

Zydus Worldwide DMCC
Balance Sheet as at March 31, 2017

Particulars	Note No.	USD- Thousands			INR- Thousands		
		As at March 31					
		2017	2016	2015	2017	2016	2015
ASSETS:							
Non-Current Assets:							
Property, Plant and Equipment	1	2,466	2,509	1,246	159,994	166,296	77,912
Capital work-in-progress		10,430	1,512	355	676,698	100,215	22,198
Other Intangible Assets	1	1,503	3	3	97,515	199	188
Financial Assets:							
Investments	2	130,423	8,014	8,014	8,461,844	531,168	501,115
Loans	3	4,738	1,146	629	307,401	75,957	39,331
Other Non-Current Financial Assets	4	5	8	5	324	530	313
		149,565	13,192	10,252	9,703,776	874,365	641,057
Current Assets:							
Financial Assets:							
Trade Receivables	5	9,169	-	-	594,885	-	-
Cash and Bank Balances	6	2,395	1,954	2,880	155,388	129,511	180,086
Other Current Financial Assets	7	6	-	18	389	-	1,126
Other Current Assets	8	71	49	15	4,607	3,248	939
		11,641	2,003	2,913	755,269	132,759	182,151
Total		161,206	15,195	13,165	10,459,045	1,007,124	823,208
EQUITY AND LIABILITIES:							
Equity:							
Equity Share Capital	9	17,513	12,513	10,014	1,136,243	829,362	626,175
Other Equity	10	(3,880)	(973)	(235)	(251,734)	(64,492)	(14,693)
		13,633	11,540	9,779	884,509	764,870	611,482
Non-Current Liabilities:							
Financial Liabilities:							
Borrowings	11	3,300	3,300	-	214,104	218,724	-
Provisions	12	31	12	5	2,011	795	312
		3,331	3,312	5	216,115	219,519	312
Current Liabilities:							
Financial Liabilities:							
Borrowings	13	137,845	-	3,291	8,943,384	-	205,786
Trade Payables	14	6,165	258	25	399,985	17,100	1,563
Other Financial Liabilities	15	232	84	65	15,052	5,569	4,065
Other Current Liabilities	16	-	1	-	-	66	-
		144,242	343	3,381	9,358,421	22,735	211,414
Total		161,206	15,195	13,165	10,459,045	1,007,124	823,208
Significant Accounting Policies	II						
Notes to the Financial Statements	1 to 27						
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 25, 2017		Director					

Zydus Worldwide DMCC
Statement of Profit and Loss for the period ended March 31, 2017

Particulars	Note No.	USD- Thousands		INR- Thousands	
		Year ended March 31			
		2017	2016	2017	2016
REVENUE:					
Revenue from Operations	17	9,169	2	615,057	131
Other Income	18	73	53	4,897	3,469
Total Revenue		9,242	55	619,954	3,600
EXPENSES:					
Purchases of Stock-in-Trade	19	3,536	1	237,195	65
Employee Benefits Expense	20	682	265	45,749	17,344
Finance Costs	21	1,151	76	77,209	4,974
Depreciation, Amortisation and Impairment expenses	1	47	31	3,155	2,028
Other Expenses	22	6,728	423	451,312	27,686
Total Expenses		12,144	796	814,620	52,097
Profit for the year		(2,902)	(741)	(194,666)	(48,497)
OTHER COMPREHENSIVE INCOME:					
Items that will not be reclassified to profit or loss:					
Re-measurement gains/ (losses) on defined benefit plans		(5)	3	(335)	196
Total Comprehensive Income for the year		(2,907)	(738)	(195,001)	(48,301)
Basic & Diluted Earning per Equity Share [EPS] [in USD / Rupees]	23	(57.83)	(19.59)	(3,879.51)	(1,281.94)
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 27				
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 25, 2017		Director			

