

Hercon Pharmaceuticals LLC
Balance Sheet as at December 31, 2015

Particulars	Note No.	USD – Thousands		INR – Thousands	
		As at December 31			
		2015	2014	2015	2014
EQUITY AND LIABILITIES:					
Shareholders' Funds:					
Share Capital	1	100	100	6,642	6,306
Reserves and Surplus	2	(11,684)	(7,432)	(776,036)	(468,634)
		(11,584)	(7,332)	(769,394)	(462,328)
Non-Current Liabilities:					
Long Term Borrowings	3	17,227	12,866	1,144,217	811,330
Current Liabilities:					
Trade Payables	4	550	258	36,531	16,269
Other Current Liabilities	5	178	370	11,823	23,332
Short Term Provisions		39	-	2,590	-
		767	628	50,944	39,601
Total		6,410	6,162	425,767	388,603
ASSETS:					
Non-Current Assets:					
Fixed Assets:					
Tangible Assets	6	2,924	2,563	194,212	161,623
Intangible Assets		46	46	3,055	2,901
Capital work-in-progress		585	378	38,856	23,837
		3,555	2,987	236,123	188,361
Long Term Loans and Advances	7	390	212	25,904	13,369
		3,945	3,199	262,027	201,730
Current Assets:					
Inventories	8	1,212	1,475	80,500	93,013
Trade Receivables	9	929	1,157	61,704	72,960
Cash and Bank Balances	10	83	86	5,529	5,450
Other Current Assets	11	241	245	16,007	15,450
		2,465	2,963	163,740	186,873
Total		6,410	6,162	425,767	388,603
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 22				

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

For Zydus Novelttech Inc.

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

Director & Representative

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

Particulars	Note No.	USD – Thousands		INR – Thousands	
		Year ended December 31			
		2015	2014	2015	2014
REVENUE:					
Revenue from Operations:					
Sale of Pharmaceutical products		1,502	1,996	96,338	121,816
Other Operating Revenues	12	1,352	1,619	86,717	98,808
Total Revenue		2,854	3,615	183,055	220,624
EXPENSES:					
Cost of Materials Consumed	13	496	671	29,473	39,176
Changes in Inventories of Finished goods and Work-in-progress	14	246	327	13,763	17,207
Employee Benefits Expense	15	3,334	2,701	213,842	164,842
Finance Costs	16	332	219	21,294	13,366
Depreciation, Amortisation and Impairment expenses	6	432	375	27,708	22,886
Other Expenses	17	2,266	2,204	145,341	134,508
Total Expenses		7,106	6,497	451,421	391,985
Loss for the year		(4,252)	(2,882)	(268,366)	(171,361)
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 22				

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

For Zydus Novelttech Inc.

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

Director & Representative

Hercon Pharmaceuticals LLC

I-Business overview:

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

II-Significant Accounting Policies:

1 Basis of Accounting:

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

2 Reporting Currency Translations:

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

3 Cash Equivalents:

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

4 Fair Value of Financial Instruments and Concentrations of Credit Risk:

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

5 Revenue Recognition and Accounts Receivable:

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

6 Inventories:

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

7 Property, Plant and Equipment:

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

8 Impairment of Long-Lived Assets:

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

9 Research and Development:

Research and development costs are charged to operations as incurred.

II-Significant Accounting Policies-Continued::**10 Income Taxes:**

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

11 Use of Estimates in the Preparation of Financial Statements:

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

12 Employee Benefit Plan:

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

13 Recent Accounting Pronouncements:

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

Hercon Pharmaceuticals LLC
Notes to the Financial Statements

	USD – Thousands		INR – Thousands	
	As at December 31			
	2015	2014	2015	2014
Note: 1-Share Capital:				
Capital Contribution of a sole member	100	100	6,642	6,306
	100	100	6,642	6,306
Capital Contribution of USD 1,00,000/- is from Sole member Zydus Noveltch Inc., a company incorporated in the United States of America, which is a subsidiary company of Zydus International Private Limited, a company incorporated in the Republic of Ireland which is the subsidiary company of Cadila Healthcare Limited, the ultimate holding company incorporated in India.				
Note: 2-Reserves and Surplus:				
Foreign Currency Translation Reserve:				
Balance as per last Balance Sheet	-	-	(24,561)	-
[Less]: Exchange Rate differences on translation to INR	-	-	(14,475)	(24,561)
	-	-	(39,036)	(24,561)
Surplus in statement of Profit and Loss:				
Balance as per last Balance Sheet	(7,432)	(4,550)	(468,634)	(272,712)
Add: Loss for the year	(4,252)	(2,882)	(268,366)	(171,361)
Balance as at the end of year	(11,684)	(7,432)	(737,000)	(444,073)
Total	(11,684)	(7,432)	(776,036)	(468,634)
Note: 3-Long Term Borrowings:				
Unsecured loan from a related party - Zydus Noveltch Inc., Holding Company [applicable interest rate in the range of 0.8605% to Daily LIBOR plus 100 bps]	17,227	12,866	1,144,217	811,330
Total	17,227	12,866	1,144,217	811,330
Note: 4-Trade Payables:				
Trade payables	550	258	36,531	16,269
Total	550	258	36,531	16,269
Note: 5-Other Current Liabilities:				
Provision for Expenses	178	370	11,823	23,332
Total	178	370	11,823	23,332

