

Company Registration No. 285240 (Republic of Ireland)

**ZYDUS INTERNATIONAL PRIVATE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	K K Patel G Hirani P Solanki U Shah
<b>Secretary</b>	CBF Secretarial Ltd
<b>Company number</b>	285240
<b>Registered office</b>	FDW House Blackthorn Business Park Coes Road Dundalk Co. Louth
<b>Auditor</b>	UHY Farrelly Dawe White Limited FDW House Blackthorn Business Park Coes Road Dundalk Co. Louth Ireland
<b>Bankers</b>	Barclays Bank plc Knightsbridge International Banking Centre PO Box 391 38 Hans Crescent Knightsbridge UK SW1X OLZ  BNP Paribas Centre d'Affaires Paris Ag-Centrale Enterprises 1, Boulevard Haussmann 75009 Paris France 9EME

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# ZYDUS INTERNATIONAL PRIVATE LIMITED

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# ZYDUS INTERNATIONAL PRIVATE LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their annual report and financial statements for the year ended 31 December 2019.

### **Principal activities**

The principal activity of the company continued to be that of an investment holding company for the global investments of Cadila Healthcare Limited (CHL), India.

### **Fair review of the business**

The results for the year and the financial position at the year end were considered satisfactory by the directors.

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the company are that the subsidiaries maintain their underlying value and loans to subsidiaries are fully recoverable.

### **Directors and secretary**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

K K Patel  
G Hirani  
P Solanki  
U Shah

### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **Accounting records**

The company's directors are aware of their responsibilities, under sections 281 to 285 of the Companies Act 2014 as to whether in their opinion, the accounting records of the company are sufficient to permit the financial statements to be readily and properly audited and are discharging their responsibility by ensuring that sufficient resources are available for the task and coordinating with the companies.

The accounting records are held at the company's registered office, FDW House, Blackthorn Business Park, Coes Road, Dundalk, Co. Louth.

### **Post reporting date events**

The World Health Organisation [WHO] declared Covid-19 to be a global pandemic in March 2020. Majority of the countries across the globe were into lockdown situation all throughout April 2020 and major part of May 2020, impacting business operations across various sectors with severe restrictions on movement of people and goods. Zydus International Private Limited (ZIPL) is an Investment Holding Company of Cadila Healthcare Limited (Zydus Group) which is a fully integrated, global healthcare provider, with strengths all along the pharmaceutical value chain. Zydus Group believes that the impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets (including loans).

### **Future developments**

The company plans to continue its business of an investment holding company for investments of Cadila Healthcare Limited.

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **Auditor**

In accordance with the Companies Act 2014, section 383(2), UHY Farrelly Dawe White Limited continue in office as auditors of the company.

### **Statement of disclosure to auditor**

Each of the directors in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 330 of the Companies Act 2014.

On behalf of the board

Sd/-

K K Patel  
**Director**  
15 June 2020

Sd/-

G Hirani  
**Director**

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

Sd/-

K K Patel  
**Director**  
15 June 2020

Sd/-

G Hirani  
**Director**

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF ZYDUS INTERNATIONAL PRIVATE LIMITED

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#### Opinion

We have audited the financial statements of Zydus International Private Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2014.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. 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 financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF ZYDUS INTERNATIONAL PRIVATE LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2014**

Based solely on the work undertaken in the course of the audit, we report that in our opinion:

- the information given in the directors' report is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

#### **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

#### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **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 guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-\(Ireland\)/ISA-700-\(Ireland\)](http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-(Ireland)/ISA-700-(Ireland)). This description forms part of our auditor's report.

# **ZYDUS INTERNATIONAL PRIVATE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBER OF ZYDUS INTERNATIONAL PRIVATE LIMITED**

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#### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's member in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member for our audit work, for this report, or for the opinions we have formed.

