

**ZYDUS DISCOVERY DMCC**  
**DMCC, DUBAI - UNITED ARAB EMIRATES**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**MARCH 31, 2018**

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**INDEPENDENT AUDITORS' REPORT**

**THE SHAREHOLDERS,  
ZYDUS DISCOVERY DMCC  
DMCC, DUBAI - UNITED ARAB EMIRATES.**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**OPINION**

We have audited the financial **ZYDUS DISCOVERY DMCC, DMCC, DUBAI - UNITED ARAB EMIRATES**, the Company), which comprise the Statement of Financial Position as at 31<sup>st</sup> March 2018, and the Statement of Comprehensive Income, the Statement of Changes in equity and the statement of Cash Flows for the year then ended and Notes to the Financial Statements including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements and subject to the notes read thereon, present fairly, in all material respects, the financial position of the Company as at 31<sup>st</sup> March 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guaranteed that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditor's report to the related disclosures in the financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

We are not aware of any contraventions during the period of applicable law which may have a material effect on the financial position of the company and the results of its operations for the year then ended.

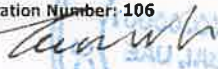




**For RAO & ROSS**  
**Chartered Accountants**



**Authorized Signatory**  
**Dated: 27th April 2018.**



**ZYDUS DISCOVERY DMCC**  
Balance Sheet as at Mar 31,2018

Particulars	Note No.	USD	
		As at	
		Mar 31,2018	March 31, 2017
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>			
Property, Plant and Equipment	3 [A]	458,026	434,701
Other Intangible Assets	3 [B]	16,600,000	16,600,000
		-	-
		<b>17,058,026</b>	17,034,701
<b>Current Assets:</b>			
Cash and Cash Equivalents	4	65,530	1,137,403
Other Current Assets	5	31,101	44,919
		<b>96,631</b>	1,182,322
<b>Total</b>		<b>17,154,657</b>	18,217,023
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity:</b>			
Equity Share Capital	6	8,013,623	8,013,623
Other Equity	7	(11,203,490)	(3,594,882)
		<b>(3,189,867)</b>	4,418,742
<b>Non-Current Liabilities:</b>			
<b>Financial Liabilities:</b>			
Borrowings	8	19,300,000	13,313,071
Provisions	9	41,243	31,706
		<b>19,341,243</b>	13,344,777
<b>Current Liabilities:</b>			
<b>Financial Liabilities:</b>			
Trade Payables	10	743,917	262,174
Other Financial Liabilities	11	259,364	191,331
		<b>1,003,281</b>	453,505
<b>Total</b>		<b>17,154,657</b>	18,217,023
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 18		
<b>As per our report of even date</b>		<b>For and on behalf of the Board</b>	
For Rao & Ross Chartered Accountants Firm Registration Number: 106			
  Partner Place : Dubai Dated: 27th April 2018.		 Jay Kothari Director  Ketankumar Bhut Director 	

**ZYDUS DISCOVERY DMCC**  
**Statement of Profit and Loss for the year ended Mar 31, 2018**

Particulars	Note No.	USD	
		Year Ended	
		Mar 31, 2018	March 31, 2017
Employee Benefits Expense	12	222,857	220,486
Finance Costs	13	406,719	215,165
Depreciation, Amortisation and Impairment expense	14	15,307	15,689
Other Expenses	15	6,963,725	2,491,153
<b>Total Expenses</b>		<b>7,608,608</b>	<b>2,942,492</b>
Loss before Exceptional items and Tax		(7,608,608)	(2,942,492)
Less : Exceptional Items		-	-
<b>Loss for the year</b>		<b>(7,608,608)</b>	<b>(7,608,608)</b>
<b>OTHER COMPREHENSIVE INCOME [OCI]:</b>		-	-
Other Comprehensive Income for the year		-	-
<b>Total Comprehensive Income for the year</b>		<b>(7,608,608)</b>	<b>(2,942,492)</b>
<b>Basic &amp; Diluted Earning per Equity Share [EPS]</b>		<b>(258.7)</b>	<b>(258.7)</b>