Zydus Worldwide DMCC			
Statement of Change in Equity for the year ended March 31, 2017			
a Equity Share Capital:	No. of Shares	USD- Thousands	INR- Thousands
Equity Shares of AED 1000/- each, Issued, Subscribed and Fully Paid-up:			
As at March 31, 2014	-	-	-
Add : Issued during the year	36,750	10,014	626,175
As at March 31, 2015	36,750	10,014	626,175
Add : Issued during the year	9,180	2,499	203,187
As at March 31, 2016	45,930	12,513	829,362
Add : Issued during the year	18,350	5,000	306,881
As at March 31, 2017	64,280	17,513	1,136,243
		USD- Thousands	
b Other Equity:		Retained Earnings	Total
As at March 31, 2014		-	-
Add: Profit for the year		(235)	(235)
As at March 31, 2015		(235)	(235)
Add: Loss for the year		(741)	(741)
Add [Less]: Other Comprehensive income		3	3
As at March 31, 2016		(973)	(973)
Add: Loss for the year		(2,902)	(2,902)
Add [Less]: Other Comprehensive income		(5)	(5)
As at March 31, 2017		(3,880)	(3,880)
		-	-
		INR- Thousands	
		Foreign Currency Translation Reserve	Retained Earnings
		Total	
As at March 31, 2014		-	-
Add: Profit for the year		(313)	(14,380)
As at March 31, 2015		(313)	(14,380)
Add: Loss for the year		-	(48,497)
Add [Less]: Other Comprehensive income		-	196
Total Comprehensive Income		(313)	(62,681)
Other Credit/ [Debit] during the year #		(1,498)	-
As at March 31, 2016		(1,811)	(62,681)
Add: Loss for the year		-	(194,666)
Add [Less]: Other Comprehensive income		-	(335)
Total Comprehensive Income		(1,811)	(257,682)
Other Credit/ [Debit] during the year #		7,759	-
As at March 31, 2017		5,948	(257,682)
		-	-
# Includes adjustments on account of exchange rate translation differences.		-	-
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		Director	
Partner			
Membership Number: 042132			
Ahmedabad, Dated: May 25, 2017			

Zydus Worldwide DMCC

I-Company overview:

Description of Business:

Zydus Worldwide DMCC [the Company] is formed as a company with Limited Liability and under the provisions of law no. (4) of 2001 in respect of establishing Dubai Multi Commodities Center [DMCC], Dubai (U.A.E.) vide Registration no. DMCC5173, with Limited Liability. The company is licensed to perform activities such as - Pharmaceutical researches and studies, Marketing Management, Trading in pharmaceutical products (outside UAE), Investment in commercial enterprise and management, as per the licenses granted by DMCC vide License No. DMCC – 34079, 34080, 34081, 34082.

II-Significant Accounting Policies:

A The following note provides list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

1 Basis of Accounting:

A The financial statements of the Company are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with Indian Accounting Standards [Ind AS].

B The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- i Defined benefit plans

2 Reporting Currency Translation:

The Local accounts are maintained in local and functional currency which is "USD". 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 "USD" 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 "Other Equity".

3 Use of Estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

a Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

b Employee benefits:

Significant judgments are involved in making judgments about the life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans.

c Impairment of assets and investments:

Significant judgment is involved in determining the estimated future cash flows from the investments, Property, plant and equipment and Goodwill to determine its value in use to assess whether there is any impairment in its carrying amount as reflected in the financials.

4 Property, Plant and Equipment:

a Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment loss.

b Cost of each asset is depreciated over the estimated useful lives on straight line method, based on useful lives as below:

Office Premises	60 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years

c Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.

d Tangible fixed assets are depreciated over the estimated useful life which is periodically reviewed to ensure that the method and the period of depreciation are consistent with the expected pattern of economic benefit.

e Repairs and renewals are recognised in profit or loss when the expenditure is incurred.

5 Impairment:

The Property, Plant and Equipment and Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets [cash generating units]. Non-financial assets that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

6 Employee benefits:

Short term obligations:

Liabilities for wages and salaries, including leave encashment that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Long term employee benefits obligations:

The liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. Such costs are included in employee benefit expenses in the Statement of Profit and Loss.

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "other comprehensive income" and are included in retained earnings in the Statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- i Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- ii Net interest expense

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

a Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and is shown net of returns, trade allowances, rebates, value added taxes and volume discounts. The specific recognition criteria described below must also be met before revenue is recognised:

a Sale of Goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The goods are often sold with volume discounts/ pricing incentives and customers have a right to return damaged or expired products. Revenue from sales is based on the price in the sales contracts/MRP, net of discounts. Historical experience is used to estimate and provide for damage or expiry claims. No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Company.

b Interest Income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate [EIR]. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

c Other Income:

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

8 Foreign Currency [Currency other than company's functional currency] Transactions:

Foreign currency Transactions are recorded in USD at the approximate rate of exchange prevailing on the date of transactions. Foreign currency balances of monetary assets and liabilities are translated to USD at the rate of exchange prevailing at the reporting date. Gains or losses on exchange rate fluctuations are recognised in statement of profit and loss.