Sd/-

**Michael Bellew**

**for and on behalf of UHY Farrelly Dawe White Limited**

**Chartered Certified Accountants**

**Statutory Auditor**

FDW House

Blackthorn Business Park

Coes Road

Dundalk

Co. Louth

Ireland

15 June 2020

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

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	Notes	2019 €	2018 €
<b>Turnover</b>	<b>3</b>	4,516,163	1,946,722
Administrative expenses		(123,253)	(86,311)
Other operating income		857,831	1,677,072
		<hr/>	<hr/>
<b>Operating profit</b>	<b>4</b>	5,250,741	3,537,483
Interest receivable and similar income	<b>5</b>	7,741	3,406
Interest payable and similar expenses	<b>6</b>	(3,850,073)	(829,487)
Amounts received from/written off investments	<b>7</b>	-	(73,198)
		<hr/>	<hr/>
<b>Profit before taxation</b>		1,408,409	2,638,204
Tax on profit	<b>8</b>	-	-
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<u>1,408,409</u>	<u>2,638,204</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		€	€	€	€
<b>Fixed assets</b>					
Financial assets	9		10,063,975		10,544,222
<b>Current assets</b>					
Debtors	11	167,323,496		130,636,292	
Cash at bank and in hand		940,468		1,438,253	
		<u>168,263,964</u>		<u>132,074,545</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(113,557,918)</u>		<u>(79,257,155)</u>	
<b>Net current assets</b>			54,706,046		52,817,390
<b>Total assets less current liabilities</b>			<u>64,770,021</u>		<u>63,361,612</u>
<b>Capital and reserves</b>					
Called up share capital presented as equity	14		91,194,303		91,194,303
Other reserves	15		(103,107)		(103,107)
Profit and loss reserves	16		(26,321,175)		(27,729,584)
<b>Total equity</b>			<u>64,770,021</u>		<u>63,361,612</u>

The financial statements were approved by the board of directors and authorised for issue on 15 June 2020 and are signed on its behalf by:

Sd/-

K K Patel  
Director

Sd/-

G Hirani  
Director

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

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	Share capital	Other reserves	Profit and loss reserves	Total
	€	€	€	€
<b>Balance at 1 January 2018</b>	91,194,303	(103,107)	(30,367,788)	60,723,408
<b>Year ended 31 December 2018:</b>				
Profit and total comprehensive income for the year	-	-	2,638,204	2,638,204
<b>Balance at 31 December 2018</b>	91,194,303	(103,107)	(27,729,584)	63,361,612
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year	-	-	1,408,409	1,408,409
<b>Balance at 31 December 2019</b>	91,194,303	(103,107)	(26,321,175)	64,770,021

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# ZYDUS INTERNATIONAL PRIVATE LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 €	€	2018 €	€
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	20	(24,877,491)		(59,383,761)	
Interest paid		(3,850,073)		(829,487)	
Income taxes (paid)/refunded		(43,875)		43,875	
<b>Net cash outflow from operating activities</b>		<b>(28,771,439)</b>		<b>(60,169,373)</b>	
<b>Investing activities</b>					
Proceeds on disposal of subsidiaries		480,247		-	
Proceeds on disposal of financial assets		-		(29,420)	
Proceeds from other investments and loans		-		(43,875)	
Interest received		7,741		3,406	
<b>Net cash generated from/(used in) investing activities</b>		<b>487,988</b>		<b>(69,889)</b>	
<b>Financing activities</b>					
Repayment of borrowings		27,785,666		61,432,191	
<b>Net cash generated from financing activities</b>		<b>27,785,666</b>		<b>61,432,191</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(497,785)</b>		<b>1,192,929</b>	
Cash and cash equivalents at beginning of year		1,438,253		245,324	
<b>Cash and cash equivalents at end of year</b>		<b>940,468</b>		<b>1,438,253</b>	

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### 1 Accounting policies

#### Company information

Zydus International Private Limited is a limited company domiciled and incorporated in Republic of Ireland. The registered office is FDW House, Blackthorn Business Park, Coes Road, Dundalk, Co. Louth and its company registration number is 285240.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2014.

The financial statements are prepared in euro, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 300 of the Companies Act 2014 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Zydus International Private Limited is a wholly owned subsidiary of Cadila Healthcare Limited, a company incorporated in India. The results of Zydus International Private Limited are included in the consolidated financial statements of Cadila Healthcare Limited.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

As the company is an investment holding company, its income is comprised of investment income.

#### Interest Income

Revenue is recognised as interest accrues using the effective interest method.

#### 1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.5 Cash at bank and in hand

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

##### **Other financial assets**

Other financial assets, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting period end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### ***Other financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### ***Deferred tax***

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

### 1.9 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All realised differences are taken to profit and loss account.

## 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### ***Accruals***

Accruals by their nature are liabilities with an uncertain timing or amount. These accruals require management's best estimate in relation to the future cash outflows likely to arise in connection with obligations existing at the reporting date.

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 €	2018 €
<b>Turnover analysed by class of business</b>		
Interest Income	4,516,163	1,946,722
	<u>4,516,163</u>	<u>1,946,722</u>

	2019 €	2018 €
<b>Other significant revenue</b>		
Bank Interest	7,741	3,406
	<u>7,741</u>	<u>3,406</u>

	2019 €	2018 €
<b>Turnover analysed by geographical market</b>		
Europe	61,760	64,074
Africa	13,196	13,235
South America	22,173	27,471
Middle East	4,419,034	1,841,942
	<u>4,516,163</u>	<u>1,946,722</u>

#### 4 Operating profit

	2019 €	2018 €
Operating profit for the year is stated after (crediting):		
Exchange gains	(857,831)	(1,677,072)
	<u>(857,831)</u>	<u>(1,677,072)</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to €857,831 (2018 - €1,677,072).

