

Zydus France SAS
Balance Sheet as at December 31, 2015

	Note No.	EUR-Thousands		INR-Thousands	
		As at December 31			
		2015	2014	2015	2014
EQUITY AND LIABILITIES:					
Shareholders' Funds:					
Share Capital	1	7,777	7,777	564,844	593,385
Reserves and Surplus	2	(802)	(2,095)	(58,251)	(159,850)
		6,975	5,682	506,593	433,535
Non-Current Liabilities:					
Other Long Term Liabilities	3	19	19	1,380	1,450
Current Liabilities:					
Short Term Borrowings	4	4	3,131	291	238,895
Trade Payables	5	11,826	10,539	858,922	804,126
Other Current Liabilities	6	256	86	18,593	6,563
Short Term Provisions	7	608	603	44,159	46,009
		12,694	14,359	921,965	1,095,593
Total		19,688	20,060	1,429,938	1,530,578
ASSETS:					
Non-Current Assets:					
Fixed Assets:					
Tangible Assets	8	1,029	1,157	74,736	88,278
Intangible Assets		1,212	1,809	88,027	138,026
		2,241	2,966	162,763	226,304
Long Term Loans and Advances	9	147	150	10,677	11,445
		2,388	3,116	173,440	237,749
Current Assets:					
Inventories	10	5,296	4,867	384,649	371,352
Trade Receivables	11	7,924	8,792	575,520	670,830
Short Term Loans and Advances	12	2,539	3,190	184,407	243,398
Cash and Cash Equivalents	13	1,480	-	107,492	-
Other Current Assets	14	61	95	4,430	7,249
		17,300	16,944	1,256,498	1,292,829
Total		19,688	20,060	1,429,938	1,530,578
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 26				

As per our report of even date

For Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration Number: 106625W

For and on behalf of the Board

Chandresh S. Shah
Partner
Membership Number: 042132
Ahmedabad, Dated: May 12, 2016

Director

Zydus France SAS
Statement of Profit and Loss for the year ended December 31, 2015

	Note No.	EUR-Thousands		INR-Thousands	
		Year ended December 31			
		2015	2014	2015	2014
REVENUE:					
Revenue from Operations:					
Sale of Products [Pharma Products]		31,891	32,973	2,269,682	2,671,472
Other Operating Revenues	15	1,680	2,045	119,566	165,686
Net Revenue from Operations		33,571	35,018	2,389,248	2,837,158
Other Income	16	255	170	18,148	13,773
Total Revenue		33,826	35,188	2,407,396	2,850,931
EXPENSES:					
Cost of Materials Consumed	17	1,138	1,448	81,782	118,921
Purchases of Stock-in-Trade	18	11,080	9,602	788,564	777,954
Changes in Inventories of Stock-in-Trade	19	(414)	617	(13,066)	79,260
Employee Benefits Expenses	20	2,319	2,352	165,043	190,558
Finance Costs	21	92	146	6,548	11,829
Depreciation, Impairment and Amortisation expenses	8	816	1,147	58,074	92,930
Other Expenses	22	17,502	19,455	1,245,617	1,576,246
Total Expenses		32,533	34,767	2,332,562	2,847,698
Profit for the year		1,293	421	74,834	3,233
		EUR		INR	
Basic & Diluted Earning per Equity Share [EPS]	23	0.67	0.22	38.49	1.66
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 26				

As per our report of even date

For Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration Number: 106625W

For and on behalf of the Board

Chandresh S. Shah
Partner
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Ahmedabad, Dated: May 12, 2016

Director

Zydus France SAS

I-Company overview:

Zydus France SAS [the Company] is engaged in pharmaceutical business and operates principally in France. It is 100% subsidiary of Zydus International Private Limited, Ireland. The ultimate holding company is Cadila Healthcare Limited, based in India.

