Particulars	Note	USD – Tho	usands	INR – Tho	usands
	No.		As at Dece	mber 31	
		2015	2014	2015	2014
EQUITY AND LIABILITIES:					
Shareholders' Funds:					
Share Capital	1	100	100	6,642	6,3
Reserves and Surplus	2	(11,684)	(7,432)	(776,036)	(468,6
		(11,584)	(7,332)	(769,394)	(462,3
Non-Current Liabilities:					
Long Term Borrowings	3	17,227	12,866	1,144,217	811,3
Current Liabilities:					
Trade Payables	4	550	258	36,531	16,2
Other Current Liabilities	5	178	370	11,823	23,
Short Term Provisions		39	-	2,590	
		767	628	50,944	39,6
Total		6,410	6,162	425,767	388,
ASSETS:					
Non-Current Assets:					
Fixed Assets:	6				
Tangible Assets		2,924	2,563	194,212	161,
Intangible Assets		46	46	3,055	2,9
Capital work-in-progress		585	378	38,856	23,8
		3,555	2,987	236,123	188,
Long Term Loans and Advances	7	390	212	25,904	13,
		3,945	3,199	262,027	201,
Current Assets:					
Inventories	8	1,212	1,475	80,500	93,
Trade Receivables	9	929	1,157	61,704	72,
Cash and Bank Balances	10	83	86	5,529	5,4
Other Current Assets	11	241	245	16,007	15,
		2,465	2,963	163,740	186,
Total		6,410	6,162	425,767	388,
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 22				
As per our report of even date			For Zydus	Noveltech Inc.	
For Mukesh M. Shah & Co.					
Chartered Accountants					
Firm Registration Number: 106625W					

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

Director & Representative

Hercon Pharmaceuticals LLC						
Statement of Profit and Loss for the Particulars	e year ended Dee Note	cember 31, 20: USD – Th		INR – Tho	usands	
	No.		Year ended D		usunus	
		2015	2014	2015	2014	
REVENUE:						
Revenue from Operations:						
Sale of Pharmaceutical products		1,502	1,996	96,338	121,8	
Other Operating Revenues	12	1,352	1,619	86,717	98,8	
Total Revenue		2,854	3,615	183,055	220,6	
EXPENSES:						
Cost of Materials Consumed	13	496	671	29,473	39,1	
Changes in Inventories of Finished goods and Work-in-progress	14	246	327	13,763	17,2	
Employee Benefits Expense	15	3,334	2,701	213,842	164,8	
Finance Costs	16	332	219	21,294	13,3	
Depreciation, Amortisation and Impairment expenses	6	432	375	27,708	22,8	
Other Expenses	17	2,266	2,204	145,341	134,5	
Total Expenses		7,106	6,497	451,421	391,9	
Loss for the year		(4,252)	(2,882)	(268,366)	(171,3	
Significant Accounting Policies	II					
Notes to the Financial Statements	1 to 22					
As per our report of even date			For Zydus	s Noveltech Inc.		
For Mukesh M. Shah & Co.						
Chartered Accountants						
Firm Registration Number: 106625W						
Chandresh S. Shah						
Partner			Director &	Representative		
Membership Number: 042132						

Ahmedabad, Dated: May 12, 2016

I-Business overview:

Hercon Pharmaceuticals LLC

- A Hercon Pharmaceuticals LLC is a Pennsylvania Limited Liability Company formed on June 1, 2012. On August 29, 2012, the Company acquired substantially all of the assets of Hercon Laboratories Corporation ["Hercon"]. The Company is a wholly-owned subsidiary of Zydus Noveltech, Inc., a New Jersey corporation.
 - **B** The Company, based in Emigsville, Pennsylvania, USA is a pharmaceutical company engaged in the development, manufacture and marketing of transdermal drug delivery systems.

II-Significant Accounting Policies:

1 Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

2 Reporting Currency Translations:

The Local accounts are maintained in local and functional currency which is "United States Dollar[USD]". 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 "USD" is performed for assets and liabilities using the exchange rates prevailing on the Balance sheet dates and for revenues and expenses items 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.

3 Cash Equivalents:

Money market funds and investment instruments with original maturities of ninety days or less are considered cash equivalents.