Hercon Pharmaceuticals LLC
Notes to the Financial Statements

Note: 6-Fixed Assets:

A Tangible Assets:

	Plant and Equipment	Leasehold Improvements	Total	Plant and Equipment	Leasehold Improvements	Total
	USD Thousands			INR Thousands		
Gross Block:						
As at December 31, 2013	2,774	94	2,868	166,274	5,634	171,908
Additions	460	-	460	28,074	-	28,074
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	9,588	294	9,882
As at December 31, 2014	3,234	94	3,328	203,936	5,928	209,864
Additions	793	-	793	50,863	-	50,863
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	12,674	315	12,989
As at December 31, 2015	4,027	94	4,121	267,473	6,243	273,716
Depreciation and Impairment:						
As at December 31, 2013	365	25	390	21,878	1,499	23,377
Charge for the period	366	9	375	22,337	549	22,886
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	1,882	96	1,978
As at December 31, 2014	731	34	765	46,097	2,144	48,241
Charge for the period	422	10	432	27,067	641	27,708
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	3,418	137	3,555
As at December 31, 2015	1,153	44	1,197	76,582	2,922	79,504
Net Block:						
As at December 31, 2014	2,503	60	2,563	157,839	3,784	161,623
As at December 31, 2015	2,874	50	2,924	190,891	3,321	194,212

B Intangible Assets [Technical Know-how]:

	Amount in Thousands	
	USD	INR
Gross Block:		
As at December 31, 2013	46	2,757
Additions	-	-
Disposals	-	-
Other adjustments	-	144
As at December 31, 2014	46	2,901
Additions	-	-
Disposals	-	-
Other adjustments	-	154
As at December 31, 2015	46	3,055
Amortisation and Impairment:		
As at December 31, 2013	-	-
Charge for the year	-	-
Disposals	-	-
Other adjustments	-	-
As at December 31, 2014	-	-
Charge for the year	-	-
Disposals	-	-
Other adjustments	-	-
As at December 31, 2015	-	-
Net Block:		
As at December 31, 2014	46	2,901
As at December 31, 2015	46	3,055

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

Hercon Pharmaceuticals LLC
Notes to the Financial Statements

	USD – Thousands		INR – Thousands	
	As at December 31			
	2015	2014	2015	2014
Note: 7-Long Term Loans and Advances:				
Advance payment of Tax [Unsecured, Considered good]	390	212	25,904	13,369
Total	390	212	25,904	13,369
Note: 8-Inventories:				
Classification of Inventories:				
Raw Materials	691	708	45,896	44,646
Work-in-progress	70	80	4,649	5,045
Finished Goods	451	687	29,955	43,322
Total	1,212	1,475	80,500	93,013
Note: 9-Trade Receivables:				
Others-Considered good [Unsecured]	929	1,157	61,704	72,960
Total	929	1,157	61,704	72,960
Note: 10-Cash and Bank Balances:				
Balances with Banks	83	86	5,513	5,423
Cash on Hand [\$241 (Previous year:\$421)]	-	-	16	27
Total	83	86	5,529	5,450
Note: 11-Other Current Assets:				
Prepaid Expenses [Unsecured, Considered Good]	241	245	16,007	15,450
Total	241	245	16,007	15,450
	USD – Thousands		INR – Thousands	
	Year ended December 31			
	2015	2014	2015	2014
Note: 12-Other Operating Revenues:				
Miscellaneous Income	1,352	1,619	86,717	98,808
Total	1,352	1,619	86,717	98,808
Note: 13-Cost of Materials Consumed:				
Raw Materials:				
Stock at commencement	708	310	44,646	18,581
Add: Purchases	479	1,069	30,723	65,241
	1,187	1,379	75,369	83,822
Less: Stock at close	691	708	45,896	44,646
Total	496	671	29,473	39,176
Note: 14-Changes in Inventories:				
Stock at commencement:				
Work-in-progress	80	132	5,045	7,912
Finished Goods	687	962	43,322	57,662
	767	1,094	48,367	65,574
Less: Stock at close:				
Work-in-progress	70	80	4,649	5,045
Finished Goods	451	687	29,955	43,322
	521	767	34,604	48,367
Total	246	327	13,763	17,207
Note: 15-Employee Benefit Expense:				
Salaries and wages	2,743	2,204	175,936	134,510
Contribution to provident and other funds	59	50	3,784	3,052
Staff welfare expenses	532	447	34,122	27,280
Total	3,334	2,701	213,842	164,842
Above expenses includes Research related expenses as follows:				
Salaries and wages	1,193	429	76,519	26,182
Contribution to provident and other funds	25	9	1,604	549
Staff welfare expenses	227	97	14,560	5,920
Total	1,445	535	92,683	32,651

