian rupee ("INR"), which is the Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into INR using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

(d) Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

PIRAMAL INTERNATIONAL**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011****3. ACCOUNTING POLICIES (Cont'd)****(e) Revenue recognition**

Interest income is recognised on a time proportion basis using the effective interest rate method. Dividend income is recognised when the Company's right to receive payment is established.

(f) Expense recognition

Expenses are accounted for in the profit and loss on an accrual basis.

(g) Provisions

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each of reporting date and adjusted to reflect the current best estimate.

(h) Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations is subject to interpretations and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

PIRAMAL INTERNATIONAL**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011****3. ACCOUNTING POLICIES (Cont'd)****(j) Financial instruments***Values of financial instruments*

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of these assets and liabilities approximate their fair values.

(k) Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individual or other entities.

(l) Critical accounting judgements and estimates*Critical accounting judgements in applying the Company's accounting policies*

In the process of applying the company's accounting policies, which are described in Note 3, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements:-

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising there from are dependent on the functional currency selected. As described in Note 3, the directors have considered those factors described therein and have determined that the functional currency of the Company is the INR.

4. TAXATION

The Company is liable to pay tax in Mauritius at the rate of 15%. The effective tax rate after foreign tax credit, would be at most 3% of gross foreign source income. Foreign tax credit is the higher of:

- (a) deemed foreign tax credit of 80% of Mauritius tax charge, and
- (b) withholding tax suffered on foreign source income. In addition to the withholding tax credit, in the case of dividend income, tax credit is available for any foreign tax imposed on the profits out of which that dividend income was directly and indirectly received. Capital gains of the Company are exempt from tax in Mauritius.

As at 31 March 2011, no provision for taxation has been made as the company has accumulated tax losses.

PIRAMAL INTERNATIONAL**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

5. STATED CAPITAL	2011	2010
	INR	INR
<i>Issued and Fully paid</i>		
1,025,000 Ordinary shares of USD 1 each (INR 35.89)	36,791,443	36,791,443

6. CONTINGENT LIABILITIES

At 31 March 2011, the Company has no material litigation or claims outstanding, pending or threatened against it, which would have a material adverse effect on the Company's financial position or results of operations.

7. EVENTS AFTER REPORTING DATE

There have been no material events after reporting date, which would require disclosure for adjustment to the 31 March 2011 financial statements.

8. CAPITAL COMMITMENTS

The Company has no material commitments at 31 March 2011.