#### 5 Interest receivable and similar income

	2019 €	2018 €
<b>Interest income</b>		
Interest on bank balances	7,741	3,406
	<u>7,741</u>	<u>3,406</u>

#### 6 Interest payable and similar expenses

	2019 €	2018 €
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on loans from bank and group undertakings	3,850,073	829,487
	<u>3,850,073</u>	<u>829,487</u>

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 7 Amounts written off investments financial assets

	2019 €	2018 €
Gain/(loss) on impairment/diminution in value of investments held at fair value	-	(43,778)
Other losses	-	(29,420)
	<u>-</u>	<u>(73,198)</u>

On 28 November 2018 ZIPL waived a debt of €29,420 for a loan they advanced to ZAHL BV for liquidation process fees and other outstanding dues.

Provision for diminution in value of investment represents the diminution in the value of investment made by the company in ZAHL BV.

### 8 Taxation

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 €	2018 €
Profit before taxation	1,408,409	2,638,204
Expected tax charge based on the standard rate of corporation tax of 12.50% (2018: 12.50%)	176,051	329,776
Tax effect of expenses that are not deductible in determining taxable profit	496,632	119,960
Foreign exchange differences	(107,229)	(209,634)
Provisional loss on disposal of investments	-	3,665
Deposit interest	(565,454)	(243,767)
Taxation charge for the year	<u>-</u>	<u>-</u>

### 9 Financial assets

	Notes	2019 €	2018 €
Investments in subsidiaries	10	10,063,975	10,544,222

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 9 Financial assets (Continued)

#### Movements in fixed asset investments

	Shares in group undertakings €
<b>Cost or valuation</b>	
At 1 January 2019	10,544,222
Disposals	(480,247)
	<hr/>
At 31 December 2019	10,063,975
	<hr/>
<b>Carrying amount</b>	
At 31 December 2019	10,063,975
	<hr/> <hr/>
At 31 December 2018	10,544,222
	<hr/> <hr/>

### 10 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
* Zydus Pharmaceuticals Mexico SA de CV	Mexico	Developing, Manufacturing and Marketing a wide range of pharmaceutical products	Ordinary Shares	100.00	
* Zydus Pharmaceuticals Mexico Service co. SA de CV	Mexico	Render administrative and personnel services to its affiliated company	Ordinary Shares	100.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	€	€
* Zydus Pharmaceuticals Mexico SA de CV	997,617	(9,001,191)
* Zydus Pharmaceuticals Mexico Service co. SA de CV	2,171,488	1,513,342

\* Including one share each held by a director as a nominee of the company. The beneficial interest lies with the company.

The aggregate capital and reserves and the result for the year are presented in Mexican Pesos.

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

11 Debtors		2019	2018
		€	€
<b>Amounts falling due within one year:</b>			
Amounts owed by group undertakings		167,323,496	130,635,873
Prepayments		-	419
		<u>167,323,496</u>	<u>130,636,292</u>
		<u><u>167,323,496</u></u>	<u><u>130,636,292</u></u>
12 Creditors: amounts falling due within one year		2019	2018
	Notes	€	€
Bank loan along with interest	13	89,698,007	61,912,341
Amounts owed to group undertakings		23,618,119	17,149,894
Corporation tax		-	43,875
VAT		-	286
Accruals		241,792	150,759
		<u>113,557,918</u>	<u>79,257,155</u>
		<u><u>113,557,918</u></u>	<u><u>79,257,155</u></u>
13 Loans and overdrafts		2019	2018
		€	€
Loans from group undertakings		<u>23,618,119</u>	<u>17,149,894</u>
		<u><u>23,618,119</u></u>	<u><u>17,149,894</u></u>
Payable within one year		<u>23,618,119</u>	<u>17,149,894</u>
		<u><u>23,618,119</u></u>	<u><u>17,149,894</u></u>
14 Share capital		2019	2018
		€	€
<b>Ordinary share capital</b>			
<b>Authorised equity</b>			
100,000,000 Ordinary shares of €1.462843 each		<u>146,284,300</u>	<u>146,284,300</u>
		<u><u>146,284,300</u></u>	<u><u>146,284,300</u></u>
<b>Issued and fully paid equity</b>			
62,340,458 Ordinary shares of €1.462843 each		<u>91,194,303</u>	<u>91,194,303</u>
		<u><u>91,194,303</u></u>	<u><u>91,194,303</u></u>
<b>Preference share capital</b>			
<b>Authorised equity</b>			
150,000,000 Optionally convertible preference shares of €1 each		<u>150,000,000</u>	<u>150,000,000</u>
		<u><u>150,000,000</u></u>	<u><u>150,000,000</u></u>