9 Provisions, Contingent Liabilities and Contingent Assets:

A Provisions are 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. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.

B If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

10 Borrowing Costs:

Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per EIR method. Borrowing costs also include exchange differences, if any, to the extent regarded as an adjustment to the borrowing costs.

11 Intangible Assets:

A Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

B Trade Marks, Technical Know-how Fees and other similar rights are amortised over their estimated useful life.

C Capitalised cost incurred towards purchase/ development of software is amortised using straight line method over its useful life of four years as estimated by the management at the time of capitalisation.

D Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

E An item of intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the Statement of profit and loss when the asset is derecognised.

12 Research and Development Cost:

A Expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred.

B Capital expenditure on research and development is given the same treatment as Property, Plant and Equipment.

13 Cash and Cash Equivalents:

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

14 Going Concern:

The Financial Statements have been prepared on a going concern basis. The management made a review of the going concern assessment and considered the same. The management believes that, on the date of report, establishment has sufficient financial resources to meet the committed financial liabilities and therefore the financial statements for the current reporting period are prepared on a going concern basis.

15 Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits [consolidation of shares] that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss [excluding other comprehensive income] for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Zydus Worldwide DMCC
Notes to the Financial Statements

Note: 1: Property, Plant and Equipment & Intangible Assets :

	Property, Plant and Equipment				Intangible Assets		
	Buildings	Furniture and Office		Total	Computer Software	Commercial Rights	Total
		Fixtures	Equipment				
Gross Block:							
As at April 1, 2015	1,205	30	26	1,261	3	-	3
Additions	1,289	-	4	1,293	1	-	1
Disposals	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-
As at March 31, 2016	2,494	30	30	2,554	4	-	4
Additions	-	-	4	4	-	1,500	1,500
Disposals	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-
As at March 31, 2017	2,494	30	34	2,558	4	1,500	1,504
Depreciation and Impairment:							
As at April 1, 2015	13	1	1	15	-	-	-
Charge for the year	25	-	5	30	1	-	1
Other adjustments	-	-	-	-	-	-	-
As at March 31, 2016	38	1	6	45	1	-	1
Charge for the year	39	1	7	47	-	-	-
Other adjustments	-	-	-	-	-	-	-
As at March 31, 2017	77	2	13	92	1	-	1
Net Block:							
As at April 1, 2015	1,192	29	25	1,246	3	-	3
As at March 31, 2016	2,456	29	24	2,509	3	-	3
As at March 31, 2017	2,417	28	21	2,466	3	1,500	1,503
	Buildings	Furniture and Fixtures	Office Equipment	Total	Computer Software	Commercial Rights	Total
Gross Block:							
As at April 1, 2015	75,349	1,876	1,626	78,851	188	-	188
Additions	84,365	-	261	84,626	65	-	65
Disposals	-	-	-	-	-	-	-
Other adjustments	5,588	112	101	5,802	12	-	12
As at March 31, 2016	165,302	1,988	1,988	169,279	265	-	265
Additions	-	-	269	269	-	100,620	100,620
Disposals	-	-	-	-	-	-	-
Other adjustments	(3,491)	(42)	(51)	(3,585)	(5)	(3,300)	(3,305)
As at March 31, 2017	161,811	1,946	2,206	165,963	260	97,320	97,580
Depreciation and Impairment:							
As at April 1, 2015	813	63	63	939	-	-	-
Charge for the year	1,636	-	327	1,963	65	-	65
Other adjustments	70	3	8	81	1	-	1
As at March 31, 2016	2,519	66	398	2,983	66	-	66
Charge for the year	2,617	68	470	3,155	-	-	-
Other adjustments	(140)	(4)	(25)	(169)	(1)	-	(1)
As at March 31, 2017	4,996	130	843	5,969	65	-	65
Net Block:							
As at April 1, 2015	74,536	1,813	1,563	77,912	188	-	188
As at March 31, 2016	162,783	1,922	1,590	166,296	199	-	199
As at March 31, 2017	156,815	1,816	1,363	159,994	195	97,320	97,515