Fair Value of Financial Instruments and Concentrations of Credit Risk:

- **a** Management believes that the carrying amounts of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximate fair value due to the short-term nature of these instruments. The carrying amount of the Company's long-term debt also approximates fair value.
- **b** Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash, cash equivalents and accounts receivable. Periodically, the Company has cash balances at certain financial institutions in excess of federally insured limits. However, the Company does not believe that it is subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships. The Company mitigates this risk by depositing its cash in high quality financial institutions. To reduce credit risk related to accounts receivable, the Company performs ongoing credit evaluations of its customers' financial condition but does not generally require collateral.

5 Revenue Recognition and Accounts Receivable:

- **a** The Company recognizes revenue for product sales upon shipment when title and risk of loss pass to its customers and when provisions for estimates, including trade discounts, rebates, promotional adjustments, price adjustments, returns, chargebacks, and other potential adjustments are reasonably determinable. No revisions were made to the methodology used in determining these provisions during the year.
- b The Company has historically provided financial terms to customers in accordance with what management views as industry norms. Financial terms, for credit-approved customers, are generally on a net 60 day basis, though most customers are entitled to a prompt payment discount. Management periodically and regularly reviews customer account activity in order to assess the adequacy of allowances for doubtful accounts, considering factors such as economic conditions and each customer's payment history and creditworthiness. If the financial condition of our customers were to deteriorate, or if they were otherwise unable to make payments in accordance with management's expectations, we might have to increase our allowance for doubtful accounts, modify their financial terms and/or pursue alternative collection methods. When accounts receivable are considered uncollectible, they are charged against the allowance. Quarterly, the Company reviews its accounts receivable for potential uncollectible accounts. At December 31, 2015, the allowance was zero.

6 Inventories:

Inventories [Raw Material, Work-in-progress and Finished Goods] are stated at lower of cost [first-in, first-out basis] or market value.

7 Property, Plant and Equipment:

Property, plant and equipment are recorded at cost. Maintenance and repairs are charged to expense as incurred, and costs of improvements are capitalized. Depreciation and amortization are provided using the straight-line method by charges to operations over estimated useful lives of three to seven years. The cost and related accumulated depreciation of disposed assets are removed from the applicable accounts and any gain or loss is included in income in the period of disposal.

8 Impairment of Long-Lived Assets:

The Company reviews long-lived assets, such as property and equipment, and purchased intangibles subject to amortization, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, in accordance with Statement of Financial Accounting Standards ["SFAS"] No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. There were no impairment charges for the year.

9 Research and Development:

Research and development costs are charged to operations as incurred.

II-Significant Accounting Policies-Continued::

10 Income Taxes:

The Company accounts for income taxes pursuant to the asset and liability method which requires deferred tax assets and liabilities be computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

11 Use of Estimates in the Preparation of Financial Statements:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

12 Employee Benefit Plan:

All non-union employees of the Company are eligible to participate in the Company's 401(k) Plan [the "Plan"] following six months of employment, provided certain age and service conditions are met. The Plan is designed to qualify as a "Safe Harbor 401(k) Plan". For all employees eligible to receive a Safe Harbor employer contribution, the Company will contribute to the Plan an amount equal to 3% of an employee's Plan compensation. The Plan allows eligible employees to defer up to a certain amount of their compensation on a pre-tax basis through contributions to the Plan. The Company may contribute for each participant a matching contribution equal to a percentage of the elective contributions made by the participants. The decision to make matching contributions and the amount of such contributions will be made each year by the Company.

13 Recent Accounting Pronouncements:

Management does not expect the issuance of any recent accounting pronouncements to have a material effect on the financial condition or result of operation of the Company.