II-Significant Accounting Policies:

1 Basis of Accounting:

- A** The accounts have been prepared, in conformity with the 1999 French Chart of Accounts, using generally accepted accounting principles, with the acceptable assumptions and with the rules relating to liabilities.
- B** General accounting conventions have been applied, to respect the principle of prudence, using the following basic hypothesis:
 - a Going concern,
 - b Continuity of accounting method from year to year, except on intangible assets where the rule has been changed in 2004, and in conformity with general rules relating to the establishment and presentation of the annual accounts.
- C** The basic method used for the evaluation of items booked in the books of accounts is that of historical cost method.
- D** In 2004, the Company decided to depreciate Market Authorisation [MAT] [Autorisations de Mise sur le Marché (AMM)] for the saleable products for a period of ten years starting from the date of acquisition of the MAT [AMM].
- E** Only significant information are presented.

2 Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in France requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. These estimates are often based on judgments, probabilities and assumptions that management believes are reasonable but that are inherently uncertain and unpredictable. As a result, actual result could differ from those estimates. Management periodically evaluates estimates used in the preparation of the consolidated financial statements for continued reasonableness. Appropriate adjustment, if any, to the estimates used are made prospectively based on such periodic evaluations.

3 Reporting Currency Translation :

The Local accounts are maintained in local and functional currency which is "Euro". These accounts have been translated in Indian Rupees considering the operation of the Company as "Non-integral operations" for holding company. The translation of Financial Statements to Indian Rupee [INR] from "Euro" is performed for assets and liabilities using the exchange rates prevailing on the Balance sheet dates and for revenues and expenses using the average exchange rates for the respective periods. The gain or loss resulting from such translation is included in "Foreign Currency Translation Reserve" under Reserves and Surplus.

4 Fixed Assets and Depreciation:

A Tangible Fixed Assets:

- a Tangible fixed assets are stated at acquisition value.
- b Tangible fixed assets are depreciated on a straight line basis in relation to their estimated useful lives.
- c The rates applied are as follows:

- Building	5%
- Fixtures and Fittings	10% & 20%
- Tools	20%
- Motor Vehicles	20%
- Office Equipment	20%

B Intangible Fixed Assets:

- a Intangible fixed assets are stated at acquisition value.
- b MAT [AMM] are depreciated over a period of ten years or 10 % p.a.
- c The company did impairment test by calculating net profit for each product, based on forecasted sales for nine years with two terminal years, the comparison is done with the net value including amortisation. The company prepared a projected Profit & Loss Account for each product from 2015 until 2023 that served the basis of the calculation of this "impairment test". The net profit so calculated is discounted by 3.50% and is compared with the net value of the MAT. If the net profit was lower than the net value of the MAT, a provision for the difference is made and if the net profit is higher than the net value of the MAT, the excess provision of the previous year is cancelled.

5 Impairment of Assets:

The company assesses at each year end date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs, is determined. If an impairment loss subsequently reverses, the carrying amount of the asset [or group of related assets] is increased to the revised estimate of its recoverable amount [selling price less costs to complete and sell, in the case of inventories], but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset [or group of assets] in prior years. A reversal of impairment is recognised immediately in profit or loss.

6 Inventories:

- A** The raw materials, packaging and finished goods are valued at lower of cost and net realisable value.
 - B** Cost of raw materials, packaging and finished goods are determined on Moving Average Method.
 - C** The following method governs the calculation of provisions for expiry:
 - a each product is identified with an expiration date
 - b a forecast of sales by product is established
 - c the date of closing, the theoretical stock of unsold products six months before the expiry date is calculated,
 - d the amount of stock expires and is determined at 100%
- The risk of deterioration or obsolescence is well covered .

II-Significant Accounting Policies-Continued:**7 Revenue Recognition:**

- A** The Company recognizes product sales revenue when title and risk of loss have transferred to the customers, when estimated provisions for product returns, rebates, including Medical rebates and other sales allowances are reasonably determinable, and when collectibles is reasonably assured. Accruals for these provisions are presented as reductions to revenues.
- B** Revenue is recognised when services are rendered and expenses reflected when costs are incurred.
- C** Interest income is recognised on time proportionate method.