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

Zydus Worldwide DMCC								
Notes to the Financial Statements								
	Nos. [*]	Face Value [**]	USD- Thousands			INR- Thousands		
			As at March 31					
			2017	2016	2015	2017	2016	2015
Note: 2-Investments:								
Long Term Investments :								
Trade Investments:								
			123,605	8,014	8,014	8,019,492	531,168	501,115
			6,818	-	-	442,352	-	-
			130,423	8,014	8,014	8,461,844	531,168	501,115
			130,423	8,014	8,014	8,461,844	531,168	501,115
Details of Trade Investments :								
Investment in Equity Instruments:								
Subsidiary Companies:								
Unquoted:								
In fully paid-up equity shares of:								
i	Zydus Netherlands BV, Netherlands [#]	855804 [0]{0}	€ 100.00	92,363	-	-	5,992,511	-
ii	Zydus France , SAS , France [#]	1944134 [0]{0}	€ 4.00	9,836	-	-	638,160	-
iii	ETNA Bio Tech, Italy [#]	900 [0]{0}	€ 100.00	108	-	-	7,007	-
iv	Alidac Healthcare (Myanmar) Limited [\$]	4112500 [0]{0}	MMK 1000	7,580	-	-	491,790	-
v	Zydus Healthcare SA (Pty.) Limited, South Africa [#]	57704149 [0]{0}	With No Par Value	5,704	-	-	370,076	-
vi	Zydus Discovery DMCC, Dubai	29410 [29410]{29410}	AED 1000	8,014	8,014	8,014	519,948	531,168
				123,605	8,014	8,014	8,019,492	531,168
				6,818	-	-	442,352	-
Investment in Preference Shares:								
Subsidiary Companies [Unquoted]:								
i	Zydus Healthcare SA (Pty.) Limited, South Africa [#]	5877000 [0]{0}	With No Par Value	6,818	-	-	442,352	-
[#] Pursuant to the Share Purchase Agreements [SPAs] entered into by the Company on March 24, 2017, with Zydus International Private Limited, Ireland [ZIPL], a 100% subsidiary of Cadila Healthcare Limited, the Company had acquired 100% of ordinary shares of Zydus France SAS, 100% quota of share capital of Etna Biotech SRL, 100% of ordinary shares and 100% of preference shares of Zydus Healthcare S.A. Pty Limited and 100% of Share capital of Zydus Netherlands B.V. for cash consideration.								
[\$] Newly formed wholly owned subsidiary in Myanmar.								
In "Nos. [*]" figures of previous year are same unless stated in []. In "Face Value [**]" figures are in Respective currency.								
Note: 3-Loans:								
[Unsecured, Considered Good unless otherwise stated]								
Loans and Advances to Related Parties [*]			4,738	1,146	629	307,401	75,957	39,331
Total			4,738	1,146	629	307,401	75,957	39,331
[*] Details of Loans and Advances to related parties are as under:								
Name of the party and relationship with the party to whom loan given:								
Subsidiary Company:								
Zydus Discovery DMCCC								
Total			4,738	1,146	629	307,401	75,957	39,331
Total			4,738	1,146	629	307,401	75,957	39,331
a All the above loans have been given for business purposes.								
b All the loans are interest bearing .								
Note: 4-Other Non-Current Financial Assets:								
[Unsecured, Considered Good unless otherwise stated]								
Security Deposits			5	8	5	324	530	313
Total			5	8	5	324	530	313
Note: 5-Trade Receivables:								
Others- Considered good:								
Unsecured			9,169	-	-	594,885	-	-
Total			9,169	-	-	594,885	-	-
Note: 6-Cash and Bank Balances:								
Balances with Banks			2,393	1,953	2,877	155,258	129,444	179,898
Cash on Hand			2	1	3	130	67	188
Total			2,395	1,954	2,880	155,388	129,511	180,086
Note: 7-Other Current Financial Assets:								
[Unsecured, Considered Good]								
Balances with Statutory Authorities			6	-	18	389	-	1,126
Total			6	-	18	389	-	1,126
Note: 8-Other Current Assets:								
[Unsecured, Considered Good]								
Advances to Suppliers			29	-	-	1,882	-	-
Rent Receivable			42	42	3	2,725	2,784	188
Prepaid Expenses			-	7	12	-	464	751
Total			71	49	15	4,607	3,248	939