Hercon Pharmaceuticals LLC				
Notes to the Financial Statements	5			
	USD – Thou	usands	INR – Tho	usands
		As at Dece	ember 31	
	2015	2014	2015	2014
ote: 1-Share Capital:				
Capital Contribution of a sole member	100	100	6,642	6,3
	100	100	6,642	6,3
Capital Contribution of USD 1,00,000/- is from Sole member Zydus Noveltech Inc., a				
company incorporated in the United States of America, which is a subsidiary company of				
Zydus International Private Limited, a company incorporated in the Republic of Ireland				
which is the subsidiary company of Cadila Healthcare Limited, the ultimate holding				
company incorporated in India.				
ote: 2-Reserves and Surplus:				
Foreign Currency Translation Reserve:				
Balance as per last Balance Sheet	-	-	(24,561)	-
[Less]: Exchange Rate differences on translation to INR	-	-	(14,475)	(24,5
	-	-	(39,036)	(24,5
Surplus in statement of Profit and Loss:				
Balance as per last Balance Sheet	(7,432)	(4,550)	(468,634)	(272,7
Add: Loss for the year	(4,252)	(2,882)	(268,366)	(171,3
Balance as at the end of year	(11,684)	(7,432)	(737,000)	(444,0
Total	(11,684)	(7,432)	(776,036)	(468,6
ote: 3-Long Term Borrowings:				
Unsecured loan from a related party - Zydus Noveltech Inc., Holding Company	17,227	12,866	1,144,217	811,3
[applicable interest rate in the range of 0.8605% to Daily LIBOR plus 100 bps]				
Total	17,227	12,866	1,144,217	811,3
ote: 4-Trade Payables:				
Trade payables	550	258	36,531	16,2
Total	550	258	36,531	16,2
ote: 5-Other Current Liabilities:				
Provision for Expenses	178	370	11,823	23,3
Total	178	370	11,823	23,3

Hercon Pharmaceuticals LLC Notes to the Financial Statements

Note: 6-Fixed Assets:

A Tangible Assets:						
	Plant and	Leasehold		Plant and	Leasehold	
	Equipment	Improvements	Total	Equipment	Improvements	Total
		USD Thousands	5		INR Thousands	
Gross Block:						
As at December 31, 2013	2,774	94	2,868	166,274	5,634	171,908
Additions	460	-	460	28,074	-	28,074
Disposals	-	-	-	-	-	
Other adjustments	-	-		9,588	294	9,882
As at December 31, 2014	3,234	94	3,328	203,936	5,928	209,864
Additions	793	-	793	50,863	-	50,863
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	12,674	315	12,989
As at December 31, 2015	4,027	94	4,121	267,473	6,243	273,716
Depreciation and Impairment:						-
As at December 31, 2013	365	25	390	21,878	1,499	23,377
Charge for the period	366	9	375	22,337	549	22,886
Disposals	-	-	-	-	-	-
Other adjustments				1,882	96	1,978
As at December 31, 2014	731	34	765	46,097	2,144	48,241
Charge for the period	422	10	432	27,067	641	27,708
Disposals			-	-	-	-
Other adjustments				3,418	137	
As at December 31, 2015	1,153	44	1,197	76,582	2,922	79,504
Net Block:			-			-
As at December 31, 2014	2,503	60	2,563	157,839	3,784	161,623
As at December 31, 2015	2,874	50	2,924	190,891	3,321	194,212
B Intangible Assets [Technical Know-how]:					-	
					Amount in T	housands

Gross Block:
As at December 31, 2013
Additions
Disposals
Other adjustments
As at December 31, 2014
Additions
Disposals
Other adjustments
As at December 31, 2015
Amortisation and Impairment:
As at December 31, 2013
Charge for the year
Disposals
Other adjustments
As at December 31, 2014
Charge for the year
Disposals
Other adjustments
As at December 31, 2015
Net Block:
As at December 31, 2014
As at December 31, 2015
Note: Other adjustments include adjustments on account of exchange rate translation differences.

Amount in T	housands
USD	INR
46 -	2,757 -
1	- 144
46	2,901
-	- - 154
46 - - -	3,055 - - -
-	-
-	1
-	
- 46 46	- 2,901 3,055

