

ZYDUS HEALTHCARE PHILIPPINES INC.
Balance Sheet as at December 31, 2015

Particulars	Note No.	PESO-Thousands		INR-Thousands	
		As at December 31,			
		2015	2014	2,015	2014
EQUITY AND LIABILITIES:					
Shareholders' Funds:					
Share Capital	1	30,000	9,876	43,200	14123
Reserves and Surplus	2	(37,781)	(3,856)	(54,404)	(5,515)
		(7,781)	6,020	(11,204)	8608
Share Application money pending allotment	3	78,163	-	112,555	-
Current Liabilities:					
Trade Payables	4	186,241	84	268,187	120
Other Current Liabilities	5	1,621	2,318	2,334	3315
		187,862	2,402	270,521	3435
Total		258,244	8,422	371,872	12043
ASSETS:					
Non-Current Assets:					
Fixed Assets:					
Tangible Assets	6	5,052	2,360	7,274	3374
Intangible Assets		134	-	193	
Other Non-Current Assets	7	2,854	2,142	4,110	3063
Deferred Tax Assets [Net]		16,529	1,975	23,802	2824
		24,569	6,477	35,379	9261
Current Assets:					
Inventories	8	117,247	-	168,836	-
Trade Receivables	9	73,027	-	105,159	-
Cash and Bank Balances	10	28,048	172	40,390	246
Short Term Loans and Advances	11	15,289	1,748	22,016	2500
Other Current Assets	12	64	25	92	36
		233,675	1,945	336,493	2782
Total		258,244	8,422	371,872	12043
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 25				

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

Particulars	Note No.	PESO-Thousands		INR-Thousands	
		Year ended December 31			
		2015	2014	2,015	2014
REVENUE:					
Revenue from Operations:					
Sale of Pharmaceutical products		219,867	-	310,012	-
Non Operating Revenue	15	1,012	3,930	1,427	5384
Total Revenue		220,879	3,930	311,439	5384
EXPENSES:					
Purchases of Stock-in-Trade	16	212,685	-	299,886	-
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	17	(117,247)	-	(168,836)	-
Employee Benefits Expense	18	41,991	380	59,207	520
Finance Costs	19	686	16	967	22
Depreciation	5	2,215	1,231	3,123	1686
Other Expenses	20	129,026	6,717	181,928	9203
Total Expenses		269,356	8,344	376,275	11431
Loss before Tax		(48,477)	(4,414)	(64,836)	-6047
Less : Tax Expense:					
Current Tax		2	-	3	-
Deferred Tax		(14,554)	(1,331)	(20,521)	(1,823)
		(14,552)	(1,331)	(20,518)	(1,823)
Loss for the year		(33,925)	(3,083)	(44,318)	(4,224)
		PESO		INR	
Basic & Diluted Earning per Share [EPS]	21	(13.59)	(3.28)	(18)	(4.49)
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 25				

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

I-Company overview:

Zydus Healthcare Philippines Inc. [the Company] was incorporated on July 12, 2013. The Company's registered office is situated at Unit 903 and 904, Eco Tower, 32nd Street corner, Ninth Avenue, Taguig City, Philippines. The company is formed mainly with an object of trading and distributing pharmaceutical products. The Company has commenced commercial operation during 2015.

II-Significant Accounting Policies:

1 Basis of Accounting:

The Financial Statements have been prepared in accordance with Philippine Financial Reporting standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council from pronouncements issued by the International Accounting Standards Board.

2 Statement of Compliance:

The Financial Statements have been presented in accordance with Philippine Accounting Standard (PAS) 1. The company presents all items of income and expense and other comprehensive income in a single statement of comprehensive income.

3 Reporting Currency Translation:

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

4 Use of Estimates:

The preparation of Financial Statements in accordance with the PFRS requires, the management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

5 Fixed Assets and Depreciation:

- a Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value. The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized while expenditures for repairs and maintenance are charged to expense as incurred.
- b Depreciation and amortization is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Transportation equipment	5 years	Software	3 years
Office furniture, fixtures and equipment	3 years		
- c Leasehold improvements are amortized over their estimated useful life of three years or the term of lease, whichever is shorter.
- d The Company's property and equipment are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use.

6 Inventories:

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is determined using the weighted average method. For financial reporting purposes, cost of inventories include all costs directly attributable to acquisitions, such as the purchase price, import duties and other taxes that are not subsequently recoverable from taxing authorities. For tax purposes, import duties and other taxes are claimed as deduction from taxable income in the year it was incurred. NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

7 Revenue Recognition:

- a **Sale of Goods**
Revenue is recognized when the risks and rewards of ownership of the goods have passed to the buyer.
- b **Rental Income**
Rental Income is recognized on a straight line basis over the term of the operating lease.
- c **Interest Income**
Revenue is recognized as the interest accrues taking into account the effective yield on the assets.

