

**INDEPENDENT AUDITOR'S REPORT**

To  
The members of  
Liva Pharmaceuticals Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Liva Pharmaceuticals Limited** ("the Company"), which comprise the Balance Sheet as at **31<sup>st</sup> March, 2015**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place as adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31<sup>st</sup> March, 2015**, and its profit/loss and its cash flows for the year ended on that date.

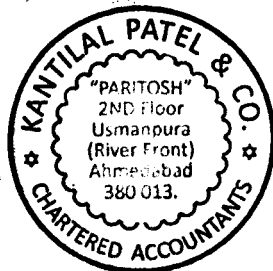
## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in Paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - I. The Company does not have any pending litigations which would impact its financial position.
  - II. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses
  - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Ahmedabad  
Date: May 12, 2015



For KANTILAL PATEL & CO.,  
CHARTERED ACCOUNTANTS  
Firm Reg. No. : 104744W

Jinal A. Patel  
Partner

Membership No. : 153599

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIVA PHARMACEUTICALS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

- i. [a] The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- [b] As explained to us, the said fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and nature of its assets.
- ii. The company does not have any inventories and hence clause (ii) (a), (b), (c) of paragraph 3 of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- iii. The Accordingly to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, requirement of clauses (iii,a) and (iii,b) of paragraph 3 of the order are not applicable.
- iv. In our opinion and according to the information given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets. On the basis of our examination of the books of accounts and other records, we are of the opinion that there is no major weakness in the internal control system in respect of this area.
- v. The Company has not accepted any deposits from the public.
- vi. The provisions of clause 3 (vi) of the Order are not applicable to the Company as it is not covered by the Companies (Cost Records and Audit) Rules, 2014.
- vii. (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues with the appropriate authorities applicable to it.

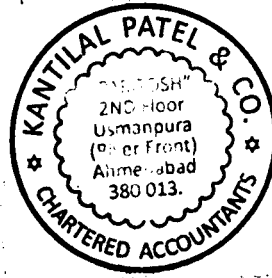
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues outstanding statutory dues as at March 31, 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there has been no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess on account of any dispute.
- (c) There has been no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under



- viii. The Company has been registered for a period of less than five years hence clause (viii) of paragraph 3 of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- ix. Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that Company has not defaulted in repayment of dues to the banks. The Company has not taken any loan from financial institution. The Company has not obtained any borrowing by way of debentures.
- x. To the best of our knowledge and belief and according to the information and explanations given to us and the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. To the best of our knowledge and belief and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- xii. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**Place: Ahmedabad**  
**Date: May 12, 2015**



For KANTILAL PATEL & CO,  
CHARTERED ACCOUNTANTS  
Firm Regi. No.104744W

**Jinal A. Patel**  
Partner

**Membership No: 153599**

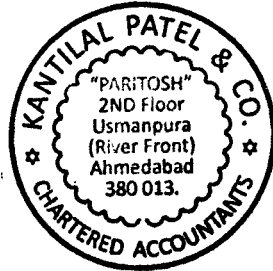
**LIVA PHARMACEUTICALS LIMITED**  
Balance Sheet as at March 31, 2015

Particulars	Note No.	INR	
		As at March 31	
		2015	2014
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Funds:</b>			
Share Capital	1	<b>20,000,000</b>	20,000,000
Reserves and Surplus	2	<b>(366,220)</b>	(493,324)
		<b>19,633,780</b>	19,506,676
<b>Non-Current Liabilities:</b>			
Long Term Borrowings	3	<b>304,620,000</b>	-
Other Long Term Liabilities	4	<b>350,141</b>	-
Long Term Provision	5	<b>162,624</b>	-
		<b>305,132,765</b>	-
<b>Current Liabilities:</b>			
Trade Payables	6	<b>16,907,843</b>	25,281
Other Current Liabilities	7	<b>12,559,113</b>	-
Short Term Provision	8	-	967
<b>Total</b>		<b>29,466,956</b>	26,248
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>			
Fixed Assets			
Tangible Assets	9	<b>1,399,495</b>	-
Capital Work-in-progress		<b>107,644,476</b>	259,345
Pre-operative & Project Expenses pending capitalisation/ allocation [Net]	10	<b>20,959,075</b>	-
		<b>130,003,046</b>	259,345
Long Term Loans and Advances	11	<b>221,925,918</b>	45,000
		<b>351,928,964</b>	304,345
<b>Current Assets:</b>			
Cash and Bank Balances	12	<b>2,171,233</b>	19,185,609
Short Term Loans and Advances	13	<b>93,164</b>	-
Other Current Assets	14	<b>40,140</b>	42,970
<b>Total</b>		<b>2,304,537</b>	19,228,579
<b>Significant Accounting Policies</b>	II		
<b>Notes to the Financial Statements</b>	1 to 25		

