

Laboratorios Combix S.L.
Balance Sheet as at December 31, 2016

Particulars	Note No.	EUR- Thousands		INR- Thousands	
		As at December 31			
		2016	2015	2016	2015
ASSETS:					
Non-Current Assets:					
Property, Plant and Equipment	1	1,638	1,664	1,17,084	1,20,856
Other Intangible Assets	1	159	346	11,365	25,130
		1,797	2,010	1,28,449	1,45,986
Current Assets:					
Inventories	2	2,208	2,456	1,57,828	1,78,379
Financial Assets:					
Trade Receivables	3	2,134	2,338	1,52,538	1,69,809
Cash and Cash Equivalents	4	702	243	50,179	17,649
Loans	5	97	108	6,934	7,844
		5,141	5,145	3,67,479	3,73,681
Total		6,938	7,155	4,95,928	5,19,667
EQUITY AND LIABILITIES:					
Equity:					
Equity Share Capital	6	7,481	7,463	5,34,742	5,42,038
Other Equity	7	(3,980)	(12,455)	(2,84,492)	(9,04,608)
		3,501	(4,992)	2,50,250	(3,62,570)
Non-Current Liabilities:					
Financial Liabilities:					
Borrowings	8	1,600	1,600	1,14,368	1,16,208
Deferred Tax Liabilities [Net]		(27)	(34)	(1,930)	(2,469)
		1,573	1,566	1,12,438	1,13,739
Current Liabilities:					
Financial Liabilities:					
Borrowings	9	-	2,114	-	1,53,540
Trade Payables	10	1,710	2,722	1,22,231	1,97,699
Other Financial Liabilities	11	154	5,745	11,009	4,17,259
		1,864	10,581	1,33,240	7,68,498
Total		6,938	7,155	4,95,928	5,19,667
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 23				

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

Laboratorios Combix S.L.
Statement of Profit and Loss for the year ended December 31, 2016

Particulars	Note No.	EUR- Thousands		INR- Thousands	
		Year ended December 31			
		2016	2015	2016	2015
REVENUE:					
Revenue from Operations	12	9,439	10,308	7,01,507	7,33,620
Other Income	13	635	8	47,193	569
Total Revenue		10,074	10,316	7,48,700	7,34,189
EXPENSES:					
Purchases of Stock-in-Trade	14	5,015	5,132	3,72,715	3,65,244
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	15	248	901	20,551	77,760
Employee Benefits Expense	16	2,189	2,110	1,62,686	1,50,169
Finance Costs	17	121	360	8,993	25,621
Depreciation, Amortisation and Impairment expenses	1	225	350	16,723	24,909
Other Expenses	18	3,026	3,488	2,24,893	2,48,240
Total Expenses		10,824	12,341	8,06,561	8,91,943
Profit before Tax		(750)	(2,025)	(57,861)	(1,57,754)
Less: Tax Expense:					
Deferred Tax		7	6	520	427
Loss for the year		(757)	(2,031)	(58,381)	(1,58,181)
OTHER COMPREHENSIVE INCOME:					
Other Comprehensive Income for the year, net of tax		-	-	-	-
Total Comprehensive Income for the year		(757)	(2,031)	(58,381)	(1,58,181)
Basic & Diluted Earning per Equity Share [EPS] [in Euro / Rupees]	19	(0.10)	(0.27)	(7.81)	(21.20)
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 23				

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

Laboratorios Combix S.L.
Statement of Change in Equity for the year ended December 31, 2016