As per our report of even date

For Rao & Ross  
 Chartered Accountants  
 Firm Registration Number: 106

Partner  
 Place : Dubai  
 Dated: 27th April 2018



For and on behalf of the Board

*Jay Kothari*  
 Jay Kothari  
 Director

*Ketankumar Bhut*  
 Ketankumar Bhut  
 Director



**ZYDUS DISCOVERY DMCC**  
**Statement of Change in Equity for the period ended March 31, 2018**

<b>a Equity Share Capital:</b>		
	<b>No. of Shares</b>	<b>USD</b>
<b>Equity Shares of AED 1000/- each, Issued, Subscribed and Fully Paid-up:</b>		
As at March 31, 2016	29,410	8,013,623
Issued during the year	-	-
As at March 31, 2017	29,410	8,013,623
Issued during the year	-	-
As at Mar 31, 2018	29,410	8,013,623

<b>b Other Equity:</b>		<b>USD</b>
		<b>Reserves and Surplus</b>
		<b>Retained Earnings</b>
<b>As at March 31, 2016</b>		(652,390)
Add: Loss for the year		(2,942,492)
<b>Total Comprehensive Income</b>		<b>(3,594,882)</b>
<b>As at March 31, 2017</b>		<b>(3,594,882)</b>
Add: Loss for the year		(7,608,608)
<b>Total Comprehensive Income</b>		<b>(11,203,490)</b>
<b>As at Mar 31, 2018</b>		<b>(11,203,490)</b>

As per our report of even date  
 For Rao & Ross  
 Chartered Accountants  
 Firm Registration Number: 106

Partner  
 Place : Dubai  
 Dated: 27th April 2018



For and on behalf of the Board

*Jay Kothari*  
 Jay Kothari  
 Director

*Ketan Kumar Bhut*  
 Ketankumar Bhut  
 Director



**ZYDUS DISCOVERY DMCC**  
Cash Flow Statement for the year ended

Particulars	USD	
	Year Ended	
	March 31, 2018	March 31, 2017
<b>A Cash flows from operating activities:</b>		
Profit before tax	(7,608,608)	(2,942,492)
Adjustments for:		
Depreciation, Impairment and Amortisation expenses	15,307	15,689
Interest expenses	404,498	198,946
Provisions for employee benefits	9,538	16,235
Total	429,343	230,870
Operating profit before working capital changes	(7,179,265)	(2,711,622)
Decrease/ [Increase] in other assets	(19,943)	(295)
Increase in trade payables	515,504	81,755
[Decrease]/ Increase in other liabilities	(44,948)	55,736
Total	450,614	137,196
Cash generated from operations	(6,728,652)	(2,574,426)
Net cash from operating activities	<b>(6,728,652)</b>	<b>(2,574,426)</b>
<b>B Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(38,634)	126,600
Net cash from investing activities	<b>(38,634)</b>	<b>126,600</b>
<b>C Cash flows from financing activities:</b>		
Proceeds from non current borrowings	5,986,929	3,581,305
Interest paid	(291,517)	(81,005)
Net cash from financing activities	<b>5,695,412</b>	<b>3,500,301</b>
<b>Net increase in cash and cash equivalents</b>	(1,071,873)	1,052,474
<b>Cash and cash equivalents at the beginning of the year</b>	1,137,403	84,928
<b>Cash and cash equivalents at the end of the year</b>	65,529	1,137,403

**Notes to the Cash Flow Statement**

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

**As per our report of even date**

**For and on behalf of the Board**

**For Rao & Ross**  
Chartered Accountants  
Firm Registration Number: 106

Partner  
Place : Dubai  
Dated: 27th April 2018

*Jay Kothari*  
Jay Kothari  
Director

*Ketankumar Bhut*  
Ketankumar Bhut  
Director





**ZyduS Discovery DMCC**

**I-Company overview:**

**Description of Business:**

ZyduS Discovery 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. DMCC 00001, with Limited Liability. The company is engaged in the business of Pharmaceutical Researches, Marketing Management and studies and training in pharmaceutical products (outside UAE) [DMCC] vide License no. DMCC-061719 and DMCC-061720. The company has not commenced commercial activities till the year ended 31st March 2018

**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

**2 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 statement in the period in which changes are made and if material, their effects are disclosed in the notes to the consolidated financial statements.

**a Property Plant & 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 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.

**3 Property Plant & Equipment**

- a Property Plant & 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:

Assets	Useful life
Building	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 incurred.