Zydus Worldwide DMCC
Notes to the Financial Statements

	USD- Thousands			INR- Thousands		
	As at March 31					
	2017	2016	2015	2017	2016	2015
Note: 9-Equity Share Capital:						
Authorised:						
64,280 [as at March 31, 2016: 45,930]{as at March 31, 2015: 36,750} Common Stock of AED 1000/- each	17,513	12,513	10,014	1,136,243	829,362	626,175
	17,513	12,513	10,014	1,136,243	829,362	626,175
Issued, Subscribed and Fully Paid-up Equity Shares:						
64,280 [as at March 31, 2016: 45,930]{as at March 31, 2015: 36,750} Common Stock of AED 1000/- each	17,513	12,513	10,014	1,136,243	829,362	626,175
	17,513	12,513	10,014	1,136,243	829,362	626,175
A The reconciliation of the number of Shares outstanding as at March 31, 2017, 2016 and 2015 is as under:						
Number of shares at the beginning	45,930	36,750	-			
Add: Shares issued during the year	18,350	9,180	36,750			
Less: Shares redeemed during the year	-	-	-			
Number of shares at the end	64,280	45,930	36,750			
B The Company has only Ordinary shares. All ordinary shares rank parri passu and carry equal rights with respect to voting and dividend. In the event of liquidation of the Company, the Ordinary shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all preferential amounts.						
C Ordinary shares of AED 1000/- each, fully paid held by Holding Company, Cadila Healthcare Limited, a company incorporated in India:						
Number of Shares	64,280	45,930	36,750			
% to total share holding	100%	100%	100%			
Note: 10-Other Equity:						
Other Reserves:						
Foreign Currency Translation Reserve:						
Balance as per last Balance Sheet	-	-	-	(1,811)	(313)	-
Add: Exchange Rate differences on translation to INR	-	-	-	7,759	(1,498)	(313)
	-	-	-	5,948	(1,811)	(313)
Retained Earnings:						
Balance as per last Balance Sheet	(973)	(235)	-	(62,681)	(14,380)	-
Less: Adjusted to FVTOCI reserve on transition to Ind AS	-	-	-	-	-	-
Add: Loss for the year	(2,902)	(741)	(235)	(194,666)	(48,497)	(14,380)
	(3,875)	(976)	(235)	(257,347)	(62,877)	(14,380)
Less: Items of other Comprehensive income recognised directly in Retained Earnings:						
Re-measurement gains/ [losses] on defined benefit plans [net of tax]	(5)	3		(335)	196	
Balance as at the end of the year	(3,880)	(973)	(235)	(257,682)	(62,681)	(14,380)
Total	(3,880)	(973)	(235)	(251,734)	(64,492)	(14,693)
Note: 11-Borrowings:						
Unsecured Loan [From Related Party]	3,300	3,300	-	214,104	218,724	-
Total	3,300	3,300	-	214,104	218,724	-
Zydus International Private Limited	3,300	3,300	-	214,104	218,724	-
The Loan is bearing interest of 6 month USD libor plus 150 bps. The tenure of the loan shall be 3 years from the disbursement date, which can be further renewed on yearly basis however the total tenure of the loan shall not exceed 5 years from the date of first disbursement.						
Note: 12-Provisions:						
Provision for Employee Benefits	31	12	5	2,011	795	312
Total	31	12	5	2,011	795	312
Defined benefit plan and long term employment benefit				USD- Thousands		
				As at March 31		
B Change in the present value of the defined benefit obligation:				Gratuity		
				2017	2016	
Opening defined benefit obligation				11	3	
Interest cost				1	-	
Current service cost				11	11	
Benefits paid				(2)	-	
Actuarial [gains]/ losses on obligation				5	(3)	
Closing defined benefit obligation				26	11	

Zydus Worldwide DMCC
Notes to the Financial Statements

Defined benefit plan and long term employment benefit- Continued

USD- Thousands	
As at March 31	
Gratuity	
2017	2016
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
(5)	3
-	-
-	-
-	-
-	-
26	11
-	-
26	11
-	-
26	11
11	11
1	-
-	-
-	-
-	-
12	11
-	-
5	(3)
5	(3)
11	37
12	11
(2)	(34)
5	(3)
-	-
26	11

C Change in the fair value of plan assets:

Opening fair value of plan assets
Expected return on plan assets
Return of plan assets excluding amounts included in interest income
Contributions by employer
Benefits paid
Actuarial [losses]/ gains
Closing fair value of plan assets
Total actuarial [losses]/ gains to be recognised

D Actual return on plan assets:

Expected return on plan assets
Actuarial [losses]/ gains on plan assets
Actual return on plan assets

E Amount recognised in the balance sheet:

Liabilities/ [Assets] at the end of the year
Fair value of plan assets at the end of the year
Difference
Unrecognised past service cost
Liabilities/ [Assets] recognised in the Balance Sheet

F Expenses/ [Incomes] recognised in the Statement of Profit and Loss:

Current service cost
Interest cost on benefit obligation
Expected return on plan assets
Return of plan assets excluding amounts included in interest income
Net actuarial [gains]/ losses in the year
Amount Included in "Employee Benefit Expense"
Return of plan assets excluding amounts included in interest income
Net actuarial [gains]/ losses in the year
Amounts recognized in OCI

G Movement in net liabilities recognised in Balance Sheet:

Opening net liabilities
Expenses as above [P & L Charge]
Employer's contribution
Amount recognised in OCI
Benefits Paid
Liabilities/ [Assets] recognised in the Balance Sheet

H Principal actuarial assumptions as at Balance sheet date:

	31.3.2017	31.3.2016
Discount rate	6.95%	7.80%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations]		
Expected rate of return on plan Assets	6.95%	7.80%
[The expected rate of return assumed by the Insurance company is generally based on its Investment pattern as stipulated by the Government of India]		
Annual increase in salary cost	12% for next 4 years, 9% thereafter	12% for 1st 5 years, 9% thereafter
[The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]		

I The categories of plan assets as a % of total plan assets are:

	31.3.2017	31.3.2016
Insurance plan	0.00%	0.00%

Zydus Worldwide DMCC
Notes to the Financial Statements

Defined benefit plan and long term employment benefit- Continued

J Amount recognised in current and previous four years:

	As at March 31	
	2017	2016
Gratuity:		
Defined benefit obligation	26	11
Fair value of Plan Assets	-	-
Deficit/ [Surplus] in the plan	26	11
Actuarial Loss/ [Gain] on Plan Obligation	5	(3)
Actuarial Loss/ [Gain] on Plan Assets	-	-

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2016-17.

C Gratuity:

Assumption	2017		2016	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
	Discount rate			
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation [INR-Millions]	(0.59)	1.49	0.05	0.83
	Annual increase in salary cost			
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation [INR-Millions]	1.45	(0.56)	0.81	0.06

	USD- Thousands			INR- Thousands		
	As at March 31					
	2017	2016	2015	2017	2016	2015

Note: 13-Borrowings:

Loans repayable on Demand from Bank						
Working Capital Loans from Banks [Unsecured]	10,000	-	-	648,800	-	-
Loans from Related Party [Unsecured]						
Term Loan from Zydus International Private Limited	7,895	-	-	512,228		
Term Loan from Cadila Healthcare Limited	119,950	-	3,291	7,782,356	-	205,786
Total	137,845	-	3,291	8,943,384	-	205,786
Loans repayable on Demand from Bank :						
Loans is payable on demand and availed at interest of 85 bps over USD LIBOR.	10,000	-	-	648,800	-	-
Loans repayable on Demand from Related Party:						
The Loan is bearing interest of 6 month USD libor plus 50 to 75 bps. The tenure of the loan shall be 1 years from the disbursement date, which can be further renewed on yearly basis after 1 year with mutual consent.	127,845	-	3,291	8,294,584	-	205,786

Note: 14-Trade Payables:

Others	6,165	258	25	399,985	17,100	1,563
Total	6,165	258	25	399,985	17,100	1,563

Note: 15-Other Financial Liabilities:

Interest accrued but not due on borrowings	132	80	46	8,564	5,303	2,876
Provision for Expenses	99	4	19	6,423	266	1,189
Payable to Statutory Authorities	1	-	-	65	-	-
Total	232	84	65	15,052	5,569	4,065

Note: 16-Other Current Liabilities:

Advances from customers	-	1	-	-	66	-
Total	-	1	-	-	66	-

	USD- Thousands		INR- Thousands	
	Year ended March 31			
	2017	2016	2017	2016

Note: 17-Revenue from Operations:

Sale of Products [Gross]	9,169	2	615,057	131
Total	9,169	2	615,057	131

Note: 18-Other Income:

Interest Income [Gross]:				
From Others [Other than current investments]	40	14	2,683	916
Other Non-operating Income	33	39	2,214	2,553
Total	73	53	4,897	3,469

Note: 19-Purchases of Stock-in-Trade:

Purchases of Stock-in-Trade	3,536	1	237,195	65
Total	3,536	1	237,195	65

Note: 20-Employee Benefits Expense:

Salaries and wages	671	260	45,011	17,017
Contribution to provident and other funds	11	5	738	327
Total	682	265	45,749	17,344