a Equity Share Capital:	No. of Shares	EUR- Thousands	INR- Thousands	
Equity Shares of EUR 1/- each, Issued, Subscribed and Fully Paid-up:				
As at December 31, 2014	74,53,006	7,453	5,68,664	
Add: Issued during the year	9,560	10	726	
As at December 31, 2015	74,62,566	7,463	5,42,038	
Add: Issued during the year	18,500	18	1,287	
As at December 31, 2016	74,81,066	7,481	5,34,742	
		EUR- Thousands		
b Other Equity:	Securities Premium Reserve	Retained Earnings	Total	
As at December 31, 2014	6,926	(22,120)	(15,194)	
Add: Profit for the year		(2,031)	(2,031)	
Add: Addition during the year	4,770		4,770	
As at December 31, 2015	11,696	(24,151)	(12,455)	
Add: Profit for the year		(757)	(757)	
Add: Addition during the year	9,232		9,232	
As at December 31, 2016	20,928	(24,908)	(3,980)	
			-	
		INR- Thousands		
b Other Equity:	Foreign Currency Translation Reserve	Securities Premium Reserve	Retained Earnings	Total
As at December 31, 2014	1,20,985	5,56,836	(18,37,123)	(11,59,302)
Add: Profit for the year	-	-	(1,58,181)	(1,58,181)
Add: Addition during the year #	66,430	3,46,445	-	4,12,875
As at December 31, 2015	1,87,415	9,03,281	(19,95,304)	(9,04,608)
Add: Profit for the year	-	-	(58,381)	(58,381)
Add: Addition during the year #	18,594	6,59,903	-	6,78,497
As at December 31, 2016	2,06,009	15,63,184	(20,53,685)	(2,84,492)
# Includes adjustments on account of exchange rate translation differences.				
<u>As per our report of even date</u>	<u>For and on behalf of the Board</u>			
For Mukesh M. Shah & Co. Chartered Accountants Firm Registration Number: 106625W				
Chandresh S. Shah Partner Membership Number: 042132 Ahmedabad, Dated: May 25, 2017	Director			

Laboratorios Combig S.L.**I-Company overview:**

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

II-Significant Accounting Policies:**1 Basis of Accounting:**

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

2 Reporting Currency Translations:

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

3 Use of Estimates:

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

4 Going Concern:

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

5 Property, Plant and Equipment, Other Intangible Assets and Depreciation:**A Property, Plant and Equipment:**

- a Property, Plant and Equipment are stated at cost, less accumulated depreciation.
- b Property, Plant and Equipment are depreciated on a straight line basis in relation to their estimated useful lives.
- c The rates applied are as follows :

- Building	2%	- Information Processing equipment	16% - 25%
- Other installations and Furniture	10%	- Other Fixed Assets	10%

B Other Intangible Assets:

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

6 Impairment of Assets:

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

7 Loans and Receivables:

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

8 Held-to-Maturity Investments:

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

9 Inventories:Initial Valuation

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

Subsequent Valuation

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

If stock revaluation circumstances cease to obtain, the correction sum is reverted and recognised as income in the Statement Profit and Loss.

10 Revenue Recognition:

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

11 Legal Reserve:

The legal reserve is a restricted reserve which is endowed by imperative of the Law regarding corporations. The consolidated text of this Law, which came into force on 1 January 1990, establishes that in all cases a figure equal to 10% of the profit will be allocated to the legal reserve until it reaches, at least, 20% of share capital. The legal reserve, whilst it does not exceed the indicated limit, may only be used for offsetting losses if no other reserves are available that are sufficient for this purpose.

12 Indemnities for terminated work Contracts:

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

13 Income Tax:

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

14 Staff Cost:

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

II-Significant Accounting Policies- Continued:

15 Provision for Bad and Doubtful Debts/Advances:

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

16 Provisions, Contingent Liabilities and Contingent Assets:

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

17 Events subsequent to closing:

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

18 Contribution received from subscriber:

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

In order to improve the financial position of the company the holding company has subscribed to the paid up capital at a premium by infusing Euro 9,250 Thousand during the month of March'16 and October'16.

