

Laboratorios Combix S.L.U.
Balance Sheet as at December 31, 2015

Particulars	Note No.	Euro – Thousands		INR – Thousands	
		As at December 31			
		2015	2014	2015	2014
EQUITY AND LIABILITIES:					
Shareholders' Funds:					
Share Capital	1	7,463	7,453	542,038	568,664
Reserves and Surplus	2	(12,455)	(15,194)	(904,607)	(1,159,302)
		(4,992)	(7,741)	(362,569)	(590,638)
Non-Current Liabilities:					
Long Term Borrowings	3	1,600	7,000	116,208	534,100
Current Liabilities:					
Short Term Borrowings	4	2,114	3,883	153,540	296,273
Trade Payables	5	2,722	2,843	197,699	216,921
Other Current Liabilities	6	5,745	2,484	417,259	189,530
		10,581	9,210	768,498	702,724
Total		7,189	8,469	522,137	646,186
ASSETS:					
Non-Current Assets:					
Fixed Assets:					
Tangible Assets	7	1,664	1,701	120,857	129,788
Intangible Assets		346	702	25,130	53,563
		2,010	2,403	145,987	183,351
Deferred Tax Assets [Net]		34	40	2,469	3,052
		2,044	2,443	148,456	186,403
Current Assets:					
Inventories	8	2,456	3,357	178,379	256,139
Trade Receivables	9	2,338	2,350	169,809	179,305
Cash and Bank Balances	10	243	204	17,649	15,565
Short Term Loans and Advances	11	108	115	7,844	8,774
		5,145	6,026	373,681	459,783
Total		7,189	8,469	522,137	646,186
Significant Accounting Policies					
Notes to the Financial Statements					
	II				
	1 to 24				

As per our report of even date

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

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

For and on behalf of the Board

Director

Laboratorios Combix S.L.U.
Statement of Profit and Loss for the year ended December 31, 2015

Particulars	Note No.	Euro – Thousands		INR – Thousands	
		Year ended December 31			
		2015	2014	2015	2014
REVENUE:					
Revenue from Operations:					
Sale of Products [Pharma Products]		10,213	10,101	726,859	818,383
Other Operating Revenues	12	117	101	8,327	8,183
Net Revenue from Operations		10,330	10,202	735,186	826,566
Other Income	13	8	15	569	1,215
Total Revenue		10,338	10,217	735,755	827,781
EXPENSES:					
Purchases of Stock-in-Trade	14	5,132	7,154	365,244	579,617
Changes in Inventories of Finished goods and Stock-in-Trade	15	901	(903)	77,760	(53,856)
Employee Benefits Expense	16	2,110	2,213	150,169	179,297
Finance Costs	17	360	397	25,621	32,165
Depreciation, Amortisation and impairment expenses	7	350	448	24,909	36,297
Other Expenses	18	3,510	3,505	249,806	283,975
Total Expenses		12,363	12,814	893,509	1,057,495
Loss before Exceptional items and Tax		(2,025)	(2,597)	(157,754)	(229,714)
Less: Exceptional Items	19	-	1,367	-	110,754
Loss before Tax		(2,025)	(3,964)	(157,754)	(340,468)
[Add]/ Less: Deferred Tax		(6)	40	(427)	3,241
Loss for the year		(2,031)	(3,924)	(158,181)	(337,227)
Basic & Diluted Earning per Equity Share [EPS]	20	(0.27)	(0.53)	(21.20)	(45.26)
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 24				

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:

Laboratorios Combix, S.L. [the company] was incorporated with limited liability under Spanish law on December 19, 2005. The company's registered office and installations are in Madrid. The statutory activity of the Company consists of the manufacture, marketing, distribution and sale of medicines and pharmaceutical healthcare products in general, as well as any other activities directly or indirectly related to the above. The company's main activity is the sale of generic medicines.

II-Significant Accounting Policies:

1 Basis of Accounting:

The Accounts have been prepared, in accordance with accounting principles established in the Spanish General Chart of Accounts.