8 Foreign Currency Transactions:

The transactions in the foreign currencies are stated at the rates prevailing on the date of transaction.

9 Retirement Commitments:

The amount of retirement indemnity is evaluated using the formula retained by the collective agreement of the Pharmaceutical Industry.

10 Provision for Bad and Doubtful Debts/ Advances:

- A** Provision is made in accounts for bad and doubtful debts which in the opinion of management are considered doubtful for recovery.
- B** As per the accounting policy followed in France, if the overdue outstanding is more than 150 days, 50% of over due amount shall be provided. If company decides to take legal actions for such unpaid amounts 50% shall be provided even if the overdue is less than 150 days. The outstanding amount shall be written off only after and as per the court decision. In other words, in books amount shall not be written off till the Court decision is not received.

Zydus France SAS
Notes to the Financial Statements

	EUR-Thousands		INR-Thousands	
	As at December 31			
	2015	2014	2015	2014
Note: 1-Share Capital:				
Authorised:				
1,944,134 [as at December 31, 2014: 1,944,134] Equity Shares of EUR 4/- each	7,777	7,777	564,844	593,385
	7,777	7,777	564,844	593,385
Issued, Subscribed and Paid-up:				
1,944,134 [as at December 31, 2014: 1,944,134] Equity Shares of EUR 4/- each	7,777	7,777	564,844	593,385
	7,777	7,777	564,844	593,385
A There is no change in the number of shares as at the beginning and end of the year. Number of shares at the beginning and end of the year	1,944,134	1,944,134		
B The Company has only equity shares. All equity shares rank pari passu and carry equal rights with respect to voting and dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all preferential amounts.				
C Equity shares of EUR 4/- each, fully paid held by Holding Company, Zydus International Private Limited, a company incorporated in the Republic of Ireland which is a subsidiary company of Cadila Healthcare Limited, the ultimate holding company, a company incorporated in India. Number of Shares % to total share holding	1,944,134 100%	1,944,134 100%		
Note: 2-Reserves and Surplus:				
Capital Reserve:				
Balance as per last Balance Sheet	1,426	1,426	103,570	108,804
Other Reserves:				
General Reserve:				
Balance as per last Balance Sheet	174	174	12,638	13,276
Legal Reserve:				
Balance as per last Balance Sheet	54	54	3,922	4,120
Foreign Currency Translation Reserve:				
Balance as per last Balance Sheet	-	-	54,448	-
Add: Exchange rate differences on translation to INR	-	-	32,835	54,448
	-	-	87,283	54,448
Surplus in statement of Profit and Loss:				
Balance as per last Balance Sheet	(3,749)	(4,170)	(340,498)	(343,731)
Add: Profit for the year	1,293	421	74,834	3,233
Balance as at the end of the year	(2,456)	(3,749)	(265,664)	(340,498)
Total	(802)	(2,095)	(58,251)	(159,850)
Note :3-Other Long Term Liabilities:				
Deposits	19	19	1,380	1,450
Total	19	19	1,380	1,450
Note :4-Short Term Borrowings:				
Loans repayable on Demand:				
Working Capital Loans from Banks [Unsecured] [*]	4	3,131	291	238,895
Total	4	3,131	291	238,895
[*] The working capital loan is backed by Corporate Guarantee of the ultimate holding company.				
Note: 5-Trade Payables:				
Trade Payables	11,826	10,539	858,922	804,126
Total	11,826	10,539	858,922	804,126
Note: 6-Other Current Liabilities:				
Bank Overdraft	-	12	-	916
Others:				
Provision for Expenses	60	69	4,358	5,265
Payable to Statutory Authorities	196	5	14,235	382
Total	256	86	18,593	6,563
Note: 7-Short Term Provisions:				
Provision for Employee Benefits	608	603	44,159	46,009
Total	608	603	44,159	46,009

Zydus France SAS
Notes to the Financial Statements

Note: 8-Fixed Assets:

	EUR-Thousands				INR-Thousands			
	Buildings	Plant and Equipment	Office Equipment	Total	Buildings	Plant and Equipment	Office Equipment	Total
A Tangible Assets:								
Gross Block:								
As at December 31, 2013	2,345	2	60	2,407	193,298	165	4,946	198,409
Additions	2		4	6	162	-	324	486
Disposals					-	-	-	
Other adjustments					(14,384)	(12)	(387)	(14,783)
As at December 31, 2014	2,347	2	64	2,413	179,076	153	4,883	184,112
Additions	2			2	142	-	-	142
Disposals					-	-	-	
Other adjustments					(8,610)	(8)	(235)	(8,853)
As at December 31, 2015	2,349	2	64	2,415	170,608	145	4,648	175,401
Depreciation and Impairment:								
As at December 31, 2013	1,070	2	44	1,116	88,200	165	3,627	91,992
Charge for the year	132	-	8	140	10,695	-	648	11,343
Disposals					-	-	-	
Other adjustments					(7,182)	(12)	(307)	(7,501)
As at December 31, 2014	1,202	2	52	1,256	91,713	153	3,968	95,834
Charge for the year	125		5	130	8,896	-	356	9,252
Disposals					-	-	-	
Other adjustments					(4,229)	(8)	(184)	(4,421)
As at December 31, 2015	1,327	2	57	1,386	96,380	145	4,140	100,665
Net Block:								
As at December 31, 2014	1,145	-	12	1,157	87,363	-	915	88,278
As at December 31, 2015	1,022	-	7	1,029	74,228	-	508	74,736
B Intangible Assets:								
	EUR-Thousands			INR-Thousands				
	Brands/ Trademarks	Computer Software	Total	Brands/ Trademarks	Computer Software	Total		
Gross Block:								
As at December 31, 2013	14,125	146	14,271	1,164,324	12,035	1,176,359		
Additions	74	3	77	5,995	243	6,238		
Disposals	(1,695)		(1,695)	(137,329)	-	(137,329)		
Other adjustments				(78,935)	(909)	(79,844)		
As at December 31, 2014	12,504	149	12,653	954,055	11,369	965,424		
Additions	87	2	89	6,192	142	6,334		
Disposals	(10)		(10)	(712)	-	(712)		
Other adjustments				(45,777)	(544)	(46,321)		
As at December 31, 2015	12,581	151	12,732	913,758	10,967	924,725		
Amortisation:								
As at December 31, 2013	9,889	122	10,011	815,150	10,056	825,206		
Charge for the year	1,193	10	1,203	96,657	810	97,467		
Disposals	(1,695)		(1,695)	(137,329)	-	(137,329)		
Other adjustments	-	-		(58,250)	(794)	(59,044)		
As at December 31, 2014	9,387	132	9,519	716,228	10,072	726,300		
Charge for the year	1,073	12	1,085	76,365	854	77,219		
Disposals				-	-			
Other adjustments				(32,883)	(467)	(33,350)		
As at December 31, 2015	10,460	144	10,604	759,710	10,459	770,169		
Impairment Loss:								
As at December 31, 2013	1,521	-	1,521	125,376	-	125,376		
Additions	(196)	-	(196)	(15,880)	-	(15,880)		
Disposals	-	-		-	-			
Other adjustments				(8,398)	-	(8,398)		
As at December 31, 2014	1,325	-	1,325	101,098	-	101,098		
Additions	(399)		(399)	(28,397)	-	(28,397)		
Disposals	(10)		(10)	(712)	-	(712)		
Other adjustments				(5,460)	-	(5,460)		
As at December 31, 2015	916	-	916	66,529	-	66,529		
Net Block:								
As at December 31, 2014	1,792	17	1,809	136,729	1,297	138,026		
As at December 31, 2015	1,205	7	1,212	87,519	508	88,027		

Note: Other adjustments include adjustments on account of exchange rate translation differences.