**4 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.

**5 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' service 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.



**Zydus Discovery DMCC**

**6 Revenue recognition:**

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.

**7 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 date of the reporting date. Gains or losses on exchange are recognised in statement of profit and loss.

**8 Provisions, Contingent Liabilities and Contingent Assets:**

- a 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. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised in the financial statements.
- b If the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability

**9 Borrowing Cost:**

- a Borrowing costs consists of Interest and other borrowing cost that are incurred in connection with the borrowing of the 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 as an adjustment to the borrowing costs.

**10 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 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.
- C 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.
- D 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.

**11 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.

**12 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.

**13 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.

**14 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 DISCOVERY DMCC**  
**Notes to the Financial Statements**

**Note: 3[A]-Property, Plant & Equipment:**

[A] Property, Plant and Equipment:				USD
	Buildings	Furniture and Fixtures	Office Equipment	Total
<b>Gross Block:</b>				
As at March 1, 2016	417,143	34,474	15,434	<b>467,051</b>
Additions			1,100	<b>1,100</b>
As at March 31, 2017	417,143	34,474	16,534	<b>468,151</b>
Additions		33,828	4,806	<b>38,634</b>
As at Mar 31,2018	417,143	68,302	21,340	<b>506,785</b>
<b>Depreciation and Impairment:</b>				
As at March 1, 2016	12,578	1,454	3,729	<b>17,761</b>
Depreciation for the year	6,591	4,290	4,807	<b>15,689</b>
As at March 31, 2017	19,169	5,744	8,536	<b>33,450</b>
Depreciation for the year	6,964	4,292	4,052	<b>15,307</b>
As at Mar 31,2018	26,133	10,036	12,588	<b>48,757</b>
<b>Net Block:</b>				
As at March 31, 2017	397,974	28,730	7,998	<b>434,701</b>
As at Mar 31,2018	391,010	58,266	8,752	<b>458,026</b>

**[B] Intangible Assets:**

	Other Intangible Assets		Total
	Commercial Rights/ Licenses		
<b>Gross Block:</b>			
As at March 1, 2016	16,600,000		<b>16,600,000</b>
Additions	-		-
As at March 31, 2017	16,600,000		<b>16,600,000</b>
Additions	-		-
As at Mar 31,2018	16,600,000		<b>16,600,000</b>
<b>Amortisation and Impairment:</b>			
As at March 1, 2016	-		-
Amortisation for the year	-		-
As at March 31, 2017	-		-
Amortisation for the year	-		-
As at Mar 31,2018	-		-
<b>Net Block:</b>			
As at March 31, 2017	16,600,000		<b>16,600,000</b>
As at Mar 31,2018	16,600,000		<b>16,600,000</b>



**ZYDUS DISCOVERY DMCC**  
Notes to the Financial Statements

Note: 4-Cash and Cash Equivalents:	USD	
	As at	
	Mar 31, 2018	March 31, 2017
Balances with Banks	62,466	1,133,303
Cash on Hand	3,064	4,100
<b>Total</b>	<b>65,530</b>	<b>1,137,403</b>
<b>Note: 5-Other Current Assets:</b>		
[Unsecured, Considered Good]		
Advances to Suppliers	1,634	37,305
Balances with Statutory Authorities	1,910	1,714
Prepaid Expenses	27,557	5,900
<b>Total</b>	<b>31,101</b>	<b>44,919</b>
<b>Note: 6-Equity Share Capital:</b>		
<b>Authorised:</b>		
29410 [as at 31-March-2017: 29410 ] Equity Shares of 1000 AED /- each	8,013,623	8,013,623
	8,013,623	8,013,623
<b>Issued, Subscribed and Paid-up:</b>		
29410 [as at 31-March-2017: 29410 ] Equity Shares of 1000 AED /- each fully paid	8,013,623	8,013,623
<b>Total</b>	<b>8,013,623</b>	<b>8,013,623</b>
<b>A</b> The reconciliation of number of shares is as under:		
Number of shares at the beginning of the year	29,410	29,410
Add: Issued During the Year	-	-
Number of shares at the end of the year	29,410	29,410
<b>B</b> Details of Shareholder holding more than 5% of aggregate Equity Shares of AED 1000/ each, fully paid:		
Name of Share holder	Zydus Worldwide DMCC	
Number of Shares	29,410	29,410
% to total share holding	100.00%	100.00%
<b>Note: 7-Other Equity:</b>		
<b>Retained Earnings:</b>		
Balance as per last Balance Sheet	(3,594,882)	(652,390)
Add: Loss for the year	(7,608,608)	(2,942,492)
<b>Total</b>	<b>(11,203,490)</b>	<b>(3,594,882)</b>