Laboratorios Combi S.L.
Notes to the Financial Statements

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

	Property, Plant and Equipment				Total	Brands/ Trademarks	Intangible Assets		Total
	Freehold Land	Buildings	Furniture and Fixtures	Office Equipment			Computer Software	Commercial Rights	
	EUR- Thousands						EUR- Thousands		
Gross Block:									
As at December 31, 2014	486	1,255	57	65	1,863	100	230	2,035	2,365
Additions	-	-	-	1	1	-	-	1	1
Disposals	-	-	-	-	-	-	-	(45)	(45)
Other adjustments	-	-	-	-	-	-	-	-	-
As at December 31, 2015	486	1,255	57	66	1,864	100	230	1,991	2,321
Additions	-	-	4	8	12	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
As at December 31, 2016	486	1,255	61	74	1,876	100	230	1,991	2,321
Depreciation and Impairment:									
As at December 31, 2014	-	91	27	44	162	100	215	1,348	1,663
Charge for the year	-	24	6	8	38	-	12	300	312
Impairment for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
As at December 31, 2015	-	115	33	52	200	100	227	1,648	1,975
Charge for the year	-	25	8	5	38	-	-	187	187
Impairment for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
As at December 31, 2016	-	140	41	57	238	100	227	1,835	2,162
Net Block:									
As at December 31, 2015	486	1,140	24	14	1,664	-	3	343	346
As at December 31, 2016	486	1,115	20	17	1,638	-	3	156	159

	Property, Plant and Equipment				Total	Brands/ Trademarks	Intangible Assets		Total
	Freehold Land	Buildings	Furniture and Fixtures	Office Equipment			Computer Software	Commercial Rights	
	INR- Thousands						INR- Thousands		
Gross Block:									
As at December 31, 2014	37,082	95,757	4,349	4,960	1,42,148	7,630	17,549	1,55,271	1,80,450
Additions	-	-	-	71	71	-	-	71	71
Disposals	-	-	-	-	-	-	-	(3,203)	(3,203)
Other adjustments	(1,784)	(4,606)	(209)	(237)	(6,837)	(367)	(844)	(7,533)	(8,744)
As at December 31, 2015	35,298	91,151	4,140	4,794	1,35,382	7,263	16,705	1,44,606	1,68,574
Additions	-	-	297	595	892	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Other adjustments	(559)	(1,444)	(77)	(99)	(2,178)	(115)	(265)	(2,289)	(2,669)
As at December 31, 2016	34,739	89,707	4,360	5,290	1,34,096	7,148	16,440	1,42,317	1,65,905
Depreciation and Impairment:									
As at December 31, 2014	-	6,943	2,060	3,357	12,360	7,630	16,405	1,02,852	1,26,887
Charge for the year	-	1,708	427	569	2,704	-	854	21,351	22,205
Impairment for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Other adjustments	-	(299)	(90)	(149)	(538)	(367)	(772)	(4,509)	(5,648)
As at December 31, 2015	-	8,352	2,397	3,777	14,526	7,263	16,487	1,19,694	1,43,444
Charge for the year	-	1,858	595	372	2,825	-	-	13,898	13,898
Impairment for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Other adjustments	-	(203)	(61)	(75)	(339)	(115)	(261)	(2,426)	(2,802)
As at December 31, 2016	-	10,007	2,931	4,074	17,012	7,148	16,226	1,31,166	1,54,540
Net Block:									
As at December 31, 2015	35,298	82,799	1,743	1,017	1,20,856	-	218	24,912	25,130
As at December 31, 2016	34,739	79,700	1,429	1,216	1,17,084	-	214	11,151	11,365

	EUR- Thousands		INR- Thousands	
	As at December 31			
	2016	2015	2016	2015

Note: 2-Inventories:

[The Inventory is valued at lower of cost and net realisable value]				
Classification of Inventories:				
Stock-in-Trade	2,208	2,456	1,57,828	1,78,379
Total	2,208	2,456	1,57,828	1,78,379

Note: 3-Trade Receivables:

Considered doubtful	180	175	12,866	12,710
Less: Provision for impairment allowance	180	175	12,866	12,710
	-	-	-	-
Others- [Unsecured, Considered Good]	2,134	2,338	1,52,538	1,69,809
Total	2,134	2,338	1,52,538	1,69,809

Note: 4-Cash and Cash Equivalents:

Balances with Banks	702	243	50,179	17,649
Total	702	243	50,179	17,649

Laboratorios Combix S.L.
Notes to the Financial Statements

	EUR- Thousands		INR- Thousands	
	As at December 31			
	2016	2015	2016	2015
Note: 5-Loans:				
[Unsecured, Considered Good]				
Advances recoverable in cash or in kind or for value to be received	27	27	1,930	1,961
Others : Balances with Revenue Authorities	70	81	5,004	5,883
Total	97	108	6,934	7,844
Note: 6-Equity Share Capital:				
Authorised:				
7,481,066 [as at December 31, 2015: 7,462,566] Equity Shares of Euro 1/- each	7,481	7,463	5,34,742	5,42,038
	7,481	7,463	5,34,742	5,42,038
Issued, Subscribed and Fully Paid-up Equity Shares:				
7,481,066 [as at December 31, 2015: 7,462,566] Equity Shares of Euro 1/- each, fully paid	7,481	7,463	5,34,742	5,42,038
	7,481	7,463	5,34,742	5,42,038
A The reconciliation of the number of Shares outstanding as at December 31, 2016 and 2015 is as under:				
Number of shares at the beginning	74,62,566	74,53,006		
Add: Shares issued during the year	18,500	9,560		
Number of shares at the end	74,81,066	74,62,566		
B The Company has only equity shares. All equity shares rank pari passu and carry equal rights with respect to voting and dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all preferential amounts.				
C Equity shares of Euro 1/- each, fully paid held by Holding Company, Zydus Netherlands B.V., a company incorporated in the Netherlands which is a subsidiary company of Zydus International Private Limited [Refer Note 22], a company incorporated in the Republic of Ireland which is a subsidiary company of Cadila Healthcare Limited, the ultimate holding company, a company incorporated in India.				
Number of Shares	74,81,066	74,62,566		
% to total share holding	100%	100%		
Note: 7-Other Equity:				
Securities Premium Reserve:				
Balance as per last Balance Sheet	11,696	6,926	9,03,281	5,56,836
Add: Addition during the year	9,232	4,770	6,59,903	3,46,445
	20,928	11,696	15,63,184	9,03,281
Foreign Currency Translation Reserve:				
Balance as per last Balance Sheet			1,87,415	1,20,985
Add: Exchange Rate differences on translation to INR			18,594	66,430
	-	-	2,06,009	1,87,415
Retained Earnings:				
Balance as per last Balance Sheet	(24,151)	(22,120)	(19,95,304)	(18,37,123)
Add: Profit for the year	(757)	(2,031)	(58,381)	(1,58,181)
	(24,908)	(24,151)	(20,53,685)	(19,95,304)
Total	(3,980)	(12,455)	(2,84,492)	(9,04,608)
Note: 8-Borrowings:				
	EUR- Thousands		INR- Thousands	
	As at December 31			
	Non-current portion		Current Maturities	
	As at December 31			
	2016	2015	2016	2015
From a Related Party [Unsecured] [*]	1,600	1,600	1,14,368	1,16,208
Total	1,600	1,600	1,14,368	1,16,208
The above amount includes:				
Unsecured borrowings	1,600	1,600	1,14,368	1,16,208
Amount disclosed under the head				
Other Current Liabilities [Note-11]			-	(3,92,202)
Net amount	1,600	1,600	1,14,368	1,16,208
[*] The loan is received in different tranche from Zydus International Private Limited, holding company of the holding Company. Interest is charged at 6 month Euro LIBOR + 75 bps				
	EUR- Thousands		INR- Thousands	
	As at December 31			
	2016	2015	2016	2015
Note: 9-Borrowings:				
Loans repayable on Demand:				
Working Capital Loans from Banks [Unsecured]	-	2,114	-	1,53,540
Total	-	2,114	-	1,53,540
[*]The working capital loan is backed by Corporate Guarantee of the ultimate holding company, the interest is charged at Euro LIBOR plus 100 bps.				
Note: 10-Trade Payables:				
Trade payables	1,710	2,722	1,22,231	1,97,699
Total	1,710	2,722	1,22,231	1,97,699