Hercon Pharmaceuticals LLC
Notes to the Financial Statements

	USD – Thousands		INR – Thousands	
	Year ended December 31			
	2015	2014	2015	2014
Note: 16-Finance Cost:				
Interest on others	159	95	10,198	5,798
Bank commission & charges	173	124	11,096	7,568
Total	332	219	21,294	13,366
Note: 17-Other Expenses:				
Analytical Expenses	268	235	17,190	14,342
Power & fuel	173	177	11,096	10,802
Rent	245	245	15,714	14,952
Repairs to Buildings	77	56	4,939	3,418
Repairs to Plant and Machinery	214	216	13,726	13,182
Insurance	86	59	5,516	3,601
Traveling Expenses	20	14	1,283	854
Legal and Professional Fees	380	207	24,373	12,633
Commission on sales	73	103	4,682	6,286
Freight and forwarding on sales	40	63	2,566	3,845
Other Marketing Expenses	9	16	577	976
Miscellaneous Expenses	681	813	43,679	49,617
Total	2,266	2,204	145,341	134,508
Above expenses includes Research related expenses as follows:				
Analytical expenses	121	110	7,761	6,713
Power & Fuel	-	44	-	2,685
Repairs to Plant and Machinery	10	6	641	366
Insurance	-	13	-	793
Traveling Expenses	2	3	128	183
Legal and Professional fees	-	10	-	610
Miscellaneous Expenses	6	67	385	4,089
Total	139	253	8,915	15,439
Note: 18-Related Party Transactions:				
A Name of the Related Parties and Nature of the Related Party Relationship:				
a Holding Company:	Zydus Noveltech Inc.			
b Holding Company of Holding Company:	Zydus International Private Limited			
c Ultimate Holding Company:	Cadila Healthcare Limited			
d Fellow Subsidiaries:				
Dialforhealth India Limited	Zydus Nikkho Farmaceutica Ltda. [Brazil]			
Dialforhealth Unity Limited	Zydus Pharmaceuticals (USA) Inc. [USA]			
Dialforhealth Greencross Limited	Nesher Pharmaceuticals (USA) LLC [USA]			
German Remedies Limited	Zydus France, SAS [France]			
Zydus Wellness Limited	Zydus Pharma Japan Co. Ltd. [Japan]			
Liva Pharmaceuticals Limited	Etna Biotech S.R.L. [Italy]			
Zydus Technologies Limited	Zydus Pharmaceuticals Mexico SA De CV [Mexico]			
Biochem Pharmaceutical Industries Limited	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]			
Alidac Pharmaceuticals Limited (Earlier Zydus BSV Pharma Private Limited)	Simayla Pharmaceuticals (Pty) Ltd [South Africa]			
M/s. Zydus Wellness-Sikkim, a Partnership Firm	Script Management Services (Pty) Ltd [South Africa]			
M/s. Zydus Healthcare, a Partnership Firm	ZAHL B.V. [the Netherlands]			
Zydus Lanka (Private) Limited [Sri Lanka]	ZAHL Europe B.V. [the Netherlands]			
Zydus Healthcare S.A. (Pty) Ltd [South Africa]	Bremer Pharma GmbH [Germany]			
Zydus Healthcare (USA) LLC [USA]	Zydus Healthcare Philippines Inc.[Philippines]			
Zydus Netherlands B.V. [the Netherlands]	Zydus Worldwide DMCC [Dubai]			
Laboratorios Combix S.L. [Spain]	Zydus Discovery DMCC [Dubai]			

Hercon Pharmaceuticals LLC
Notes to the Financial Statements

Note: 18-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 items 18 A [a & d]

<u>Nature of Transactions</u>	<u>Value of Transactions [USD Thousands]</u>		<u>2015</u>	<u>2014</u>
	<u>Holding company</u>	<u>Fellow Subsidiaries</u>		
	<u>Year ended December 31</u>			
Purchases:				
Reimbursement of expenses paid:				
Zydus Noveltech Inc.	177	135		
Sales:				
Services:				
Zydus Technologies Limited			1,352	1,619
Reimbursement of expenses received:				
Zydus Noveltech Inc.	37	14		
Finance:				
Inter Corporate Loans received:				
Zydus Noveltech Inc.	4,361	3,472		
Interest paid:				
Zydus Noveltech Inc.	159	95		
			<u>As at December 31</u>	
Outstanding:				
Payable:				
Zydus Noveltech Inc.	17,257	12,922		
Receivable:				
Zydus Technologies Limited			376	324