2 Reporting Currency Translations:

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.

3 Use of Estimates:

The preparation of the financial statements in conformity with Spanish generally accepted principles requires management to make estimate and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year.

4 Going Concern:

The Company has prepared its financial statements according to the going concern principle, there being no type of considerable risk that may suppose significant changes in the value of the assets and liabilities in the next reporting year.

5 Fixed Assets and Depreciation:

A Tangible Fixed Assets:

- a Tangible fixed assets are stated at cost, less accumulated depreciation.
- 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	2%
- Other installations and Furniture	10%
- Information Processing equipment	16% - 25%
- Other Fixed Assets	10%

B Intangible Fixed Assets:

- a Intangible assets comprise of licenses and commercial rights corresponding to pharmaceutical specialties. These are valued at initial disbursement sum. Depreciation is calculated on straight - line basis over a period of five years commencing from their date of purchase.
- b Intangible asset comprising of software is valued at purchase price or production cost. The useful life of these elements is estimated between three and six years.

6 Impairment of Assets:

The company, at each balance sheet date assess whether there is any indication of impairment of any asset and / or cash generating unit. If such indication exists, asset are impaired by comparing carrying amount of each asset and / or cash generating unit to the recoverable amount being higher of the net selling price or value in use. Value in use is determined from the present value of estimated future cash flow from the continuing use of the assets.

7 Loans and Receivables:

These financial assets are initially valued at their fair value at their transaction price plus transaction costs directly attributable thereto.

8 Held-to-Maturity Investments:

These includes short term loans when it has the effective intention and capacity of holding them to maturity thereof. These are initially valued at transaction price plus transactions cost directly attributable thereto.

9 Inventories:

Initial Valuation

Medicament stocks are valued at average purchase cost. Financial costs are included in the purchase price.

Subsequent Valuation

When the net realisable value of the stocks is lower than their purchase price, the due valuation corrections are made, recognising them as a cost in the Statement of Profit and Loss.

If stock revaluation circumstances cease to obtain, the correction sum is reverted and recognised as income in the profit and loss.

10 Revenue Recognition:

- A** Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates and VAT.
- B** Revenue in respect of sales is recognised when goods dispatched to the customers.
- C** Interest income is recognised on time proportionate method.
- D** Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.

11 Legal Reserve:

The legal reserve is a restricted reserve which is endowed by imperative of the Law regarding corporations. The consolidated text of this Law, which came into force on 1 January 1990, establishes that in all cases a figure equal to 10% of the profit will be allocated to the legal reserve until it reaches, at least, 20% of share capital.

The legal reserve, whilst it does not exceed the indicated limit, may only be used for offsetting losses if no other reserves are available that are sufficient for this purpose.

II-Significant Accounting Policies-Continued:**12 Indemnities for terminated work Contracts:**

Except in the case of justifiable cause, companies are liable to pay indemnities to employees whose services are discontinued. In the absence of any abnormal termination of employees' services and because indemnities are not payable to employees who retire or voluntarily leave the Company, indemnity payments, if they arise, are expensed when the decision to terminate employment is taken.

13 Income Tax:

The expense for Income Tax is determined via the sum of the expense for current tax and deferred tax. The expense for current tax is determined by applying the legal tax rate, and reducing the result thus obtained by the amount of the general rebates and deductions and those applied in the financial year. Assets and liabilities for deferred taxes arise from temporary differences defined as the amounts expected to be payable or recoverable in future and which derive from the difference between the book value of the assets and liabilities and their tax base. The said amounts are recorded by applying to the temporary difference the tax rate at which they are expected to be recovered or settled. Deferred tax assets, identified with deductible temporary differences, negative tax bases and deductions pending offset, are only recognised when it is considered probable that the company will have sufficient taxable profits in future against which they may be utilised. At the close of each financial year, the recorded deferred taxes [both assets and liabilities] are reviewed in order to ascertain that they remain valid, making the opportune corrections to them, in accordance with the results of the analysis performed.