Laboratorios Combix S.L.
Notes to the Financial Statements

	EUR- Thousands		INR- Thousands	
	As at December 31			
	2016	2015	2016	2015
Note: 11-Other Financial Liabilities:				
Current Maturities of Long Term Debt [Refer Note- 8]	-	5,400	-	3,92,202
Interest accrued but not due on borrowings	87	275	6,219	19,973
Accrued Expenses	67	70	4,790	5,084
Total	154	5,745	11,009	4,17,259
Year ended December 31				
	2016	2015	2016	2015
Note: 12-Revenue from Operations:				
Sale of Products [Gross]	9,332	10,191	6,93,554	7,25,293
Other Operating Revenues:				
Miscellaneous Income	107	117	7,953	8,327
Total	9,439	10,308	7,01,507	7,33,620
Note: 13-Other Income:				
Net Gain on Assets	4	8	297	569
Other Non-operating Income	631	-	46,896	-
Total	635	8	47,193	569
Note: 14-Purchases of Stock-in-Trade:				
Purchases of Stock-in-Trade	5,015	5,132	3,72,715	3,65,244
Total	5,015	5,132	3,72,715	3,65,244
Note: 15-Changes in Inventories:				
Stock at commencement:				
Stock-in-Trade	2,456	3,357	1,78,379	2,56,139
Less: Stock at close:				
Stock-in-Trade	2,208	2,456	1,57,828	1,78,379
Total	248	901	20,551	77,760
Note: 16-Employee Benefits Expense:				
Salaries and wages	2,189	1,751	1,62,686	1,24,619
Contribution to provident and other funds	-	359	-	25,550
Total	2,189	2,110	1,62,686	1,50,169
Note: 17-Finance Cost:				
Interest expense [*]	87	315	6,466	22,418
Bank commission & charges	34	45	2,527	3,203
Total	121	360	8,993	25,621
[*] The break up of interest expense into major heads is given below:				
On working capital loans	9	19	669	1,352
Others	78	296	5,797	21,066
Total	87	315	6,466	22,418
Note: 18-Other Expenses:				
Power & fuel	49	42	3,642	2,989
Repairs to Others	5	8	372	569
Insurance	29	31	2,155	2,206
Rates and Taxes [excluding taxes on income]	880	790	65,402	56,224
Traveling Expenses	150	139	11,148	9,893
Legal and Professional Fees	158	161	11,743	11,458
Representative Allowances	365	726	27,127	51,669
Freight and forwarding on sales	467	555	34,707	39,499
Other marketing expenses	772	824	57,375	58,644
Bad Debts:				
Provision for impairment allowance	8	19	595	1,352
	8	19	595	1,352
Less: Transferred from Provision for impairment allowance	(3)	(8)	(223)	(569)
	5	11	372	783
Miscellaneous Expenses	146	201	10,850	14,306
Total	3,026	3,488	2,24,893	2,48,240
[*] Miscellaneous Expenses include Payment to the auditors as "Auditor"				
	10	10	743	712
Note: 19-Calculation of Earnings per Equity Share [EPS]:				
The numerators and denominators used to calculate the basic and diluted EPS are as follows:				
A Loss attributable to Shareholders	(757)	(2,031)	(58,381)	(1,58,181)
B Basic and weighted average number of Equity shares outstanding during the year	74,74,591	74,60,239	74,74,591	74,60,239
	EUR		INR	
C Nominal value of equity share	1	1		
D Basic & Diluted EPS	(0.10)	(0.27)	(7.81)	(21.20)
Note: 20-Segment Information:				
The Chief Operating Decision Maker [CODM] reviews the Company as a single segment, namely, "Pharmaceutical Segment".				