Hercon Pharmaceutic				
Notes to the Financial S	tatements USD – Th	ousands	INR – Thousands	
	050 - 11	As at Dec		usanus
	2015	2014	2015	2014
Note: 7-Long Term Loans and Advances:				
Advance payment of Tax [Unsecured, Considered good]	390	212	25,904	13,369
Total	390	212	25,904	13,369
Note: 8-Inventories:				
Classification of Inventories:				
Raw Materials	691	708	45,896	44,646
Work-in-progress	70	80	4,649	5,045
Finished Goods	451	687	29,955	43,322
Total	1,212	1,475	80,500	93,013
Note: 9-Trade Receivables:				
Others-Considered good [Unsecured]	929	1,157	61,704	72,960
Total	929	1,157	61,704	72,960
Note: 10-Cash and Bank Balances:				
Balances with Banks	83	86	5,513	5,423
Cash on Hand [\$241 (Previous year:\$421)]	-	-	16	27
Total	83	86	5,529	5,450
Note: 11-Other Current Assets:				
Prepaid Expenses [Unsecured, Considered Good]	241	245	16,007	15,450
Total	241	245	16,007	15,450
			TND The	
	USD – Th	ousands Year ended D	INR – Tho	usands
	2015	2014	2015	2014
Note: 12-Other Operating Revenues:		2021		2011
Miscellaneous Income	1,352	1,619	86,717	98,808
Total	1,352	1,619	86,717	98,808
Note: 13-Cost of Materials Consumed:				
Raw Materials:				
Stock at commencement	708	310	44,646	18,581
Add: Purchases	479	1,069	30,723	65,241
	1,187	1,379	75,369	83,822
Less: Stock at close	691	708	45,896	44,646
Total	496	671	29,473	39,176
Note: 14-Changes in Inventories:				
Stock at commencement:				
Work-in-progress	80	132	5,045	7,912
Finished Goods	687	962	43,322	57,662
Less: Stock at close:	767	1,094	48,367	65,574
Work-in-progress	70	80	4,649	5,045
Finished Goods	451	687	29,955	43,322
	521	767	34,604	48,367
Total	246	327	13,763	17,207
Note: 15-Employee Benefit Expense:		·		
Salaries and wages	2,743	2,204	175,936	134,510
Contribution to provident and other funds	59	50	3,784	3,052
Staff welfare expenses	532	447	34,122	27,280
Total	3,334	2,701	213,842	164,842
Above expenses includes Research related expenses as follows:	1.100	400	76 510	26 102
Salaries and wages	1,193	429	76,519	26,182
Contribution to provident and other funds Staff welfare expenses	25 227	9 97	1,604 14,560	549 5,920
	221	97	14,500	5,920
Total	1,445	535	92,683	32,651

Notes to the Fina	aceuticals LLC ancial Statements				
		- Thousands	INR – Tho	ousands	
		Year ended	December 31		
	2015	2014	2015	2014	
e: 16-Finance Cost:		50 05	10 109	E 7	
Interest on others		59 95 73 124		5,7 7,5	
Bank commission & charges Total		32 219		13,3	
		52 219	21,234	15,	
e: 17-Other Expenses:					
Analytical Expenses	2	68 235	17,190	14,	
Power & fuel	1	73 177	11,096	10,	
Rent	2	45 245	15,714	14,	
Repairs to Buildings		77 56		3,	
Repairs to Plant and Machinery	2	14 216		13,	
Insurance		86 59		3,	
Traveling Expenses		20 14			
Legal and Professional Fees		80 207		12,	
Commission on sales		73 103		6,	
Freight and forwarding on sales		40 63		3,	
Other Marketing Expenses		9 16		40	
Miscellaneous Expenses		81 813		49,	
Total Above expenses includes Research related expenses as follows:	2,2	66 2,204	145,341	134,	
Above expenses includes Research related expenses as follows: Analytical expenses		21 110	7,761	6,	
Power & Fuel		44		2,	
Repairs to Plant and Machinery		10 6		۷,	
Insurance		13	_		
Traveling Expenses		2 3			
Legal and Professional fees		10	_		
Miscellaneous Expenses		6 67		4,	
Total	1	39 253		15,	
e: 18-Related Party Transactions:					
A Name of the Related Parties and Nature of the Related Par					
a Holding Company: Zydus Nov					
	rnational Private Limited				
c Ultimate Holding Company: Cadila Hea d Fellow Subsidiaries:	Ithcare Limited				
Dialforhealth India Limited	Zydus Nikkho Farmaceutica L	tda [Brazil]			
Dialforhealth Unity Limited	Zydus Pharmaceuticals (USA				
Dialforhealth Greencross Limited	Nesher Pharmaceuticals (USA				
German Remedies Limited	Zydus France, SAS [France]				
Zydus Wellness Limited	Zydus Pharma Japan Co. Ltd. [Japan]				
Liva Pharmaceuticals Limited	Etna Biotech S.R.L. [Italy]				
Zydus Technologies Limited	Zydus Pharmaceuticals Mexico SA De CV [Mexico]				
Biochem Pharmaceutical Industries Limited	Zydus Pharmaceuticals Mexic	-	-	exicol	
Alidac Pharmaceuticals Limited (Earlier Zydus BSV	Simayla Pharmaceuticals (Pty				
Pharma Private Limited)	Script Management Services				
M/s. Zydus Wellness-Sikkim, a Partnership Firm	ZAHL B.V. [the Netherlands]		-		
M/s. Zydus Healthcare, a Partnership Firm	ZAHL Europe B.V. [the Nethe	rlands]			
Zydus Lanka (Private) Limited [Sri Lanka]	Bremer Pharma GmbH [Gern				
Zydus Healthcare S.A. (Pty) Ltd [South Africa]	Zydus Healthcare Philippines				
Zydus Healthcare (USA) LLC [USA]	Zydus Worldwide DMCC [Dul	oai]			
Zydus Netherlands B.V. [the Netherlands]	Zydus Discovery DMCC [Dub	ai]			