14 Staff Cost:

Except for just cause, companies are obliged to compensate employees when they cease their services. In the absence of any foreseeable need for abnormal termination of employment and since employees who retire or voluntarily cease their services do not receive compensation, payments of compensation are charged to expense when a decision is taken to dismiss the employee.

15 Provision for Bad and Doubtful Debts/Advances:

Provision is made in accounts for bad and doubtful debts/ advances which in the opinion of the management is considered doubtful of recovery.

16 Provisions, Contingent Liabilities and Contingent Assets:

Provision is recognised when the company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/disclosure is made. Contingent assets are not recognised in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

17 Events subsequent to closing:

Subsequent to the closing of the reporting year and up to the date of preparation of these annual accounts, no relevant event has occurred that may have a significant effect on the said annual accounts. However, subsequent to the closing of the reporting year the governing body will propose to the Shareholders' Meeting the carrying out of the opportune operations in order to re-establish the balance of the company's equity. In accordance with its multi-year business plan, the Company's shareholders have the firm commitment to perform all the operations that may be necessary to re-establish the balance of the equity.

18 Contribution received from subscriber:

As per the statutory requirement pursuant to law applicable to the company, if Net Capital is eroded by more than 50% of subscribed capital, then shareholders are obliged to induct the fresh capital or write off the losses by reducing the capital, in such a way that Net capital becomes 50% or more of total subscribed capital.

In order to improve the financial position of the company the holding company has subscribed to the paid up capital at a premium by infusing Euro 4,780 Thousand during the month of March'15 and October'15.

Laboratorios Combix S.L.U.
Notes to the Financial Statements

	Euro – Thousands		INR – Thousands	
	As at December 31			
	2015	2014	2015	2014
Note: 1-Share Capital:				
Authorised:				
7,462,566 [as at December 31, 2014: 7,453,006] Equity Shares of Euro 1/- each	7,463	7,453	542,038	568,664
	7,463	7,453	542,038	568,664
Issued, Subscribed and Paid-up:				
7,462,566 [as at December 31, 2014: 7,453,006] Equity Shares of Euro 1/- each, fully paid	7,463	7,453	542,038	568,664
	7,463	7,453	542,038	568,664
A The reconciliation of the number of Shares outstanding is as under:				
Number of shares at the beginning	7,453,006	7,448,406		
Add: Shares issued during the year	9,560	4,600		
Number of shares at the end	7,462,566	7,453,006		
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 Euro 1/- each, fully paid held by Holding Company, Zydus Netherlands B.V., a company incorporated in the Netherlands which is a subsidiary company of 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	7,462,566	7,453,006		
% to total share holding	100%	100%		
Note: 2-Reserves and Surplus:				
Securities Premium Reserve:				
Balance as per last Balance Sheet	6,926	4,630	556,836	381,651
Add: Addition during the year	4,770	2,296	346,445	175,185
	11,696	6,926	903,281	556,836
Foreign Currency Translation Reserve:				
Balance as per last Balance Sheet	-	-	120,985	-
Add: Exchange Rate differences on translation to INR	-	-	66,431	120,985
	-	-	187,416	120,985
Surplus in statement of Profit and Loss:				
Balance as per last Balance Sheet	(22,120)	(18,196)	(1,837,123)	(1,499,896)
Add: Loss for the year	(2,031)	(3,924)	(158,181)	(337,227)
Balance as at the end of year	(24,151)	(22,120)	(1,995,304)	(1,837,123)
Total	(12,455)	(15,194)	(904,607)	(1,159,302)
Note: 3-Long Term Borrowings:				
From a Related Party [Unsecured] [*]				
Non-current portion	1,600	7,000	116,208	534,100
Current Maturities	5,400	550	392,202	41,965
Total	7,000	7,550	508,410	576,065
Less: Current Maturities disclosed under "Other Current Liabilities" [Note-6]	(5,400)	(550)	(392,202)	(41,965)
Total	1,600	7,000	116,208	534,100
[*] The loan has no fixed repayment terms since the same is received in different tranche from Zydus International Private Limited, holding company of the holding Company. Interest is charged at 6 month Euro LIBOR + Margin.				
Note: 4-Short Term Borrowings:				
Working Capital Loans from Banks [Unsecured] [*]	2,114	3,883	153,540	296,273
Total	2,114	3,883	153,540	296,273
[*]The working capital loan is backed by Corporate Guarantee of the ultimate holding company, the interest is charged at Euro LIBOR plus 100 bps.				
Note: 5-Trade Payables:				
Trade Payables	2,722	2,843	197,699	216,921
Total	2,722	2,843	197,699	216,921