Laboratorios Combix S.L.
Notes to the Financial Statements

Note: 21-Related Party Transactions:

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

a Holding Company:	Zydus Netherlands B.V. [the Netherlands]
b Holding Company of Holding Company:	Zydus International Private Limited [Ireland][Refer Note 22]
c Ultimate Holding Company:	Cadila Healthcare Limited [India]
d Fellow Subsidiaries:	
Dialforhealth India Limited	Hercon Pharmaceuticals LLC [USA]
Dialforhealth Unity Limited	Zydus Healthcare S.A. (Pty) Ltd [South Africa]
Dialforhealth Greencross Limited	Simayla Pharmaceuticals (Pty) Ltd [South Africa]
Zydus Wellness Limited	Script Management Services (Pty) Ltd [South Africa]
M/s. Zydus Wellness-Sikkim, a Partnership Firm	Zydus Pharmaceuticals Mexico SA De CV [Mexico]
Zydus Healthcare Limited	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]
Zydus Technologies Limited	Alidac Healthcare (Myanmar) Limited [Myanmar]
Liva Pharmaceuticals Limited	ZAHL B.V. [the Netherlands]
Alidac Pharmaceuticals Limited	ZAHL Europe B.V. [the Netherlands]
Zydus Healthcare (USA) LLC [USA]	Bremer Pharma GmbH [Germany]
Zydus Healthcare Philippines Inc [Philippines]	Nesher Pharmaceuticals (USA) LLC [USA]
Zydus Pharmaceuticals (USA) Inc.[USA]	Zydus Worldwide DMCC [Dubai] [Refer Note 22]
Zydus Nikkho Farmaceutica Ltda. [Brazil]	Zydus Discovery DMCC [Dubai]
Zydus Noveltech Inc. [USA]	Zydus Pharma Japan Co. Ltd. [Japan] [Liquidated during the year]
Etna Biotech S.R.L. [Italy]	Zydus Lanka (Private) Limited [Srilanka]
Zydus France, SAS [France]	
e Directors:	
Mr. David Blanksby	Mr. Pradip Solanki
	Mr. Juan Luiz

B Transactions with Related Parties:

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

- a Details relating to parties referred to in items 21 A [a, b, c & d]

Value of the Transactions [Euro - Thousands]

<u>Nature of Transactions</u>	<u>Holding Company and</u>		<u>Ultimate Holding company</u>		<u>Fellow Subsidiaries</u>	
	<u>Holding company of</u>		<u>Year ended December 31</u>			
	<u>Holding company</u>		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Purchases:	2016	2015	2016	2015	2016	2015
Cadila Healthcare Limited	-	-	1,108	1,526	-	
Service from:						
Cadila Healthcare Limited	-	-	30	41	-	
Zydus France, SAS	-	-	-	-	14	36
Reimbursement of expense recovered:						
Cadila Healthcare Limited			631	-		
Finance:						
Inter Corporate Loans repaid:						
Zydus International Private Limited	5,400	550				
Interest paid on loan :						
Zydus International Private Limited	78	296	-	-	-	-
Investments:						
Subscription to Share Capital from:						
Zydus Netherlands B.V.	9,250	4,780	-	-	-	-
			<u>As at December 31</u>			
Outstanding:	2016	2015	2016	2015	2016	2015
Payable:						
Zydus International Private Limited	1,687	7,275				
Cadila Healthcare Limited	-	-	490	850	-	-
Zydus France, SAS	-	-	-	-	3	7
Receivable:						
Cadila Healthcare Limited			631	-		

Laboratorios Combix S.L.
Notes to the Financial Statements

Note: 21-Related Party Transactions- Continued:

Nature of Transactions	Value of the Transactions [INR - Thousands]					
	Holding Company and Holding company of Holding company		Ultimate Holding company		Fellow Subsidiaries	
			Year ended December 31			
	2016	2015	2016	2015	2016	2015
Purchases:						
Cadila Healthcare Limited	-	-	82,347	1,08,605	-	-
Service from:						
Cadila Healthcare Limited	-	-	2,230	2,918	-	-
Zydus France, SAS	-	-	-	-	1,040	2,562
Reimbursement of expense recovered:						
Cadila Healthcare Limited			46,896	-		
Finance:						
Inter Corporate Loans repaid:						
Zydus International Private Limited	3,85,992	39,947				
Interest paid on loan :						
Zydus International Private Limited	5,797	21,066	-	-	-	-
Investments:						
Subscription to Share Capital from:						
Zydus Netherlands B.V.	6,61,190	3,47,171	-	-	-	-
			As at December 31			
Outstanding:	2016	2015	2016	2015	2016	2015
Payable:						
Zydus International Private Limited	1,20,587	5,28,383				
Cadila Healthcare Limited	-	-	35,025	61,736	-	-
Zydus France, SAS	-	-	-	-	214	508
Receivable:						
Cadila Healthcare Limited			45,104	-		