B Transactions with Related Parties: The following transactions were carried out with the related parties in the ordinary course of business: Value of Transactions [USD Thousands] Inter of transactions Value of Transactions [USD Thousands] Nature of Transactions Subsidiaries Ver ended December 31 Value of Transactions [USD Thousands] Purchases: Reimbursement of expenses paid: Zydus Noveltech Inc. 177 Sales: Services: Zydus Noveltech Inc. 37 Finance: 1,352 Inter of Orporate Loans received: 2015 Zydus Noveltech Inc. 159 Finance: 12015 Inter of Dransactions 2015 Zydus Noveltech Inc. 159 Payable: 2014 2015 Zydus Noveltech Inc. 17,257 12,922 Receivable: 2015 2014 2015 Zydus Noveltech Inc. 17,257 12,922 376 Nature of Transactions. Value of Transactions [NR Thousands] Value of Transactions [NR Thousands] Nature of Transactions. Value of Transactions [NR Thousands] Value of Transactions [NR Thou					
8 Transactions with Related Parties: Value of Transactions USD Thousands! The following transactions were carried out with the related parties in the ordinary course of busines: Value of Transactions (USD Thousands) Nature of Transactions. Value of Transactions. Substitutines Nature of Transactions. Value of Transactions. Substitutines Purchases: 2015 2014 2015 Reimbursement of expenses paid: 2017 135 135 Sales: 36 137 135 135 Sales: 370 135 1,352 1,352 Reimbursement of expenses received: 37 14 1,352 1,352 Zydus Noveltech Inc. 4,361 3,472 1,352 1,352 Inter Corporate Loans received: 376 1,352 1,352 1,352 Zydus Noveltech Inc. 4,361 3,472 1,352 1,352 1,352 Payable: Zydus Noveltech Inc. 1,1353 8,210 2,015 1,352 Zydus Noveltech Inc. 1,1,353 8,230 1,145 1,145 1,145 Sales: Services: 1	Notes to the Financial Statements				
The following transactions were carried out with the related parties in the ordinary course of busines: Istue of Transactions USD Trousandis, U					
a betails relating to parties referred to in items 18 A [a & d] Value of Transactions Failure 2 Nature of Transactions Sales: Reimbursement of expenses paid: 2015 2014 2015 2014 2015 Sales: Services: 2704s Noveltech Inc. 217 135 218 </td <th></th> <td></td> <td></td> <td></td> <td></td>					
Nature of Transactions. Nature of Transactions. Indian company Fallow Nature of Transactions. Indian company Sales Purchases: Reimbursement of expenses paid: 2015 2015 Zydus Noveltech Inc. 107 135 1352 Zydus Noveltech Inc. 37 14 1352 Emimbursement of expenses received: 37 14 14 Zydus Noveltech Inc. 37 14 14 14 Finance: 159 95 15 <th></th> <td>se of business:</td> <td></td> <td></td> <td></td>		se of business:			
Hature of TransactionsFallowNature of Transactions $Sale<$	a Details relating to parties referred to in items 18 A [a & d]				
Nature of TransactionsSubsidiationsVar ended December 31Purchases:20152014201520142015Purchases:2015201731331431523152Zydus Noveltech Inc.3714313531353135Zydus Noveltech Inc.3714313531353135Zydus Noveltech Inc.3714313531353135Zydus Noveltech Inc.37314313531353135Zydus Noveltech Inc.31599999Zydus Noveltech Inc.20152014201520142015Zydus Noveltech Inc.17,25712,922376376Zydus Noveltech Inc.201520142015376Zydus Noveltech Inc.201520142015376Zydus Noveltech Inc.201520142015376Zydus Noveltech Inc.201520142015376Nature of Transactions201520142015386,7179Purchases:201520142015386,7179Reimbursement of expenses paid:201520142015386,7179Zydus Noveltech Inc.201520142015386,7179Zydus Noveltech Inc.201520142015386,7179Zydus Noveltech Inc.201520142015386,7179Zydus Noveltech Inc.2015 </td <th></th> <td></td> <td></td> <td>-</td> <td></td>				-	
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Purchases:201520142015Reimbursement of expenses paid: Zydus Noveltech Inc.1073151Sales:Services: Zydus Noveltech Inc.37141Reimbursement of expenses received: Zydus Noveltech Inc.37141Zydus Noveltech Inc.3734711Zydus Noveltech Inc.4,3613,47211Zydus Noveltech Inc.15995111Zydus Noveltech Inc.159952014201511Zydus Noveltech Inc.101512,922111 <th>Nature of Transactions</th> <td></td> <td></td> <td></td> <td>aries</td>	Nature of Transactions				aries
Purchases:Image: Purchases paid:Image: Purchases:Zydus Novelech Inc.1771.35Sales:1.351.35Sales:1.351.35Zydus Technologies Limited371.4Tinter Corporate Loans received:371.4Zydus Novelech Inc.3,313.47Zydus Novelech Inc.1.353.47Zydus Novelech Inc.1.3520.14Zydus Novelech Inc.1.35520.14Nature of Transactions1.3558.23Reimbursement of expenses paid:1.3558.23Zydus Novelech Inc.2.3738.231.55Sales:1.3552.31,3451.55Zydus Novelech Inc.2.3738.571.55Zydus Novelech Inc.2.3738.571.55Zydus Novelech Inc.2.3738.571.55Zydus Novelech Inc.2.3738.571.55Zydus Novelech Inc.					
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Żydus Technologies Limited 376 Nature of Transactions. Year ended Zerthansactions. Year ended Zerthansactions. Year ended Zerthansactions. Purchases: 2015 2014 2015 Purchases: 2015 2014 2015 2015 Reimbursement of expenses paid: 11,353 8,239 244 444 Zydus Noveltech Inc. 11,353 8,239 444 444 Seles: 36,717 86,717 9 Zydus Noveltech Inc. 2,373 854 444 444 Zydus Noveltech Inc. 2,373 854 444 444 Tinter Corporate Loans received: 24,945 218,944 444 444 Zydus Noveltech Inc. 289,658 218,944 444 444 Zydus Noveltech Inc. 10,198 5,798 444 444 Zydus Noveltech Inc. 2015 2014 2015 444 Zydus Noveltech Inc. 2015 2014 2015 444 Zydus Noveltech Inc. 2015 2014 2015 444 Zydus Noveltech Inc.<		17,237	12,922		
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Żydus Noveltech Inc. 289,658 218,944 Image: State	Finance:				
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As at December 31Outstanding:201520142015Payable:2014201520142015Zydus Noveltech Inc.1,146,210814,861Receivable:2222	Interest paid:				
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Zydus Technologies Limited 24,974 2		_,	21.,001		
				24 974	20
				27,374	20
	There are no damacuons with the parties referred to initiality to A [D & C]				