<u>Nature of Transactions</u>	<u>Value of Transactions [INR Thousands]</u>		<u>2015</u>	<u>2014</u>
	<u>Holding company</u>	<u>Fellow Subsidiaries</u>		
	<u>Year ended December 31</u>			
Purchases:				
Reimbursement of expenses paid:				
Zydus Noveltech Inc.	11,353	8,239		
Sales:				
Services:				
Zydus Technologies Limited			86,717	98,808
Reimbursement of expenses received:				
Zydus Noveltech Inc.	2,373	854		
Finance:				
Inter Corporate Loans received:				
Zydus Noveltech Inc.	289,658	218,944		
Interest paid:				
Zydus Noveltech Inc.	10,198	5,798		
			<u>As at December 31</u>	
Outstanding:				
Payable:				
Zydus Noveltech Inc.	1,146,210	814,861		
Receivable:				
Zydus Technologies Limited			24,974	20,431

b There are no transactions with the parties referred to in item no. 18 A [b & c]

Note: 19-Segment Information:

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

Hercon Pharmaceuticals LLC
Notes to the Financial Statements

Note: 20-Operating Lease:

The Company has entered into triple net lease agreement for land and buildings, lease expiring through 2017. The future minimum rental payments under the lease agreement for the year ended December 31, 2015 and 2014 are as under:

	USD – Thousands		INR – Thousands	
	Year ended December 31			
	2015	2014	2015	2014
Year				
2015		245	-	14,952
2016	245	245	15,714	14,952
2017	163	163	10,455	9,948
Total Commitments	408	653	26,169	39,852
Lease payments recognised in the Statement of Profit and Loss	245	245	15,714	14,952

Note: 21-Going Concern:

The company has accumulated losses of USD 11,684 Thousand and company's total liabilities exceed its assets by USD 11,584 Thousand. The financial statements have been prepared on the basis of accounting policies applicable to a going concern. These basis presume that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The ultimate holding company, Cadila Healthcare Ltd. [CHL] has given an assurance to provide continuous financial support to the Company to meet its financial commitments and liabilities as and when they fall due.

Note: 22

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

Signatures to Significant Accounting Policies and Notes 1 to 22 to the Financial Statements

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

For Zydus Noveltch Inc.

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

Director & Representative

Hercon Pharmaceuticals LLC
Cash Flow Statement for the year ended December 31, 2015

Particulars	USD – Thousands		INR – Thousands	
	Year ended December 31			
	2015	2014	2015	2014
A Cash flows from operating activities:				
Loss before tax	(4,252)	(2,882)	(268,366)	(171,361)
Adjustments for:				
Depreciation, Amortisation and Impairment expenses	432	375	27,708	22,886
Interest expenses	159	95	10,198	5,798
Total	591	470	37,906	28,684
Operating profit before working capital changes	(3,661)	(2,412)	(230,460)	(142,677)
Adjustments for:				
Decrease/ [Increase] in trade receivables	228	4	14,624	244
Decrease/ [Increase] in inventories	263	(71)	16,869	(4,333)
Decrease/ [Increase] in loans & advances	(178)	(212)	(11,417)	(12,938)
Decrease/ [Increase] in other current assets	4	(35)	257	(2,136)
Increase/ [Decrease] in trade payables	292	(223)	18,729	(13,610)
Increase/ [Decrease] in other current liabilities	(153)	(147)	(9,813)	(8,971)
Total	456	(684)	29,249	(41,744)
Net cash from [used] operating activities	(3,205)	(3,096)	(201,211)	(184,421)
B Cash flows from investing activities:				
Purchase of fixed assets	(1,000)	(576)	(64,140)	(35,153)
Net cash used [from] in investing activities	(1,000)	(576)	(64,140)	(35,153)
C Cash flows from financing activities:				
Proceeds from Long Term Borrowings	4,361	3,472	279,715	211,896
Interest paid	(159)	(95)	(10,198)	(5,798)
Net cash used [from] in financing activities	4,202	3,377	269,517	206,098
Net increase in cash and cash equivalents	(3)	(295)	4,166	(13,476)
Increase/ [Decrease] due to the translation to INR [Refer Note-3]	-	-	(4,060)	(3,911)
Cash and cash equivalents at the beginning of the year	86	381	5,423	22,837
Cash and cash equivalents at the end of the year	83	86	5,529	5,450

Notes to the Cash Flow Statement

- 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 Zydus Noveltch Inc.

For Mukesh M. Shah & Co.,

Chartered Accountants

Firm Registration Number: 106625W

Chandresh S. Shah

Partner

Membership Number: 042132

Ahmedabad, Dated: May 12, 2016

Director & Representative