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

Note: 22 Post reporting date events :

Pursuant to the Share Purchase Agreement ['SPA'] entered into by Zydus International Private Limited [ZIPL], Ireland [wholly owned subsidiary of Cadila Healthcare Limited [CHL], India on March 24, 2017 with Zydus Worldwide DMCC [ZWD], Dubai [wholly owned subsidiary of CHL], ZWD had acquired 100% of the share capital of Zydus Netherlands B.V [ZNBV] for Cash Consideration. Pursuant to this, ZNBV has become direct overseas subsidiary of ZWD and the Company has become step down subsidiary of ZWD. CHL continues to be the ultimate holding company of the Company.

Note: 23

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 23 to the Financial Statements

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

Chandresh S. Shah
Partner
Membership Number: 042132
Ahmedabad, Dated: May 25, 2017

For and on behalf of the Board

Director

Laboratorios Combix S.L.
Cash Flow Statement for the year ended December 31, 2016

Particulars	EUR- Thousands		INR- Thousands	
	Year ended December 31			
	2016	2015	2016	2015
A Cash flows from operating activities:				
Loss before tax	(750)	(2,025)	(57,861)	(1,57,754)
Adjustments for:				
Depreciation, Amortisation and Impairment expenses	225	350	16,723	24,909
[Profit] on sale of assets [Net]	(4)	(8)	(297)	(569)
Interest expenses	87	315	6,466	22,418
Provision for impairment allowance	8	19	595	1,352
Provision for impairment allowance written back	(3)	(8)	(223)	(569)
Total	313	668	23,264	47,541
Operating profit before working capital changes	(437)	(1,357)	(34,597)	(1,10,213)
Adjustments for:				
Decrease in trade receivables	199	1	14,789	71
Decrease in inventories	248	901	18,431	64,124
Decrease in other current assets	11	7	817	498
[Decrease] in trade payables	(1,012)	(121)	(75,212)	(8,611)
[Decrease] in other current liabilities	(3)	(1,542)	(222)	(1,09,744)
Total	(557)	(754)	(41,397)	(53,662)
Net cash used in operating activities	(994)	(2,111)	(75,994)	(1,63,875)
B Cash flows from investing activities:				
Purchase of property, plant and equipments	(12)	(2)	(892)	(142)
Proceeds from sale of property, plant and equipments	4	53	297	3,772
Net cash used [from] in investing activities	(8)	51	(595)	3,630
C Cash flows from financing activities:				
Proceeds from issuance of share capital	9,250	4,780	6,87,460	3,40,193
Repayment of non current borrowings	(5,400)	(550)	(4,01,328)	(39,144)
Current Borrowings [Net]	(2,114)	(1,769)	(1,57,112)	(1,25,900)
Interest paid	(275)	(362)	(20,438)	(25,764)
Net cash from financing activities	1,461	2,099	1,08,582	1,49,385
Net Increase / [Decrease] in cash and cash equivalents	459	39	31,993	(10,860)
Increase due to the translation to INR [Refer Note-3]	-	-	537	12,944
Cash and cash equivalents at the beginning of the year	243	204	17,649	15,565
Cash and cash equivalents at the end of the year	702	243	50,179	17,649

Notes to the Cash Flow Statement

- All figures in brackets are outflows.
- Previous year's figures have been regrouped wherever necessary.
- Cash Flow Statement is translated into Indian Rupee [INR] at the average exchange rates for the year. The increase/ decrease resulting from such translation is shown separately as "Increase/ [Decrease] due to the translation to INR"

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

For and on behalf of the Board

Chandresh S. Shah
Partner
Membership Number: 042132
Ahmedabad, Dated: May 25, 2017

Director