

**PIRAMAL LIFE SCIENCES (UK) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31 MARCH 2011**  
**COMPANY REGISTRATION NUMBER 5160306**

# PIRAMAL LIFE SCIENCES (UK) LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

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# **PIRAMAL LIFE SCIENCES (UK) LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 MARCH 2011**

The directors present their report and the financial statements of the company for the year ended 31 March 2011.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company is an investment holding company. The directors consider the financial position of the company to be satisfactory.

#### **RESULTS AND DIVIDENDS**

The loss for the year amounted to £76,467 (Rs. 5.48 Million) (2010 Loss: £27,559 (Rs. 1.89 Million). The directors have not recommended a dividend.

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The directors make use of the ultimate parent company's risk management team to monitor and where possible mitigate the risks faced by the business. This includes credit risk, foreign exchange risk and interest rate risks.

#### **DIRECTORS**

The directors who served the company during the year were as follows:

Dr. S Sharma  
Dr. S A Piramal  
Mr N Santhanam

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

#### **AUDITOR**

Kajaine Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:  
1st Floor  
Alpine House  
Unit 2 Honeypot Lane  
London  
NW9 9RX

Signed by order of the directors  
ABC SECRETARIES LTD  
Company Secretary

Approved by the directors on 28<sup>th</sup> April, 2011.

## **PIRAMAL LIFE SCIENCES (UK) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

#### **YEAR ENDED 31 MARCH 2011**

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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;
- 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**PIRAMAL LIFE SCIENCES (UK) LIMITED****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PIRAMAL LIFE SCIENCES (UK) LIMITED****YEAR ENDED 31 MARCH 2011**

We have audited the financial statements of Piramal Life Sciences (UK) Limited for the year ended 31 March 2011 on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 and express an opinion on 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**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 March 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**OPINION ON OTHER MATTERS 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.

**PIRAMAL LIFE SCIENCES (UK) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PIRAMAL  
LIFE SCIENCES (UK) LIMITED** *(continued)*

**YEAR ENDED 31 MARCH 2011**

**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.

**Amanjit Singh (Senior Statutory auditor)**

For and on behalf of Kajaine Limited  
Chartered Accountants and Statutory Auditor  
1<sup>st</sup> Floor  
Alpine House Unit 2  
Honeypot Lane  
London  
NW9 9RX

28<sup>th</sup> April, 2011.

# PIRAMAL LIFE SCIENCES (UK) LIMITED

## PROFIT AND LOSS ACCOUNT YEAR ENDED 31 MARCH 2011

	Note	2011 £	Rs. In Million	2010 £	Rs. In Million
<b>TURNOVER</b>		-	-	-	-
Administrative expenses		<u>25,763</u>	<u>1.85</u>	<u>13,614</u>	<u>0.93</u>
<b>OPERATING LOSS</b>	<b>2</b>	<b>(25,763)</b>	<b>(1.85)</b>	<b>(13,614)</b>	<b>(0.93)</b>
Interest payable and similar charges	<b>4</b>	<b>50,704</b>	<b>3.63</b>	<b>13,945</b>	<b>(0.96)</b>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(76,467)</b>	<b>(5.48)</b>	<b>(27,559)</b>	<b>(1.89)</b>
Tax on loss on ordinary activities	<b>5</b>	-		-	
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(76,467)</b>	<b>(5.48)</b>	<b>(27,559)</b>	<b>(1.89)</b>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

# PIRAMAL LIFE SCIENCES (UK) LIMITED

## BALANCE SHEET

31 MARCH 2011

	Note	2011		2010	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investments	6	11,728,518	840.70	9,803,935	672.55
<b>CURRENT ASSETS</b>					
Debtors	7	1,774,324	127.18	1,774,324	121.72
Cash at bank		8,343	0.60	22,092	1.52
		<u>1,782,667</u>	127.78	<u>1,796,416</u>	123.24
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>96,665</u>	6.93	<u>46,059</u>	3.16
<b>NET CURRENT ASSETS</b>		<u>1,686,002</u>	120.85	<u>1,750,357</u>	120.07
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>13,414,520</u>	961.55	<u>11,554,292</u>	792.62
<b>CREDITORS: Amounts falling due after more than one year</b>	9	<u>3,970,625</u>	284.61	<u>2,033,930</u>	139.52
		<u>9,443,895</u>	676.94	<u>9,520,362</u>	653.10
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	11	9,600,000	688.12	9,600,000	658.56
Profit and loss account	12	(156,105)	(11.19)	(79,638)	(5.46)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	13	<u>9,443,895</u>	676.94	<u>9,520,362</u>	653.10

These financial statements were approved by the directors and authorised for issue on \_\_\_\_\_, and are signed on their behalf by:

MR N SANTHANAM  
28<sup>th</sup> April, 2011  
Company Registration Number: 5160306

# PIRAMAL LIFE SCIENCES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 MARCH 2011

#### 1. ACCOUNTING POLICIES

##### Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### Consolidation

The company has taken advantage of exemption provided by Section 401 of the Companies Act 2006 not to prepare group accounts as its ultimate parent, Piramal Healthcare Limited (see note 14) publishes consolidated accounts. The financial statements therefore present information about the company as an individual undertaking and not about its group.

##### Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is a wholly owned subsidiary and its ultimate parent, Piramal Healthcare Limited (See note 14) publishes a consolidated cash flow statement.

##### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating loss.

##### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### 2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2011		2010	
	£	Rs.in Million	£	Rs.in Million
Directors' remuneration	-	-	-	-
Auditor's remuneration				
- as auditor	3,000	0.21	2,500	0.17
- non audit service	500	0.03	300	0.02
Net profit/ (loss) on foreign currency translation	<b>(7,306)</b>	<b>(0.52)</b>	<b>9,027</b>	<b>0.62</b>

# PIRAMAL LIFE SCIENCES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 MARCH 2011

#### 3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2011	2010
	No	No
Number of management staff (Directors)	<u>3</u>	<u>3</u>

No salaries or wages have been paid to employees, including the directors, during the year.

#### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2011		2010	
	£	Rs in Million	£	Rs in Million
Interest Payable and similar charges	<u>50,704</u>	3.63	13,945	0.96

#### 5. TAXATION ON ORDINARY ACTIVITIES

##### Factors affecting current tax charge

	2011		2010	
	£	Rs in Million	£	Rs in Million
Loss on ordinary activities before taxation	<u>(76,467)</u>	(5.48)	(27,559)	(1.89)
Profit on ordinary activities by rate of tax	5,787	0.41	8455	0.58
Unrelieved tax losses carried forward	(5,787)	(0.41)	(8455)	(0.58)
Total current tax	<u>-</u>	-	-	-

#### 6. INVESTMENTS

##### Unquoted Investment

	£	Rs in Million
<b>COST</b>		
At 1 April 2010	9,803,935	702.75
Additions	1,924,583	137.95
At 31 <sup>st</sup> March 2011	<u>11,728,518</u>	<u>840.70</u>
<b>NET BOOK VALUE</b>		
At 31 March 2011	<u>11,728,518</u>	<u>840.70</u>
At 31 March 2010	<u>9,803,935</u>	<u>672.55</u>

# PIRAMAL LIFE SCIENCES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 MARCH 2011

The company owns 100% of the issued share capital (ordinary shares at a nominal value of £1 each) of Piramal Healthcare UK Limited, a company incorporated in the United Kingdom.

During the year the company acquired 100% share capital of Oxygen Healthcare Limited, a company incorporated in the United Kingdom.

#### 7. DEBTORS

	2011		2010	
	£	Rs in Million	£	Rs in Million
Amounts owed by group undertaking *	1,771,000	126.95	1,771,000	121.49
Corporation tax repayable	3,324	0.23	3,324	0.23
	<b>1,774,324</b>	<b>127.18</b>	<b>1,774,324</b>	<b>121.72</b>

\* Due after more than one year

#### 8. CREDITORS: Amounts falling due within one year

	2011		2010	
	£	Rs in Million	£	Rs in Million
Other Creditor	93,165	6.68	42,462	2.91
Accruals and deferred Income	3,500	0.25	3,597	0.25
	<b>96,665</b>	<b>6.93</b>	<b>46,059</b>	<b>3.16</b>

Trade creditor consists of loan interest payable to Piramal Holdings (Suisse) SA. (See Note 9)

#### 9. CREDITORS: Amounts falling due after more than one year

	2011		2010	
	£	Rs in Million	£	Rs in Million
Amount due to ultimate parent undertaking	139,018	9.96	146,323	10.04
Amount due to fellow group undertakings	3,831,607	274.65	1,887,607	129.48
	<b>3,970,625</b>	<b>284.61</b>	<b>2,033,930</b>	<b>139.52</b>

Amount due to fellow group undertakings includes loan of £2,119,000 (Rs. 151.89 Million) (2010 - £175,000 (Rs.12.01 Million) from Piramal Holdings (Suisse) SA. This loan is unsecured and repayable on demand. The loan bears interest at a monthly variable rate and the average rate during the year was 9.20% (2010 – 7.96%).

#### 10. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed by Financial Reporting Standard No 8, not to disclose any transactions with group companies on the basis that its ultimate parent company prepares consolidated financial statements which are publicly available.