Zydus Worldwide DMCC
Notes to the Financial Statements

	USD- Thousands		INR- Thousands	
	Year ended March 31			
	2017	2016	2017	2016
Note: 21-Finance Cost:				
Interest expense [*]	286	76	19,185	4,974
Other Borrowing Costs			-	-
Net [Gain]/ Loss on foreign currency transactions and translation	862	(1)	57,823	(65)
Bank commission & charges	3	1	201	65
Total	1,151	76	77,209	4,974
[*] The break up of interest expense into major heads is given below:				
On working capital loans	99	-	6,641	-
Others	187	76	12,544	4,974
Total	286	76	19,185	4,974
Note: 22-Other Expenses:				
Power & fuel	12	7	805	458
Repairs and Maintenance	25	7	1,677	458
Insurance	31	5	2,079	327
Traveling Expenses	63	4	4,226	262
Legal and Professional Fees	190	339	12,745	22,188
Freight Expenses	28	-	1,878	-
Rates & Taxes	16	16	1,073	1,047
Royalty Expenses	767	-	51,450	-
Commission on sales	1,389	-	93,174	-
Directors' fees	2	2	134	131
Product Development Charges	4,113	-	275,900	-
Miscellaneous Expenses	92	43	6,171	2,815
Total	6,728	423	451,312	27,686
[*] Miscellaneous Expenses include Payment to the auditors as "Auditor"				
	2	2	134	131
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	(2,902)	(741)	(194,666)	(48,497)
B Nominal value of share	1,000	1,000		
C Basic and weighted average number of Equity shares outstanding during the year	50,178	37,831	50,178	37,831
	USD		INR	
D Basic & Diluted EPS	(57.83)	(19.59)	(3879.51)	(1281.94)
Note: 24-Segment Information:				
The Chief Operating Decision Maker [CODM] review the Company as a single segment, namely, "Pharmaceutical Segment".				
Note: 25-Related Party Transactions:				
A Name of the Related Parties and Nature of the Related Party Relationship:				
a Holding Company:	Cadila Healthcare Limited			
b Subsidiary Company:	Zydus Discovery DMCC Alidac Healthcare (Myanmar) Limited, Myanmar Zydus Netherlands BV, Netherlands Zydus Healthcare SA (Pty.) Limited, South Africa Zydus France , SAS , France ETNA Bio Tech, Italy			
c Fellow Subsidiaries:	Dialforhealth India Limited Laboratorios Combix S.L. [Spain] Dialforhealth Unity Limited Zydus Noveltech Inc. [USA] Dialforhealth Greencross Limited Hercon Pharmaceuticals LLC [USA] Zydus Wellness Limited Simayla Pharmaceuticals (Pty) Ltd [South Africa] M/s. Zydus Wellness-Sikkim, a Partnership Firm Script Management Services (Pty) Ltd [South Africa] Zydus Healthcare Limited Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico] Zydus Technologies Limited ZAHL B.V. [the Netherlands] Liva Pharmaceuticals Limited ZAHL Europe B.V. [the Netherlands] Alidac Pharmaceuticals Limited Bremer Pharma GmbH [Germany] Zydus Healthcare (USA) LLC [USA] Neshor Pharmaceuticals (USA) LLC [USA] Zydus Pharmaceuticals (USA) Inc.[USA] Zydus Nikkho Farmaceutica Ltda. [Brazil] Sentyln Therapeutics Inc. [USA] Zydus Healthcare Philippines Inc [Philippines] Zydus Pharmaceuticals Mexico SA De CV [Mexico] Zydus Pharma Japan Co. Ltd. [Japan] [Liquidated during the year] Zydus International Pvt. Ltd.[Ireland]			
d Directors:	Mr. Vimal Sanghavi Mr. Pradeep Agnihotri Mr. Jignesh Bhatt Mr. Ketan Bhut (with effect from 4th January 2017) Mr. Jay Kothari (with effect from 4th January 2017)			

Zydus Worldwide DMCC
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 :

a Details relating to parties referred to in Note 25-A [a,b,c & d]