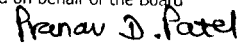
As per our report of even date  
For Kantilal Patel & Co.,  
Chartered Accountants  
Firm Registration Number: 104744W



Jinal Patel  
Partner  
Membership Number: 153599  
Ahmedabad, Dated: 12/5/15



For and on behalf of the Board



Pranav D. Patel  
Chairman



Amit Jain  
Director

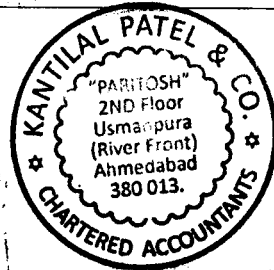
**LIVA PHARMACEUTICALS LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2015**

Particulars	Note No.	INR	
		Year ended March 31	
		2015	2014
<b>REVENUE:</b>			
Other Income	16	<b>418,218</b>	300,340
<b>EXPENSES:</b>			
Other Expenses	17	<b>101,678</b>	69,944
Finance Cost	18	<b>15,532</b>	-
Depreciation and Impairment	9	<b>43,904</b>	-
Preliminary expenses Written off		-	630,720
Total Expenses		<b>161,114</b>	700,664
<b>Profit before Tax</b>		<b>257,104</b>	(400,324)
Less: Tax Expense - Current Tax		<b>130,000</b>	93,000
- Deferred Tax		-	-
<b>Profit for the period</b>		<b>127,104</b>	(493,324)
<b>Basic &amp; Diluted Earning per Equity Share [EPS]</b>	19	<b>0.06</b>	(0.25)
<b>Significant Accounting Policies</b>	II		
<b>Notes to the Financial Statements</b>	1 to 25		

As per our report of even date  
 For Kantilal Patel & Co.,  
 Chartered Accountants  
 Firm Registration Number: 104744W

*[Signature]*

Jinal Patel  
 Partner  
 Membership Number: 153599  
 Ahmedabad, Dated: 12/5/15



For and on behalf of the Board

*Pranav D. Patel*

Pranav D. Patel  
 Chairman

*[Signature]*

Amit Jain  
 Director

**LIVA PHARMACEUTICALS LIMITED**  
Cash flow Statement for the year ended March 31, 2015


Particulars	INR	
	Year ended March 31	
	2015	2014
<b>A Cash flows from operating activities:</b>		
Net profit before taxation and extraordinary items	257,104	(400,324)
Adjustments for:		
Depreciation	43,904	-
Gain on Sale of Investment	(16,727)	-
Interest Income	(401,491)	(300,340)
Total	(374,314)	(300,340)
Operating profit before working capital changes	(117,210)	(700,664)
Adjustments for:		
Increase short term advances	(93,164)	-
Increase in other current assets	(40,140)	-
Increase in long term advances	(4,029,033)	(45,000)
Total	(4,162,337)	(45,000)
Cash generated from operations	(4,279,547)	(745,664)
Direct taxes paid [Net of refunds]	(131,555)	(92,033)
Net cash from operating activities	(4,411,102)	(837,697)
<b>B Cash flows from investing activities:</b>		
Interest received	461,188	257,370
Advance Payment to Vendors	(187,896,857)	25,281
Investment in Fixed Assets	(129,787,605)	(259,345)
Net cash from investing activities	(317,223,273)	23,306
<b>C Cash flows from financing activities:</b>		
Proceeds from Equity share capital	-	20,000,000
Receipt of Loan from Cadila Healthcare Ltd.	304,620,000	-
Net cash from financing activities	304,620,000	20,000,000
<b>Net increase in cash and cash equivalents</b>	<b>(17,014,375)</b>	19,185,609
<b>Cash and cash equivalents at the beginning of the year</b>	<b>19,185,609</b>	-
<b>Cash and cash equivalents at the end of the year</b>	<b>2,171,233</b>	19,185,609