8 Leases:

- a **Company as Lessee:**
Leases which do not transfer to the Company substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments (net of any incentives received from lessor) are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as repairs and maintenance and insurance, are expensed as incurred.
- b **Company as Lessor:**
Leases which do not transfer to the lessee substantially all the risk and benefits of ownership of the assets are classified as operating leases. Lease income from operating leases is recognized as income in profit or loss on a straight-line basis over the lease term.
- c The Company determines whether an arrangement is, or contains, a lease based on substance of the arrangement. It makes an assessment of whether the fulfillment of arrangement is dependent on use of a specific asset or assets and the arrangement conveys a right to use the asset.

9 Employee Benefits:

The Company provides employment benefits to employees through a statutory defined contribution plan, as well as other benefits.

a Defined Contribution Plan:

A defined contribution plan is a post-employment plan under which the company pays fixed contributions into an independent entity (i.e., Social Security System). The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

b Compensated Absences:

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. They are included in Trade and Other Payables account in the statement of financial position at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

10 Provisions and Contingencies:

Provisions are recognised when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidences available at end of the year, including the risk and uncertainties associated with present obligation.

11 Income Taxes:

Income Tax recognized in profit and loss comprises of deferred tax. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period. The carrying amount of deferred tax assets is reviewed at the end of each year and reduced to the extent that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

ZYDUS HEALTHCARE PHILIPPINES INC.

Notes to the Financial Statements

	PESO-Thousands		INR-Thousands	
	As at December 31,			
	2015	2014	2,015	2014
Note: 1-Share Capital:				
Authorised:				
3,000,000 Common shares [as at December 31, 2014: 3,000,000] of PESO 10/- each	30,000	30,000	43,200	42900
	30,000	30,000	43,200	42900
Issued, Subscribed and Paid-up:				
3,000,000 [as at December 31, 2014 : 987,637] Common shares of PESO 10/- each, fully paid up	30,000	9,876	43,200	14123
	30,000	9,876	43,200	14123
A The reconciliation of the number of Shares outstanding is as under:				
Number of shares at the beginning	987,637	800,000		
Add: Shares issued during the period	2,012,363	187,637		
Number of shares at the end	3,000,000	987,637		
B The Company has only Common shares. All Common shares rank parri passu and carry equal rights with respect to voting and dividend. In the event of liquidation of the Company, the common shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all preferential amounts.				
C Common shares of PESO 10/- each, fully paid held by Holding Company, Cadila Healthcare Limited, a company incorporated in India:				
Number of Shares	3,000,000	987,637		
% to total share holding	100%	100%		
Note: 2-Reserves and Surplus:				
Additional Paid in Capital [*]	720	720	1,037	1030
Foreign Currency Translation Reserve:				
Balance as per last Balance Sheet			(291)	-
Add/ [Less]: Exchange differences on translation to Indian Rupee			(4,578)	(291)
			(4,869)	(291)
Surplus in statement of Profit and Loss:				
Balance as per last Balance Sheet	(4,576)	(1,493)	(6,254)	(2,030)
Add: (Loss) for the period	(33,925)	(3,083)	(44,318)	(4,224)
Balance as at the end of year	(38,501)	(4,576)	(50,572)	(6,254)
Total	(37,781)	(3,856)	(54,404)	(5,515)
[*] Additional paid-in capital represents premium received on the issuance of capital stock.				
Note: 3-Share Application money pending allotment:				
6,833,107 Common shares [as at December 31, 2014: Nil] of PESO 10/- each	68,331	-	98,397	-
983,180 Optionally Convertible Redemable Preference Shares [as at December 31, 2014: Nil] of PESO 10/- each	9,832	-	14,158	-
Total	78,163	-	112,555	-
Company's Board of Directors and the stockholders, respectively, approved the increase in authorized capital stock of the Company from P30,000,000, divided into 3,000,000 common shares with par value of P10.0 per share, to P342,651,480, divided into 30,332,428 common shares with par value of P10.0 per share and 3,932,720 optional convertible redeemable preferred shares with par value of P10.0 per share. In relation to the proposed increase in authorized capital stock, the parent company deposited P78,162,870 representing subscription to the proposed increase.				
Note: 4-Trade Payables:				
Trade Payables	186,241	84	268,187	120
Total	186,241	84	268,187	120
Note: 5-Other Current Liabilities:				
Provision for Expenses	-	837	-	1,197
Payable to Statutory Authorities	1,336	33	1,924	47
Other payables	285	1,448	410	2,071
Total	1,621	2,318	2,334	3,315

ZYDUS HEALTHCARE PHILIPPINES INC.