<u>Nature of Transactions</u>	<u>USD- Thousands</u>		<u>INR- Thousands</u>	
	<u>Year ended March 31</u>			
	<u>2017</u>	2016	<u>2017</u>	2016
Sale of Goods				
Zydus Pharmaceutical(USA) Inc	436	-	29,247	-
Purchase of Goods				
Cadila Healthcare Limited	2541	1	170,450	65
Purchase of Services				
Cadila Healthcare Limited	427	-	28,643	-
Alidac Pharmaceuticals Limited	298	135	19,990	8,836
Reimbursement of Expenses				
Recovered:				
Zydus Discovery DMCC	-	3	-	196
Rent Income:				
Zydus Discovery DMCC	33	39	2,214	2,553
Directors sitting fees				
Mr. Pradeep Agnihotri	2	4	134	262
Investments:				
Subscription to Share Capital :				
Zydus Netherlands BV	92,363	-	5,992,511	-
Zydus France , SAS	9,836	-	638,160	-
ETNA Bio Tech	108	-	7,007	-
Alidac Healthcare (Myanmar) Limited	7,580	-	491,790	-
Zydus Healthcare SA (Pty.) Limited	12,522	-	812,427	-
Finance:				
Share Capital Subscription:				
Cadila Healthcare Limited	5,000	2,499	324,400	165,634
Inter Corporate Loans given:				
Zydus Discovery DMCC	3,582	503	232,400	33,339
Inter Corporate Loans received/(repaid):				
Zydus International Pvt. Ltd.	7,895	3,300	512,228	218,724
Cadila Healthcare Limited	119,950	(3,291)	7,782,356	(218,127)
Interest on Loan received:				
Zydus International Pvt. Ltd.	156	52	10,464	3,403
Cadila Healthcare Limited	30	24	2,012	1,571
Interest on loan given:				
Zydus Discovery DMCC	40	14	2,683	916
	<u>2017</u>	2016	<u>2017</u>	2016
Outstanding:				
Loan Outstanding:				
Zydus International Pvt. Ltd.	11,195	3,300	726,332	218,724
Cadila Healthcare Limited	119,950	-	7,782,356	-
Payable:				
Zydus International Pvt. Ltd.	102	34	6,618	2,254
Alidac Pharmaceuticals Limited	152	-	9,862	-
Cadila Healthcare Limited	2,999	46	194,575	3,049
Receivable:				
Zydus Pharmaceuticals (USA) Inc.	436	-	28,288	-
Zydus Discovery DMCC	4,780	1,188	310,126	78,741

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 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 25, 2017

Director

Zydus Worldwide DMCC
Cash Flow Statement for the year ended March 31, 2017

Particulars	USD- Thousands		INR- Thousands	
	Year ended March 31			
	2017	2016	2017	2016
A Cash flows from operating activities:				
Loss before tax	(2,907)	(738)	(195,001)	(48,301)
Adjustments for:				
Depreciation, Impairment and Amortisation expenses	47	31	3,155	2,028
Interest income	(40)	(14)	(2,683)	(916)
Interest expenses	286	76	19,185	4,974
Provisions for employee benefits	19	7	1,274	458
Total	312	100	20,931	6,544
Operating profit before working capital changes	(2,595)	(638)	(174,070)	(41,757)
Adjustments for:				
Decrease/ [Increase] in trade receivables	(9,170)	1	(615,124)	65
[Increase] in short term advances	-	(21)	-	(1,375)
Decrease in other current assets	7	5	470	327
Increase in trade payables	5,878	233	394,296	15,250
Increase/ [Decrease] in other current liabilities	96	(15)	6,439	(982)
Total	(3,192)	200	(214,120)	13,089
Net cash from [used] operating activities	(5,787)	(438)	(388,190)	(28,668)
B Cash flows from investing activities:				
Purchase of Property, Plant and Equipment	(10,422)	(2,451)	(699,107)	(160,417)
Purchase of Non Current investments	(122,409)	-	(8,211,196)	-
Advances to subsidiaries	(3,592)	(517)	(240,952)	(33,838)
Interest received	40	14	2,683	917
Net cash used [from] in investing activities	(136,383)	(2,954)	(9,148,572)	(193,338)
C Cash flows from financing activities:				
Proceeds from Issuance of Share Capital	5,000	2,499	335,400	163,559
Proceeds from non current borrowings	-	9	-	589
Current Borrowings [Net]	137,845	-	9,246,642	-
Interest paid	(234)	(42)	(15,697)	(2,749)
Net cash used [from] in financing activities	142,611	2,466	9,566,345	161,399
Net increase in cash and cash equivalents	441	(926)	29,583	(60,607)
Increase/ [Decrease] due to the translation to INR [Refer Note-2]	-	-	(3,706)	10,031
Cash and cash equivalents at the beginning of the year	1,954	2,880	129,511	180,086
Cash and cash equivalents at the end of the year	2,395	1,954	155,388	129,511

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 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 25, 2017

Director