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 15 Other reserves

	Foreign exchange reserve €
Balance at 1 January 2018	(103,107)
Balance at 31 December 2018	(103,107)
Balance at 31 December 2019	(103,107)

### 16 Profit and loss reserves

	2019 €	2018 €
At the beginning of the year	(27,729,584)	(30,367,788)
Profit for the year	1,408,409	2,638,204
At the end of the year	(26,321,175)	(27,729,584)

### 17 Events after the reporting date

The World Health Organisation [WHO] declared Covid-19 to be a global pandemic in March 2020. Majority of the countries across the globe were into lockdown situation all throughout April 2020 and major part of May 2020, impacting business operations across various sectors with severe restrictions on movement of people and goods. Zydus International Private Limited (ZIPL) is an Investment Holding Company of Cadila Healthcare Limited (Zydus Group) which is a fully integrated, global healthcare provider, with strengths all along the pharmaceutical value chain. Zydus Group believes that the impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets (including loans).

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 18 Related party transactions

#### Transactions with related parties

The company is availing of the exemption from disclosing transactions with wholly owned group members granted by Section 33 Related Party Disclosures of FRS 102.

	<b>2019</b>
	<b>Balance</b>
	<b>€</b>
<b>Amounts owed by related parties</b>	
Entities over which the entity has control, joint control or significant influence	5,224,492
Other related parties	162,099,004
	<u><u>167,323,496</u></u>
	<b>2018</b>
	<b>Balance</b>
	<b>€</b>
<b>Amounts owed in previous period</b>	
Entities over which the entity has control, joint control or significant influence	6,619,354
Other related parties	124,016,522
	<u><u>130,635,876</u></u>

### 19 Ultimate controlling party

The ultimate parent company is Cadila Healthcare Limited, a company incorporated and registered in India.

### 20 Cash absorbed by operations

	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Profit for the year after tax	1,408,409	2,638,204
<b>Adjustments for:</b>		
Finance costs	3,850,073	829,487
Investment income	(7,741)	(3,406)
Amounts written off investments	-	73,198
<b>Movements in working capital:</b>		
Increase in debtors	(36,687,204)	(80,211,675)
Increase in creditors	6,558,972	17,290,431
<b>Cash absorbed by operations</b>	<u><u>(24,877,491)</u></u>	<u><u>(59,383,761)</u></u>

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### 21 Analysis of changes in net debt

	1 January 2019 €	Cash flows €	31 December 2019 €
Cash at bank and in hand	1,438,253	(497,785)	940,468
Borrowings excluding overdrafts	(61,912,341)	(27,785,666)	(89,698,007)
	<u>(60,474,088)</u>	<u>(28,283,451)</u>	<u>(88,757,539)</u>

### 22 Approval of financial statements

The directors approved the financial statements on the 15 June 2020

**ZYDUS INTERNATIONAL PRIVATE LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

# ZYDUS INTERNATIONAL PRIVATE LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

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	2019	2018
	€	€
<b>Turnover</b>		
Interest Income	4,516,163	1,946,722
<b>Other operating income</b>		
Exchange differences arising on trading transactions	857,831	1,677,072
<b>Administrative expenses</b>	(123,253)	(86,311)
<b>Operating profit</b>	<u>5,250,741</u>	<u>3,537,483</u>
<b>Investment revenues</b>		
Bank interest received	7,741	3,406
	<u>7,741</u>	<u>3,406</u>
<b>Interest payable and similar expenses</b>		
Bank interest on loans and overdrafts	(3,850,073)	(829,487)
<b>Other gains and losses</b>		
Amounts written off current asset investments	-	(29,420)
Profit or Loss on disposal of investments measured at fair value	-	(43,778)
	<u>-</u>	<u>(73,198)</u>
<b>Profit before taxation</b>	<u><u>1,408,409</u></u>	<u><u>2,638,204</u></u>

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# ZYDUS INTERNATIONAL PRIVATE LIMITED

## SCHEDULE OF ADMINISTRATIVE EXPENSES

*FOR THE YEAR ENDED 31 DECEMBER 2019*

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	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
<b>Administrative expenses</b>		
Travelling expenses	11,352	3,030
Legal and professional fees	100,432	71,932
Consultancy fees	2,146	2,029
Audit fees	7,632	7,275
VAT	139	431
Bank charges	1,552	1,614
	<hr/>	<hr/>
	<b>123,253</b>	<b>86,311</b>
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