Laboratorios Combix S.L.U.
Notes to the Financial Statements

	Euro – Thousands		INR – Thousands		
	As at December 31				
	2015	2014	2015	2014	
Note: 6-Other Current Liabilities:					
Current Maturities of Long Term Debt [Refer Note-3]	5,400	550	392,202	41,965	
Interest accrued but not due on borrowings	275	322	19,973	24,569	
Others:					
Provision for Expenses	70	1,612	5,084	122,996	
Total	5,745	2,484	417,259	189,530	
Note: 7-Fixed Assets:					
A Tangible Assets:					
	Leasehold		Furniture and	Office	
	Land	Buildings	Fixtures	Equipment	Total
	Euro – Thousands				
Gross Block:					
As at December 31, 2013	486	1,255	57	61	1,859
Additions				4	4
Disposals					-
Other adjustments					-
As at December 31, 2014	486	1,255	57	65	1,863
Additions				1	1
Disposals					-
Other adjustments					-
As at December 31, 2015	486	1,255	57	66	1,864
Depreciation and Impairment:					
As at December 31, 2013	-	66	21	34	121
Depreciation for the year		25	6	10	41
Impairment for the year					-
Disposals					-
As at December 31, 2014	-	91	27	44	162
Depreciation for the year		24	6	8	38
Impairment for the year					-
Disposals					-
As at December 31, 2015	-	115	33	52	200
Net Block:					
As at December 31, 2014	486	1,164	30	21	1,701
As at December 31, 2015	486	1,140	24	14	1,664
	INR – Thousands				
Gross Block:					
As at December 31, 2013	40,061	103,450	4,699	5,028	153,238
Additions	-	-	-	324	324
Disposals	-	-	-	-	-
Other adjustments	(2,979)	(7,693)	(350)	(392)	(11,414)
As at December 31, 2014	37,082	95,757	4,349	4,960	142,148
Additions	-	-	-	71	71
Disposals	-	-	-	-	-
Other adjustments	(1,784)	(4,606)	(209)	(237)	(6,836)
As at December 31, 2015	35,298	91,151	4,140	4,794	135,383
Depreciation and Impairment:					
As at December 31, 2013	-	5,440	1,731	2,803	9,974
Depreciation for the year	-	2,026	486	810	3,322
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Other adjustments	-	(523)	(157)	(256)	(936)
As at December 31, 2014	-	6,943	2,060	3,357	12,360
Depreciation for the year	-	1,708	427	569	2,704
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Other adjustments	-	(299)	(90)	(149)	(538)
As at December 31, 2015	-	8,352	2,397	3,777	14,526
Net Block:					
As at December 31, 2014	37,082	88,814	2,289	1,603	129,788
As at December 31, 2015	35,298	82,799	1,743	1,017	120,857
Note: Other adjustments include adjustments on account of exchange rate translation differences.					

Laboratorios Combix S.L.U.
Notes to the Financial Statements

Note: 7-Fixed Assets-Continued:

B Intangible Assets:

	Brands/ Trademarks	Computer Software	Commercial Rights	Total
	Euro – Thousands			
Gross Block:				
As at December 31, 2013	100	230	2,141	2,471
Additions				-
Disposals			(106)	(106)
Other adjustments				-
As at December 31, 2014	100	230	2,035	2,365
Additions			1	1
Disposals			(45)	(45)
Other adjustments				-
As at December 31, 2015	100	230	1,991	2,321
Amortisation and Impairment:				
As at December 31, 2013	100	177	1,016	1,293
Amortisation for the year		38	369	407
Disposals	-		(37)	(37)
As at December 31, 2014	100	215	1,348	1,663
Amortisation for the year		12	300	312
Disposals				-
As at December 31, 2015	100	227	1,648	1,975
Net Block:				
As at December 31, 2014	-	15	687	702
As at December 31, 2015	-	3	343	346
INR – Thousands				
Gross Block:				
As at December 31, 2013	8,243	18,959	176,483	203,685
Additions	-	-	-	-
Disposals	-	-	(8,588)	(8,588)
Other adjustments	(613)	(1,410)	(12,624)	(14,647)
As at December 31, 2014	7,630	17,549	155,271	180,450
Additions	-	-	71.00	71
Disposals	-	-	(3,203)	(3,203)
Other adjustments	(367)	(844)	(7,533)	(8,744)
As at December 31, 2015	7,263	16,705	144,606	168,574
Amortisation and Impairment:				
As at December 31, 2013	8,243	14,590	83,749	106,582
Amortisation for the year	-	3,079	29,896	32,975
Disposals	-	-	(2,998)	(2,998)
Other adjustments	(613)	(1,264)	(7,795)	(9,672)
As at December 31, 2014	7,630	16,405	102,852	126,887
Amortisation for the year	-	854	21,351	22,205
Disposals	-	-	-	-
Other adjustments	(367)	(772)	(4,509)	(5,648)
As at December 31, 2015	7,263	16,487	119,694	143,444
Net Block:				
As at December 31, 2014	-	1,144	52,419	53,563
As at December 31, 2015	-	218	24,912	25,130

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

Laboratorios Combix S.L.U.
Notes to the Financial Statements

	Euro – Thousands		INR – Thousands	
	As at December 31			
	2015	2014	2015	2014
Note: 8-Inventories:				
[The Inventory is valued at lower of cost and net realisable value]				
Stock-in-Trade	2,456	3,357	178,379	256,139
Total	2,456	3,357	178,379	256,139
The above includes Goods in transit	146	88	10,604	6,714
Note: 9-Trade Receivables:				
[Unsecured, Considered good]				
Outstanding for a period exceeding six months from the date they are due for payment:				
Considered good	9	21	654	1,602
Considered doubtful	175	164	12,710	12,513
	184	185	13,364	14,115
Less : Provision for doubtful debts	175	164	12,710	12,513
	9	21	654	1,602
Others	2,329	2,329	169,155	177,703
Total	2,338	2,350	169,809	179,305
Note: 10-Cash and Bank Balances:				
Balances with Banks	243	204	17,649	15,565
Total	243	204	17,649	15,565
Balances with bank includes:				
Bank deposits with maturity of more than 12 months	90	90	6,537	6,867
Note: 11-Short Term Loans and Advances:				
Others:				
Balances with Revenue Authorities	81	88	5,883	6,714
Advances recoverable in cash or in kind or for value to be received	27	27	1,961	2,060
Total	108	115	7,844	8,774
	Euro – Thousands		INR – Thousands	
	Year ended December 31			
	2015	2014	2015	2014
Note: 12-Other Operating Revenues:				
Miscellaneous Income	117	101	8,327	8,183
Total	117	101	8,327	8,183
Note: 13-Other Income:				
Net Gain on disposal of Fixed Assets	-	15	-	1,215
Other Non Operating Income	8	-	569	-
Total	8	15	569	1,215