**ZYDUS DISCOVERY DMCC**  
**Notes to the Financial Statements**

**Note: 8-Borrowings:**

	USD			
	Non-current portion		Current Maturities	
	As at		As at	
	Mar 31, 2018	March 31, 2017	Mar 31, 2018	March 31, 2017
A Unsecured loan [From Related Party] Unsecured				
<b>Total</b>	<b>19,300,000</b>	13,313,071	-	-
The above amount includes:	<b>19,300,000</b>	13,313,071	-	-
<b>Zydus International Private Limited</b> The Loan is bearing interest of 6 month USD libor plus 75 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.	<b>12,100,000</b>	8,600,000	-	-
<b>Zydus Worldwide DMCC</b> The Loan was bearing interest of 6 month USD libor plus 50 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.	<b>7,200,000</b>	4,713,071	-	-
<b>Net amount</b>	<b>19,300,000</b>	13,313,071	-	-

**Note: 9-Provisions:**

Provision for Employee Benefits		<b>41,243</b>	31,706
<b>Total</b>		<b>41,243</b>	31,706
a The movement in such provision is stated as under:			
i Carrying amount at the beginning of the year		<b>31,706</b>	15,471
ii Additional provision made during the year		<b>9,537</b>	16,235
iii Amount used		-	-
iv Carrying amount at the end of the year		<b>41,243</b>	31,706

**Note: 10-Trade Payables:**

Trade Payables	<b>743,918</b>	262,174
<b>Total</b>	<b>743,918</b>	262,174

**Note: 11-Other Financial Liabilities:**

Interest accrued but not due on borrowings	<b>230,923</b>	117,941
Provision for Expenses	<b>16,179</b>	32,545
Others	<b>12,263</b>	40,844
<b>Total</b>	<b>259,364</b>	191,331



**ZYDIUS DISCOVERY DMCC**  
**Notes to the Financial Statements**

	USD	
	As at	
	Mar 31, 2018	March 31, 2017
<b>Note: 12-Employee Benefits Expense:</b>		
Salaries and wages	217,407	204,251
Contribution to provident and other funds	5,450	16,235
<b>Total</b>	<b>222,857</b>	<b>220,486</b>
<b>Note: 13-Finance Cost:</b>		
Interest expense [*]	404,498	198,946
Other Borrowing Costs		-
Net [Gain]/ Loss on foreign currency transactions and translation	(48)	15,571
Bank commission & charges	2,269	648
<b>Total</b>	<b>406,719</b>	<b>215,165</b>
<b>Note: 14- Depreciation</b>		
Depreciation	15,307	15,689
Amortisation	-	-
<b>Total</b>	<b>15,307</b>	<b>15,689</b>
<b>Note: 15-Other Expenses:</b>		
Clinical Trial Expense	6,867,076	2,445,123
Power & fuel	986	3,797
Repairs to Others	-	150
Insurance	14,164	5,168
Rates and Taxes [excluding taxes on income]	20,547	
Directors' Remuneration	12,263	1,634
Commission to Directors		
Traveling Expenses	11,401	4,807
Legal and Professional Fees	7,131	16,291
Less: Transferred from impairment allowances		
Miscellaneous Expenses [***]	30,157	14,184
<b>Total</b>	<b>6,963,725</b>	<b>2,491,153</b>
Above expenses includes Research related expenses as follows:		
<b>Clinical Trial Expenses</b>	<b>6,867,076</b>	<b>2,445,123</b>
<b>Total</b>	<b>6,867,076</b>	<b>2,445,123</b>
<b>Note: 16-Calculation of Earnings per Equity Share [EPS]:</b>		
The numerators and denominators used to calculate the basic and diluted EPS are as follows:		
A Loss attributable to Shareholders	USD (7,608,608)	(7,608,608)
B Basic and weighted average number of Equity shares outstanding during the year	Numbers 29,410	29,410
C Nominal value of equity share	USD	
D Basic & Diluted EPS	USD (258.71)	(258.71)



**ZYDUS DISCOVERY DMCC**  
**Notes to the Financial Statements**

**Note: 17-Segment Information:**

The Chief operating Decision maker [CODM] reviews the Company as a single segment namely "Pharmaceutical Segment"  
Therefore the segment reporting is not required.