Notes to the Financial Statements

Note: 6-Fixed Assets:

A Tangible Assets:

	Leasehold Improvements	Furniture Fixtures	Trasportation Equipments	Total	Leasehold Improvements	Furniture Fixtures	Trasportation Equipments	Total
	PESO-Thousands				INR Thousands			
Gross Block:								
As at December 31, 2013	2,474	1,220	-	3,694	3,365	1,659	-	5,024
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	173	85	-	258
As at December 31, 2014	2,474	1,220	-	3,694	3,538	1,744	0	5,282
Additions	-	-	4,753	4,753	-	-	6,702	6,702
Disposals	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	25	12	143	180
As at December 31, 2015	2,474	1,220	4,753	8,447	3,563	1,757	6,844	12,164
Depreciation and Impairment:								
As at December 31, 2013	69	34	-	103	94	46	-	140
Charge for the year	824	407	-	1,231	1,129	557	-	1,686
Disposals	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	55	27	-	82
As at December 31, 2014	893	441	-	1,334	1,277	631	-	1,908
Charge for the year	825	407	829	2,061	1,163	574	1,169	2,906
Disposals	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	34	17	25	75
As at December 31, 2015	1,718	848	829	3,395	2,474	1,221	1,194	4,889
Net Block:								
As at December 31, 2014	1,581	779	-	2,360	2,261	1,114	-	3,374
As at December 31, 2015	756	372	3,924	5,052	1,089	536	5,651	7,275

B Intangible Assets:

Software

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

Depreciation 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

Amount in Thousands

	PESO	INR
As at December 31, 2013	-	-
Additions	-	-
Disposals	-	-
Other adjustments	-	-
As at December 31, 2014	-	-
Additions	288	406
Disposals	-	-
Other adjustments	-	9
As at December 31, 2015	288	415
As at December 31, 2013	-	-
Charge for the year	-	-
Disposals	-	-
Other adjustments	-	-
As at December 31, 2014	-	-
Charge for the year	154	217
Disposals	-	-
Other adjustments	-	5
As at December 31, 2015	154	222
As at December 31, 2014	-	-
As at December 31, 2015	134	193

ZYDUS HEALTHCARE PHILIPPINES INC.

Notes to the Financial Statements

	PESO-Thousands		INR-Thousands	
	As at December 31,			
	2015	2014	2,015	2014
Note : 7 - Long Term Loans and Advances :				
[Unsecured, Considered Good]				
Security Deposits	2,854	2,078	4,110	2972
Others - Prepaid Rent	-	64	-	91
Total	2,854	2,142	4,110	3063
Note : 8 - Inventories:				
A Classification of Inventories:				
a Stock-in-Trade	117,247		168,836	
Total	117,247	-	168,836	-
Note: 9-Trade Receivables:				
[Unsecured]				
Debits outstanding for a period exceeding six months from the due date:				
Considered good	-	-	-	-
Considered doubtful	-	-	-	-
Less : Provision for doubtful debts	-	-	-	-
Other debts-Considered good	73,027	-	105,159	-
Total	73,027	-	105,159	-
Note: 10-Cash and Bank Balances:				
Balance with Bank	28,033	172	40,368	246
Cash on Hand	15	-	22	-
Total	28,048	172	40,390	246
Note : 11 - Short Term Loans and Advances :				
[Unsecured, Considered Good]				
Others :				
Balances with Statutory authorities	12,248	1,281	17,637	1832
Advances to Suppliers	-	49	0	70
Advances recoverable in cash or in kind or for value to be received	3,041	418	4,379	598
Total	15,289	1,748	22,016	2500
Note: 12-Other Current Assets:				
Prepaid Expenses	64	25	92	36
Total	64	25	92	36
Note: 13-Taxation				
<p>a Deferred Tax Asset is reported by P 16,529 K [2014 P 1,975 K], the carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.</p> <p>b The Company is not subject to Minimum Corporate Tax (MCT) until 2017 since the company was newly incorporated.</p>				
Note: 14-Contingent Liabilities [to the extent not provided for]:				
Contingent Liabilities [to the extent not provided for]	Nil	Nil	Nil	Nil
	PESO-Thousands		INR-Thousands	
	Year ended December 31			
	2015	2014	2,015	2014
Note: 15-Other Income:				
Rental income	977	3,906	1,378	5351
Interest Income	35	24	49	33
Total	1,012	3,930	1,427	5384
Note: 16-Purchase of Stock-in-Trade:				
Purchase of Stock-in-Trade	212,685	-	299,886	-
Total	212,685	-	299,886	-
Note: 17-Changes in Inventories:				
Stock at commencement:				
Stock-in-Trade	-	-	-	-
Less: Stock at close:				
Stock-in-Trade	117,247	-	168,836	-
	(117,247)	-	(168,836)	-
Note: 18-Employee Benefits Expense:				
Salaries and wages	40,108	371	56,552	508
Contribution to social security and other funds	1,883	9	2,655	12
Total	41,991	380	59,207	520
Note: 19-Finance Cost:				
Interest expense - others	686	16	967	22
Bank commission & charges	-	-	-	-
Total	686	16	967	22