Zydus France SAS
Notes to the Financial Statements

	EUR-Thousands		INR-Thousands	
	As at December 31			
	2015	2014	2015	2014
Note: 9-Long Term Loans and Advances:				
[Unsecured, Considered Good unless otherwise stated]				
Security Deposits	147	150	10,677	11,445
Total	147	150	10,677	11,445
Note: 10-Inventories:				
Classification of Inventories [Valued at lower of cost or net realisable value]:				
Raw Materials	235	221	17,068	16,862
Stock-in-Trade	5,047	4,633	366,564	353,498
Others:				
Packing Materials	14	13	1,017	992
Total	5,296	4,867	384,649	371,352
Note: 11-Trade Receivables:				
[Unsecured]				
Outstanding for a period exceeding six months from the date they are due for payment:				
Considered doubtful	347	278	25,203	21,211
Less : Provision for doubtful debts	347	278	25,203	21,211
	-	-	-	-
Others- Considered good	7,924	8,792	575,520	670,830
Total	7,924	8,792	575,520	670,830
Note: 12-Short Term Loans and Advances:				
[Unsecured, Considered Good unless otherwise stated]				
Balances with Revenue Authorities	1,137	1,445	82,580	110,254
Advances to Suppliers	135	397	9,805	30,292
Advances recoverable in cash or in kind or for value to be received	1,267	1,348	92,022	102,852
Total	2,539	3,190	184,407	243,398
Note: 13 -Cash and Bank Balances :				
Balances with Banks	1,480	-	107,492	-
Total	1,480	-	107,492	-
Note: 14-Other Current Assets:				
[Unsecured, Considered good]				
Prepaid Expenses	61	95	4,430	7,249
Total	61	95	4,430	7,249

Zydus France SAS
Notes to the Financial Statements

	EUR-Thousands		INR-Thousands	
	Year ended December 31			
	2015	2014	2015	2014
Note: 15-Other Operating Revenues:				
Miscellaneous Income [*]	1,680	2,045	119,566	165,686
Total	1,680	2,045	119,566	165,686
[*] includes reversal of provision for doubtful debt				
	38	389	2,704	31,517
Note: 16-Other Income:				
Other Non-operating Income	255	170	18,148	13,773
Total	255	170	18,148	13,773
Note: 17-Cost of Materials Consumed:				
Raw Materials:				
Stock at commencement	221	397	16,862	32,725
Add: Purchases	1,088	1,136	77,433	92,039
	1,309	1,533	94,295	124,764
Less: Stock at close	235	221	17,068	16,862
	1,074	1,312	77,227	107,902
Packing Materials consumed	64	136	4,555	11,019
Total	1,138	1,448	81,782	118,921
Note: 18-Purchase of Stock-in-Trade:				
Purchase of Stock-in-Trade [Pharma Products]	11,080	9,602	788,564	777,954
Total	11,080	9,602	788,564	777,954
Note: 19-Changes in Inventories of Stock-in-Trade:				
Stock-in-Trade:				
Stock at commencement	4,633	5,250	353,498	432,758
Less : Stock at close	5,047	4,633	366,564	353,498
Total	(414)	617	(13,066)	79,260
Note: 20-Employee Benefits Expense:				
Salaries and wages	1,579	1,667	112,377	135,060
Contribution to provident and other funds	719	664	51,171	53,797
Staff welfare expenses	21	21	1,495	1,701
Total	2,319	2,352	165,043	190,558
Note: 21-Finance Cost:				
Interest expense [*]	7	51	499	4,132
Bank commission & charges	85	95	6,049	7,697
Total	92	146	6,548	11,829
[*] The break up of interest expense into major heads:				
On working capital loans	4	42	285	3,403
Others	3	9	214	729
Total	7	51	499	4,132