**Note: 18-Related Party Transactions:**

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

<b>a Holding Company :</b>	Zydus Worldwide DMCC [Dubai]
<b>b Ultimate Holding Company :</b>	Cadila healthcare Limited
<b>c Fellow Subsidiaries :</b>	
Dialforhealth India Limited	Laboratorios Combix S.L. [Spain]
Dialforhealth Unity Limited	Zydus Noveltech Inc. [USA]
Dialforhealth Greencross Limited	Hercor 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 Healthcare S.A. (Pty) Ltd [South Africa]
Zydus Technologies Limited	ZAHL B.V. [the Netherlands]
Liva Pharmaceuticals Limited	ZAHL Europe B.V. [the Netherlands]
Alidac Pharmaceuticals Limited	Bremer Pharma GmbH [Germany]
Sentyri Therapeutics Inc. [USA]	Zydus International Private Limited [Ireland]
Nesher Pharmaceuticals (USA) LLC [USA]	Zydus Lanka (Private) Limited [Sri Lanka]
Zydus Healthcare (USA) LLC [USA]	Zydus Nikkho Farmaceutica Ltda. [Brazil]
Zydus Pharmaceuticals (USA) Inc. [USA]	Violio Healthcare Limited
Zydus Healthcare Philippines Inc. [Philippines]	Zydus Netherlands B.V. [the Netherlands]
Zydus Pharmaceuticals Mexico SA De CV [Mexico]	Zydus France, SAS [France]
Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]	Alidac Healthcare (Myanmar) Limited [Myanmar]
Acme Pharmaceuticals Private Limited	Etna Biotech S.R.L. [Italy]
<b>d Directors :</b>	
Dr. Vimal Sanghavi	Dr. Sharvll P. Patel (with effect from 17th Mar 2017)
Mr. Jay Kothari	Mr. Joseph Renner (with effect from 17th Mar 2017)
Mr. Pradeep Agihotri	Mr. Ketankumar Bhut



**ZYDUS DISCOVERY DMCC**  
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**B Transactions with Related Parties:**

The following transactions were carried out with the related parties in the ordinary course of business and at arm's length terms:

a	Details relating to parties referred to in Note 18-A [a, b, c & d] <u>Nature of Transactions</u>	USD	
		As at	
		Mar 31, 2018	March 31, 2017
	<b>Services:</b>		
	Zydus Worldwide DMCC (Rent)	-	32,541
	Zydus Healthcare (USA) LLC	350,361	241,505
	Zydus Pharmaceuticals Mexico SA DE CV	11,486	-
	Total	361,847	241,505
	<b>Services:</b>		
	Director Fees	12,263	1,634
	<b>Finance:</b>		
	<b>Inter Corporate Loans given/Received :</b>		
	Zydus Worldwide DMCC (Loan paid)	2,500,000	3,582,000
	Zydus International Pvt Ltd (Loan recd)	3,500,000	-
	<b>Finance:</b>		
	<b>Interest Paid / Accrued</b>		
	Zydus International Pvt. Ltd. (Int accrued)	251,325	158,826
	Zydus Worldwide DMCC (Int accrued)	153,173	40,120
	<b>Outstanding:</b>		
	<b>Payable: (Loan Outstanding)</b>		
	Zydus International Pvt. Ltd. (Loan)	12,100,000	6,600,000
	Zydus Worldwide DMCC (Loan)	5,400,000	4,780,000
	<b>Payable: (Interest &amp; Other)</b>		
	Zydus Pharmaceuticals Mexico SA DE CV (Other)	11,486	
	Zydus Healthcare (USA) LLC (Other)	116,758	
	Zydus International Pvt. Ltd. (Interest)	137,638	86,000
	Zydus Worldwide DMCC (Interest)	93,285	31,856
	<b>Receivable:</b>	-	-