Laboratorios Combix S.L.U.
Notes to the Financial Statements

	Euro – Thousands		INR – Thousands	
	Year ended December 31			
	2015	2014	2015	2014
Note: 14-Purchase of Stock-in-Trade:				
Purchase of Stock-in-Trade [Pharma Products]	5,132	7,154	365,244	579,617
Total	5,132	7,154	365,244	579,617
Note: 15-Changes in Inventories:				
Stock-in-Trade:				
Stock at commencement	3,357	2,454	256,139	202,283
Less: Stock at close	2,456	3,357	178,379	256,139
Total	901	(903)	77,760	(53,856)
Note: 16-Employee Benefit Expense:				
Salaries and wages	1,751	1,810	124,619	146,646
Contribution to provident and other funds	359	403	25,550	32,651
Total	2,110	2,213	150,169	179,297
Note: 17-Finance Cost:				
Interest expense [*]	315	353	22,418	28,600
Bank commission & charges	45	44	3,203	3,565
Total	360	397	25,621	32,165
[*] The break up of interest expense in to major heads is given below:				
On term loans	296	322	21,066	26,088
On working capital loans	19	31	1,352	2,512
	315	353	22,418	28,600
Note: 18-Other Expenses:				
Power & fuel	42	81	2,989	6,563
Repairs to Others	8	5	569	405
Insurance	31	55	2,206	4,456
Rates and Taxes [excluding taxes on income]	790	984	56,224	79,724
Traveling Expenses	139	147	9,893	11,910
Legal and Professional Fees	161	158	11,458	12,801
Freight and forwarding on sales	555	596	39,499	48,288
Representative Allowances	726	128	51,669	10,371
Other marketing expenses	846	1,215	60,210	98,439
Bad Debts:				
Bad debts written off	-	15	-	1,215
Provision for Doubtful Debts	19	23	1,352	1,863
	19	38	1,352	3,078
Less : Transferred from Provision for Doubtful Debts	(8)	(14)	(569)	(1,134)
	11	24	783	1,944
Miscellaneous Expenses [*]	201	112	14,306	9,074
Total	3,510	3,505	249,806	283,975
[*] Miscellaneous Expenses include Payment to the auditors as Auditor				
	11	10	783	810
Note: 19-Exceptional Items:				
Provision for amount payable to a former supplier for termination of supply contract, pursuant to the order passed by the Hon'able High Court of Madrid, Spain	-	1,367	-	110,754
Total	-	1,367	-	110,754
Note: 20-Calculation of Earnings per Equity Share [EPS]:				
The numerators and denominators used to calculate basic and diluted EPS are:				
A Loss attributable to Shareholders	(2,031)	(3,924)	(158,181)	(337,227)
B Basic and weighted average number of Equity shares outstanding during the year	7,460,239	7,451,089	7,460,239	7,451,089
	Euro		INR	
C Nominal value of equity share	1	1		
D Basic and Diluted EPS	(0.27)	(0.53)	(21.20)	(45.26)

Laboratorios Combix S.L.U.
Notes to the Financial Statements

Note: 21-Related Party Transactions:

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

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

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 21 A [a, b, c & d]

Value of the Transactions [Euro - Thousands]

<u>Nature of Transactions</u>	<u>Holding Company and Holding company of</u>		<u>Ultimate Holding company</u>		<u>Fellow Subsidiaries</u>	
	<u>Holding company</u>		<u>Year ended December 31</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Purchases:						
Cadila Healthcare Limited			1,526	1,644		
Service from:						
Cadila Healthcare Limited			41	41		
ZyduS France, SAS					36	64
Finance:						
Interest paid on loan :						
ZyduS International Private Limited	296	322				
Investments:						
Subscription to Share Capital from:						
ZyduS Netherlands B.V.	4,780	2,300				
			<u>As at December 31</u>			
Outstanding:						
Interest Payable:						
ZyduS International Private Limited	275	322				
Loan Payable:						
ZyduS International Private Limited	7,000	7,550				
Payable:						
Cadila Healthcare Limited			850	847		
ZyduS France, SAS					7	9

Laboratorios Combix S.L.U.
Notes to the Financial Statements

Note: 21-Related Party Transactions-Continued:

Nature of Transactions	Value of the Transactions [INR - Thousands]					
	Holding Company and Holding company of Holding company		Ultimate Holding company Year ended December 31		Fellow Subsidiaries	
	2015	2014	2015	2014	2015	2014
Purchases:						
Cadila Healthcare Limited			108,605	133,197		
Service from:						
Cadila Healthcare Limited			2,918	3,322		
Zydus France, SAS					2,562	5,185
Finance:						
Interest paid on loan :						
Zydus International Private Limited	21,066	26,088				
Investments:						
Subscription to Share Capital from:						
Zydus Netherlands B.V.	347,171	175,490				
			As at December 31			
Outstanding:	2015	2014	2015	2014	2015	2014
Interest Payable:						
Zydus International Private Limited	19,973	24,569				
Loan Payable:						
Zydus International Private Limited	508,410	576,065				
Payable:						
Cadila Healthcare Limited			61,736	64,626		
Zydus France, SAS					508	687

b There are no transactions with the parties referred to in item no. 21 A [e]

Note: 22-Segment Information:

There is only one segment, namely "Pharmaceuticals".

Note: 23- Going Concern

As on December 31, 2015, the company has negative net worth of Euro 4,992 Thousands and also made losses of Euro 2,031 Thousands during the year. However, the losses incurred by the Company are the result of a medium- and long-term strategy and business plan. The said strategy contemplates the financial support of the shareholders to cover the losses that may be produced operationally in accordance with the business plan. There is a total commitment by the shareholders to make sufficient contributions of liquidity in order that the company may perform its operations normally. In accordance with the provisions of Spanish Law that contemplated in letter (d) of Article 20.1 of Royal Decree-law 7/1996 in relation to, participatory loans, the participative loans will be considered as book value net worth of the Company for the purposes of capital reduction and liquidation of companies.

Note: 24

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 24 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

Laboratorios Combix S.L.U.
Cash Flow Statement for the year ended December 31, 2015

Particulars	Euro – Thousands		INR – Thousands	
	Year ended December 31			
	2015	2014	2015	2014
A Cash flows from operating activities:				
Loss before tax	(2,025)	(3,964)	(157,754)	(340,468)
Adjustments for:				
Depreciation, Amortisation and Impairment expenses	350	448	24,910	36,297
[Profit] on sale of assets [Net]	(8)	-	(569)	-
Interest income	-	(15)	-	(1,215)
Interest expenses	315	353	22,419	28,600
Bad debts written off	-	15	-	1,215
Provision for doubtful debts	19	23	1,352	1,863
Provision for doubtful debts written back	(8)	(14)	(569)	(1,134)
Total	668	810	47,543	65,626
Operating profit before working capital changes	(1,357)	(3,154)	(110,211)	(274,842)
Adjustments for:				
Decrease/ [Increase] in trade receivables	1	42	71	3,403
[Increase]/ Decrease in inventories	901	(903)	64,124	(73,161)
Decrease/ [Increase] in short term advances	7	38	498	3,079
[Decrease]/ Increase in trade payables	(121)	(116)	(8,612)	(9,398)
Increase/ [Decrease] in other current liabilities	(1,542)	1,392	(109,744)	112,780
Total	(754)	453	(53,663)	36,703
Net cash from operating activities	(2,111)	(2,701)	(163,874)	(238,139)
B Cash flows from investing activities:				
Purchase of fixed assets	(2)	(4)	(142)	(324)
Proceeds from sale of fixed assets	53	69	3,772	5,590
Interest received	-	15	-	1,215
Net cash used in investing activities	51	80	3,630	6,481
C Cash flows from financing activities:				
Proceeds from Issuance of Share Capital	4,780	2,301	340,193	186,427
Repayment of Long Term Borrowings	(550)	-	(39,144)	-
Short Term Borrowings [Net]	(1,769)	529	(125,900)	42,860
Interest paid	(362)	(347)	(25,764)	(28,114)
Net cash used in financing activities	2,099	2,483	149,385	201,173
Net increase in cash and cash equivalents	39	(138)	(10,859)	(30,485)
Increase/ [Decrease] due to the translation to INR [Refer Note-3]	-	-	12,943	17,859
Cash and cash equivalents at the beginning of the year	204	342	15,565	28,191
Cash and cash equivalents at the end of the year	243	204	17,649	15,565

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 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