Zydus France SAS
Notes to the Financial Statements

	EUR-Thousands		INR-Thousands	
	Year ended December 31			
	2015	2014	2015	2014
Note: 22-Other Expenses:				
Power & fuel	12	25	854	2,026
Rent	96	113	6,832	9,155
Repairs to buildings	13	10	925	810
Repairs to Others	45	34	3,203	2,755
Insurance	124	81	8,825	6,563
Rates and Taxes [excluding taxes on income]	2,058	1,526	146,468	123,637
Traveling Expenses	841	1,098	59,854	88,960
Legal and Professional Fees	318	371	22,632	30,058
Freight and forwarding on sales	3	4	214	324
Commission on sales	1,229	1,375	87,468	111,403
Other marketing expenses	8,857	11,798	630,353	955,874
Bad Debts:				
Bad debts written off	26	11	1,850	891
Provision for Doubtful Debts	107	278	7,615	22,524
	133	289	9,465	23,415
Miscellaneous Expenses [*]	3,773	2,731	268,524	221,266
Total	17,502	19,455	1,245,617	1,576,246
[*] Miscellaneous Expenses include Payment to the Statutory Auditors:				
i As Auditor	32	26	2,277	2,107
ii For taxation matters	-	2	-	162
iii Total	32	28	2,277	2,269

Note: 23-Calculation of Earnings per Equity Share [EPS]:				
The numerators and denominators used to calculate the basic and diluted EPS are as follows:				
A Profit attributable to Shareholders	1,293	421	74,834	3,233
B Basic and weighted average number of shares outstanding during the period	1,944,134	1,944,134	1,944,134	1,944,134
	EUR		INR	
C Nominal value of equity share	4	4		
D Basic & Diluted EPS	0.67	0.22	38.49	1.66

Note: 24-Segment Information:
There is only one segment namely, "Pharmaceutical Products".

Note: 25-Related Party Transactions:				
A Name of the Related Parties and Nature of the Related Party Relationship:				
a Holding Company:	Zydus International Private Limited [Ireland]			
b Ultimate Holding Company:	Cadila Healthcare Limited [India]			
c Fellow Subsidiaries:				
Dialforhealth India Limited	Zydus Noveltech Inc. [USA]			
Dialforhealth Unity Limited	Hercon Pharmaceuticals LLC [USA]			
Dialforhealth Greencross Limited	Zydus Healthcare S.A. (Pty) Ltd [South Africa]			
German Remedies Limited	Simayla Pharmaceuticals (Pty) Ltd [South Africa]			
Zydus Wellness Limited	Script Management Services (Pty) Ltd [South Africa]			
M/s. Zydus Wellness-Sikkim, a Partnership Firm	Zydus Nikkho Farmaceutica Ltda. [Brazil]			
Liva Pharmaceuticals Limited	Zydus Pharma Japan Co. Ltd. [Japan]			
Zydus Technologies Limited	Laboratorios Combix S.L. [Spain]			
Biochem Pharmaceutical Industries Limited	Zydus Pharmaceuticals Mexico SA De CV [Mexico]			
Alidac Pharmaceuticals Limited [Formerly known as Zydus BSV Pharma Private Limited]	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]			
M/s. Zydus Healthcare, a Partnership Firm	Etna Biotech S.R.L. [Italy]			
Zydus Lanka (Private) Limited [Sri Lanka]	ZAHL B.V. [the Netherlands]			
Zydus Netherlands B.V. [the Netherlands]	ZAHL Europe B.V. [the Netherlands]			
Zydus Healthcare (USA) LLC [USA]	Bremer Pharma GmbH [Germany]			
Zydus Healthcare Philippines Inc [Philippines]	Nesher Pharmaceuticals (USA) LLC [USA]			
Zydus Pharmaceuticals (USA) Inc.[USA]	Zydus Worldwide DMCC [Dubai]			
	Zydus Discovery DMCC [Dubai]			
d Directors:				
Mr. Thierry Simon	Mr. Pradip Solanki	Mr. David Blanksby		

Zydus France SAS
Notes to the Financial Statements

Note: 25-Related Party Transactions-Continued:

B Transactions with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business :