ZYDUS HEALTHCARE PHILIPPINES INC.

Notes to the Financial Statements

	PESO-Thousands		INR-Thousands	
	Year ended December 31			
	2015	2014	2,015	2014
Note: 20-Other Expenses:				
Power & fuel	351	560	495	767
Rent	4,751	4,754	6,699	6513
Repairs to Others	671	26	946	36
Insurance	177	10	250	14
Rates and Taxes	738	122	1,041	167
Traveling Expenses	15,171	60	21,391	82
Legal and Professional Fees	2,446	372	3,449	510
Sales promotion expenses	99,309	-	140,026	-
Net Loss on foreign currency transactions and translation	144	-	203	-
Communication Expense	2,409	399	3,397	547
Miscellaneous Expenses	2,859	414	4,031	567
Total	129,026	6,717	181,928	9203
[*] Miscellaneous Expenses include Payment to the auditors as audit fees	75	55	102	75

Note: 21 -Calculation of Earnings per Share [EPS]:					
The numerators and denominators used to calculate the basic and diluted EPS are:					
A Loss attributable to Shareholders	Thousands	(33,925)	(3,083)	(44,318)	-4224
B Basic and weighted average number of shares outstanding during period	Numbers	2,496,909	940,728	2,496,909	940728
		PESO		INR	
C Nominal value of share		10	10		
D Basic & Diluted EPS		(13.59)	(3.28)	(18)	(4.49)

Note: 22 -Related Party Transactions:

A Name of the Related Parties and Nature of the Related Party Relationship:

a Holding Company:

Cadila Healthcare Limited

b Fellow Subsidiaries/ Concerns:

Dialforhealth India Limited	Zyodus Pharmaceuticals (USA) Inc. [USA]
Dialforhealth Unity Limited	Nesher Pharmaceuticals (USA) LLC [USA]
Dialforhealth Greencross Limited	Zyodus Healthcare (USA) LLC [USA]
German Remedies Limited	Zyodus Noveltech Inc. [USA]
Zyodus Wellness Limited	Hercon Pharmaceuticals LLC [USA]
M/s. Zyodus Wellness-Sikkim, a Partnership Firm	Zyodus Healthcare S.A. (Pty) Ltd [South Africa]
Liva Pharmaceuticals Limited	Simayla Pharmaceuticals (Pty) Ltd [South Africa]
Zyodus Technologies Limited	Script Management Services (Pty) Ltd [South Africa]
Biochem Pharmaceutical Industries Limited	Zyodus France, SAS [France]
Alidac Pharmaceuticals Limited [Formerly known as Zyodus BSV Pharma Private Limited]	Zyodus Nikkho Farmaceutica Ltda. [Brazil]
M/s. Zyodus Healthcare, a Partnership Firm	Zyodus Pharma Japan Co. Ltd. [Japan]
Zyodus Lanka (Private) Limited [Sri Lanka]	Laboratorios Combix S.L. [Spain]
Zyodus International Private Limited [Ireland]	Zyodus Pharmaceuticals Mexico SA De CV [Mexico]
Zyodus Netherlands B.V. [the Netherlands]	Zyodus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]
ZAHL B.V. [the Netherlands]	Etna Biotech S.R.L. [Italy]
ZAHL Europe B.V. [the Netherlands]	Zyodus Worldwide DMCC [Dubai]
Bremer Pharma GmbH [Germany]	Zyodus Discovery DMCC [Dubai]

c Directors:

Mr. Ashok Bhatia	Mr. Jyotindra Gor
Mr.Srinivas Chakaravarthy Maddali	Mr. Roberto Conception
Mr. George JG Ranjan Tanuku	

B Transactions with Related Parties:

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

a Details relating to parties referred to in items 22-A [a]

Nature of Transactions

Shares Issued: [Including Share Application Money]