Hercon Pharmaceuticals LLC				
Notes to the Financial Statements				
lote: 20-Operating Lease:				
The Company has entered into triple net lease agreement for land and buildings, lease expiring the	-	ne future minim	ium rental	
payments under the lease agreement for the year ended December 31, 2015 and 2014 are as un				
	USD – Tho		INR – Tho	usands
		cember 31		
	2015	2014	2015	2014
Year				
2015		245	-	14,952
2016	245	245	15,714	14,952
2017	163	163	10,455	9,948
Total Commitments	408	653	26,169	39,852
Lease payments recognised in the Statement of Profit and Loss	245	245	15,714	14,952
Ecuse payments recognised in the statement of Front and Loss	215	215	10,714	11,552
lote: 21-Going Concern:				
The company has accumulated losses of USD 11,684 Thousand and company's total liabilities exc	and its assats h		Thousand	
		•		
The financial statements have been prepared on the basis of accounting policies applicable to a g	-	•		
funds will be available to finance future operations and that the realisation of assets and settleme	ent of liabilities,	contingent obli	gations and	
commitments will occur in the ordinary course of business.				
The ultimate holding company, Cadila Healthcare Ltd. [CHL] has given an assurance to provide co	ontinuous financ	cial support to t	he	
Company to meet its financial commitments and liabilities as and when they fall due.				
lote: 22				
Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with	the current rep	orting vear's		
classifications/ disclosure.		orang year o		
Signatures to Significant Accounting Policies and Notes 1 to 22 to	o the Financia	l Statements		
As per our report of even date		For Zydus I	Noveltech Inc.	
For Mukesh M. Shah & Co.				
Chartered Accountants				
Firm Registration Number: 106625W				
Chandresh S. Shah				
Partner				
		Director & R	Representative	
Membership Number: 042132		Director & R	Representative	