Nature of Transactions	Value of Transactions			
	EUR-Thousands		INR-Thousands	
	2015	2014	2015	2014
a Details relating to parties referred to in items 25 - A [b]:				
	Year ended December 31			
Purchase:				
Goods	5,252	4,781	373,785	387,357
Services	71		5,053	-
Reimbursement of expenses paid	1,776	2,025	126,398	164,066
Sales:				
Reimbursement of expenses received		1,240	-	100,465
Services	1,348		95,937	-
Finance:				
Guarantee fees paid	61	61	4,341	4,942
	As at December 31			
Outstanding:	2015	2014	2015	2014
Payables	1,180	1,197	85,703	91,331
Receivables	2	103	145	7,859
b Details relating to parties referred to in items 25 - A [c]:				
	Year ended December 31			
Sales:				
Reimbursement of expenses received from Laboratorios Combix S.L.	-	57	-	4,618
	As at December 31			
Outstanding:	2015	2014	2015	2014
Receivables from Laboratorios Combix S.L.	7	9	508	687
c There are no transactions with the parties referred to in item no. 25 A [a & d].				

Note: 26

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classifications/ disclosure.

Signatures to Significant Accounting Policies and Notes 1 to 26 to the Financial Statements

As per our report of even date
For Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration Number: 106625W

For and on behalf of the Board

Chandresh S. Shah
Partner
Membership Number: 042132
Ahmedabad, Dated: May 12, 2016

Director

Zydus France SAS
Cash Flow Statement for the year ended December 31, 2015

Particulars	EUR-Thousands		INR-Thousands	
	As at December 31			
	2015	2014	2015	2014
A Cash flows from operating activities:				
Profit before tax	1,293	421	74,834	3,233
Adjustments for:				
Depreciation, Amortisation and Impairment expenses	816	1,147	58,075	92,930
Interest expenses	7	51	498	4,132
Bad debts written off	26	11	1,850	891
Provision for doubtful debts	107	278	7,615	22,524
Provisions for employee benefits	5	88	356	7,130
Total	961	1,575	68,394	127,607
Operating profit before working capital changes	2,254	1,996	143,228	130,840
Adjustments for:				
Decrease/ [Increase] in trade receivables	735	3,084	52,310	249,866
Decrease/ [Increase] in inventories	(429)	801	(30,532)	64,897
Decrease/ [Increase] in short term advances	651	876	46,332	70,974
Decrease/ [Increase] in long term advances	3	-	214	-
Decrease/ [Increase] in other current assets	34	(66)	2,420	(5,347)
Increase/ [Decrease] in trade payables	1,287	(5,478)	91,596	(443,828)
Increase/ [Decrease] in other current liabilities	170	(546)	12,099	(44,237)
Total	2,451	(1,329)	174,439	(107,675)
Net cash from [used] operating activities	4,705	667	317,667	23,165
B Cash flows from investing activities:				
Purchase of fixed assets	(91)	(83)	(6,476)	(6,725)
Net cash used [from] in investing activities	(91)	(83)	(6,476)	(6,725)
C Cash flows from financing activities:				
Short Term Borrowings [Net]	(3,127)	(669)	(222,549)	(54,202)
Interest paid	(7)	(51)	(498)	(4,132)
Net cash used [from] in financing activities	(3,134)	(720)	(223,047)	(58,334)
Net increase in cash and cash equivalents	1,480	(136)	88,144	(41,894)
Increase/ [Decrease] due to the translation to INR [Refer Note-3]	-	-	19,348	30,684
Cash and cash equivalents at the beginning of the year	-	136	-	11,210
Cash and cash equivalents at the end of the year	1,480	-	107,492	-

Notes to the Cash Flow Statement

- 1 All figures in brackets are outflows.
- 2 Previous year's figures have been regrouped wherever necessary.
- 3 Cash Flow Statement is translated into Indian Rupee [INR] at the average exchange rates for the year. The increase/ decrease resulting from such translation is shown separately as "Increase/ [Decrease] due to the translation to INR"

As per our report of even date

For and on behalf of the Board

For Mukesh M. Shah & Co.,
Chartered Accountants
Firm Registration Number: 106625W

Chandresh S. Shah
Partner
Membership Number: 042132
Ahmedabad, Dated: May 12, 2016

Director