Cadila Healthcare Limited

Purchases:

Goods [Stock in trade & Prmotion/Marketing]

Cadila Healthcare Limited

Fixed Assets

Cadila Healthcare Limited

Service Rendered

Cadila Healthcare Limited

Outstanding:

Payable

Cadila Healthcare Limited

	PESO-Thousands		INR-Thousands	
	Year ended December 31			
	2015	2014	2,015	2014
Shares Issued: [Including Share Application Money]				
Cadila Healthcare Limited	98,287	9,876	141,533	14123
Purchases:				
Goods [Stock in trade & Prmotion/Marketing]				
Cadila Healthcare Limited	274,935	-	387,658	-
Fixed Assets				
Cadila Healthcare Limited	5,041	-	7,259	-
Service Rendered				
Cadila Healthcare Limited	977	3,906	1,378	5351
	As at December 31,			
Outstanding:				
Payable				
Cadila Healthcare Limited	184,234	1,448	265,297	2071

b There are no transactions with parties referred to in items 22- A [b & c].

ZYDUS HEALTHCARE PHILIPPINES INC.

Notes to the Financial Statements

Note: 23-Segment Information:

There is only one primary segment namely "Pharmaceutical Products".

Note: 24-Operating Lease:

Operating Lease – Company as Lessee

The Company leases its office space under an operating lease agreement for a period of five years ending on October 30, 2018. Under the agreement, the rental rate shall be increased by 5% beginning on the second year. The lease contract is renewable upon mutual written agreement of both parties.

The future minimum rental commitments arising from this agreement are as follows

	PESO-Thousands		INR-Thousands	
	Year ended December 31			
	2015	2014	2,015	2014
Less than One year	3,784	3,784	5,449	5,411
Between One and Five Years	6,864	10,649	9,884	15,228
Total Commitments	10,648	14,433	15,333	20,639
Lease payments recognised in the Statement of Profit and Loss	3,974	3,784	5,603	5,184

Note: 25-Previous Year figures:

The Company has started commercial operations during the current year, hence previous year figures are not comparable with that of the current year figures.

Signatures to Significant Accounting Policies and Notes 1 to 25 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 HEALTHCARE PHILIPPINES INC.
Cash Flow Statement for the year ended December 31, 2015

Particulars	PESO-Thousands		INR-Thousands	
	Year ended December 31			
	2015	2014	2015	2014
A Cash flows from operating activities:				
Loss before tax	(48,477)	(4,414)	(64,836)	(6,047)
Adjustments for:				
Depreciation	2,215	1,231	3,123	1,686
Interest income	(35)	(24)	(49)	(33)
Total	2,180	1,207	3,074	1,653
Operating profit before working capital changes	(46,297)	(3,207)	(61,762)	(4,394)
Adjustments for:				
Decrease/ [Increase] in trade receivables	(73,027)	-	(102,968)	-
Decrease/ [Increase] in inventories	(117,247)	-	(165,318)	-
Decrease/ [Increase] in short term advances	(13,590)	(552)	(19,162)	(756)
Decrease/ [Increase] in long term advances	(712)	(22)	(1,004)	(30)
Decrease/ [Increase] in other current assets	(39)	-	(55)	-
Increase/ [Decrease] in trade payables	186,206	(322)	262,550	(441)
Increase/ [Decrease] in other current liabilities	(697)	1,812	(983)	2,482
Total	(19,106)	916	(26,940)	1,255
Cash generated from operations	(65,403)	(2,291)	(88,702)	(3,139)
Direct taxes paid [Net of refunds]	(2)	-	(3)	-
Foreign Currency Translation Reserve	-	-	-	-
Net cash from [used] operating activities	(65,405)	(2,291)	(88,705)	(3,139)
B Cash flows from investing activities:				
Purchase of fixed assets	(5,041)	-	(7,108)	-
Interest received	35	24	49	33
Net cash used [from] in investing activities	(5,006)	24	(7,059)	33
C Cash flows from financing activities:				
Proceeds from Issuance of Share Capital	98,287	1,876	138,585	2,570
Net cash used [from] in financing activities	98,287	1,876	138,585	2,570
Net increase in cash and cash equivalents	27,876	(391)	42,821	(536)
Increase/ [Decrease] due to the translation to INR [Refer Note-3]	-	-	(2,677)	16
Cash and cash equivalents at the beginning of the year	172	563	246	766
Cash and cash equivalents at the end of the year	28,048	172	40,390	246

Notes to the Cash Flow Statement

- All figures in brackets are outflows.
- Previous year's figures have been regrouped wherever necessary.
- 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 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