# PIRAMAL LIFE SCIENCES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 MARCH 2011

There are no other related party transactions.

#### 11. SHARE CAPITAL

##### Authorised share capital:

	2011		2010	
	£	Rs in Million	£	Rs in Million
15,000,000 Ordinary shares of £1 each	<b>15,000,000</b>	1075.20	15,000,000	1029.00

##### Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
9,600,000 Ordinary shares of £1 each	<b>9,600,000</b>	<b>9,600,000</b>	9,600,000	9,600,000

#### 12. PROFIT AND LOSS ACCOUNT

	2011		2010	
	£	Rs in Million	£	Rs in Million
Balance brought forward	(79,638)	(5.71)	(52,079)	(3.57)
Loss for the financial year	(76,467)	(5.48)	(27,559)	(1.89)
Balance carried forward	<b>(156,105)</b>	(11.19)	(79,638)	(5.46)

#### 13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011		2010	
	£	Rs in Million	£	Rs in Million
Loss for the financial year	(76,467)	(5.48)	(27,559)	(1.89)
Opening shareholders' funds	<b>9,520,362</b>	682.42	9,547,921	654.99
Closing shareholders' funds	<b>9,443,895</b>	676.94	9,520,362	653.10

## **PIRAMAL LIFE SCIENCES (UK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **YEAR ENDED 31 MARCH 2011**

#### **14. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The immediate parent undertaking is Piramal Investment Holdings(Canada)Inc. , a company incorporated in Canada.

The directors consider the ultimate parent undertaking to be Piramal Healthcare Limited, a company incorporated in India.

The smallest and the largest group for which consolidated financial statements are publicly available, is that group headed by the ultimate parent undertaking, Piramal Healthcare Limited. Copies of these accounts can be obtained from Piramal Healthcare Limited, D-Mart Building, Goregaon-Mulund Link Road, Mulund West, Mumbai 400080, India.

**Note:**

The financial statements have been converted into Indian Rupees for the sole purpose of convenience of the reader at the rate of 1 GBP = Rs. 71.68 (Previous Year 1 GBP = Rs. 68.6). The convenience translation should not be construed as representation that the Indian Rupee amounts or the GBP amount referred to in these financial statements have been or could have been or could in the future be converted into GBP or INR, as the case may be, at this or any other rate of exchange, or at all.  
here is no one controlling party.

**PIRAMAL LIFE SCIENCES (UK) LIMITED**

**MANAGEMENT INFORMATION**

**YEAR ENDED 31 MARCH 2011**

**The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 3 to 4.**

**PIRAMAL LIFE SCIENCES (UK) LIMITED****DETAILED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MARCH 2011**

	<b>2011</b>		<b>2010</b>	
	<b>£</b>		<b>£</b>	
	<b>2011</b>		<b>2010</b>	
	<b>£</b>	<b>Rs. In Million</b>	<b>£</b>	<b>Rs. In Million</b>
<b>OVERHEADS</b>				
Administrative expenses	<u>25,763</u>	<u>1.85</u>	13,614	0.93
<b>OPERATING LOSS</b>	<b>(25,763)</b>	<b>(1.85)</b>	<b>(13,614)</b>	<b>(0.93)</b>
Interest on other loans	<b>(50,704)</b>	<b>(3.63)</b>	<b>(13,945)</b>	<b>(0.96)</b>
<b>LOSS ON ORDINARY ACTIVITIES</b>	<b><u>(76,467)</u></b>	<b><u>(5.48)</u></b>	<b><u>(27,559)</u></b>	<b><u>(1.89)</u></b>

**PIRAMAL LIFE SCIENCES (UK) LIMITED**

**NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 MARCH 2011**

	2011		2010	
	£	£	£	£
<b>ADMINISTRATIVE EXPENSES</b>				
<b>General expenses</b>				
Registered office fees	-	-	276	0.02
Company secretarial fees	-	-	240	0.02
Professional fees	<b>28,473</b>	2.04	-	-
Accountancy fees	<b>500</b>	0.04	294	0.02
Auditors remuneration	<b>3000</b>	0.22	2500	0.17
	<b>31,973</b>	2.29	3,310	0.23
Financial Costs				
Bank charges	<b>1,096</b>	0.08	1,277	0.09
Foreign currency gain/losses	<b>(7,306)</b>	(0.53)	9,027	0.61
	<b><u>(6,210)</u></b>	<b><u>(0.45)</u></b>	<b><u>10,304</u></b>	<b><u>0.70</u></b>
	<b><u>25,763</u></b>	<b><u>1.85</u></b>	<b><u>13,614</u></b>	<b><u>0.93</u></b>