Ahmedabad, Dated: May 12, 2016

A Cash flows from operating activities: Loss before tax Adjustments for:	USD - The 2015 (4,252) 432		INR – Tho December 31 2015	
Loss before tax Adjustments for:	2015 (4,252)	2014		
Loss before tax Adjustments for:	(4,252)		2015	
Loss before tax Adjustments for:		(2,882)		2014
Adjustments for:		(2,882)	(200 200)	(174.00)
	432		(268,366)	(171,361
	432	075		22.00
Depreciation, Amortisation and Impairment expenses		375	27,708	22,886
Interest expenses	159	95	10,198	5,79
Total	591	470	37,906	28,68
Operating profit before working capital changes	(3,661)	(2,412)	(230,460)	(142,67
Adjustments for:				
Decrease/ [Increase] in trade receivables	228	4	14,624	24
Decrease/ [Increase] in inventories	263	(71)	16,869	(4,33
Decrease/ [Increase] in loans & advances	(178)	(212)	(11,417)	(12,93
Decrease/ [Increase] in other current assets	4	(35)	257	(2,13
Increase/ [Decrease] in trade payables	292	(223)	18,729	(13,61
Increase/ [Decrease] in other current liabilities	(153)	(147)	(9,813)	(8,97
Total	456	(684)	29,249	(41,74
Net cash from [used] operating activities	(3,205)	(3,096)	(201,211)	(184,42
B Cash flows from investing activities:				
Purchase of fixed assets	(1,000)	(576)	(64,140)	(35,15
Net cash used [from] in investing activities	(1,000)	(576)	(64,140)	(35,15
C Cash flows from financing activities:				
Proceeds from Long Term Borrowings	4,361	3,472	279,715	211,896
Interest paid	(159)	(95)	(10,198)	(5,798
Net cash used [from] in financing activities	4,202	3,377	269,517	206,098
Net increase in cash and cash equivalents	(3)	(295)	4,166	(13,47
Increase/ [Decrease] due to the translation to INR [Refer Note-3]	-	-	(4,060)	(3,91)
Cash and cash equivalents at the beginning of the year	86	381	5,423	22,837
Cash and cash equivalents at the end of the year	83	86	5,529	5,450
Notes to the Cash Flow Statement	t			
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 f	•	increase/ de	crease resulting	
from such translation is shown separately as "Increase/ [Decrease] due to the translation t	to INR"			
As per our report of even date		For Zydus	Noveltech Inc.	
For Mukesh M. Shah & Co.,				
Chartered Accountants				
Firm Registration Number: 106625W				
Chandresh S. Shah				
Partner		Director & I	Representative	
Membership Number: 042132		2.10000101		
Ahmedabad, Dated: May 12, 2016				