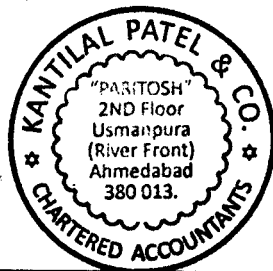
**Notes to the cash flow statement**

- All figures in brackets are outflow.
- Previous year's figures have been regrouped wherever necessary.
- Cash and cash equivalent at the close [beginning] of the reporting period includes Rs.Nil [Rs. Nil]not available for immediate use.

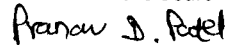

As per our report of even date

For Kantilal Patel & Co.,  
Chartered Accountants  
Firm Registration Number: 104744W

  
Jinal Patel  
Partner  
Membership Number: 153599  
Ahmedabad, Dated: 12/5/15



For and on behalf of the Board

  
Pranav D. Patel  
Chairman  
  
Amit Jain  
Director

**LIVA PHARMACEUTICALS LIMITED**  
**Notes to the financial Statements**

**I-Company Overview:**

Liva Pharmaceuticals Limited ["the Company"] is incorporated with an object of the development, production, marketing and distribution of injectable formulations. The company is in process of setting up injectable manufacturing facility at Village: Jarod, Taluka: Vaghodia, Vadodara.

**II-Significant Accounting Policies:**

**1 Basis of Accounting:**

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and they comply with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies [Accounts] Rules, 2014 and other pronouncement issued by the Institute of Chartered Accountants of India [ICAI], to the extent applicable, and with the applicable provisions of the Companies Act, 2013.

**2 Use of Estimates:**

The preparation of Financial Statements in conformity with the Accounting Standards generally accepted in India requires, the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year while actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**3 Fixed Assets, Depreciation and Amortisation:**

- A** Fixed Assets are stated at historical cost of acquisition/ construction less accumulated depreciation and amortisation loss. Cost [Net of Input tax credit received/ receivable] includes related expenditure and pre-operative & project expenses for the period up to completion of construction/ assets are put to use.
- B** Depreciation is provided on "straight line method" at the rates prescribed in Schedule II to the Companies Act, 2013.
- C** Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are put to use.
- D** Depreciation is provided @ 100% where the actual cost of purchase of an asset does not exceed Rs. 10,000/-.

**4 Preliminary Expenses:**

Preliminary expenses are written off in the Statement of Profit and Loss in the year in which the same are incurred in accordance with Accounting Standard [AS] - 26 on "Intangible Assets".

**5 Borrowing Costs:**

- A** Borrowing costs that are directly attributable to the acquisition/ construction of qualifying assets are capitalised as part of the cost of such assets, up to the date, the assets are ready for their intended use.
- B** Other Borrowing costs are recognised as an expense in the period in which they are incurred.

**6 Revenue Recognition:**

- A** Interest income is recognised on time proportionate method.
- B** Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.

**7 Expenditure during the Construction/ Development Period:**

The expenditure incidental to setting up of manufacturing facilities and obtaining necessary registration with statutory authorities are shown under separate schedule and will be capitalised and allocated to fixed assets upon commencement of the commercial production.

**8 Employee Benefits:**

**A Defined Contribution Plans:**

The Company contributes on a defined contribution basis to Employees' Provident Fund towards post employment benefits, which is expensed in the year to which it pertains.

**B Defined Benefit Plans:**

The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method.

Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the statement of Profit and Loss.

**C Leave Liability:**

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilised leave balances is provided based on an actuarial valuation carried out by an independent actuary as at the year end and charged to the Statement of Profit and Loss.

**9 Taxes on Income:**

- A** Tax expenses comprises of current tax and deferred tax.
- B** Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961.
- C** Deferred tax reflects the impact of current year timing differences between accounting and taxable income. Deferred tax is measured based on the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reviewed at each balance sheet date.

**10 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.





**LIVA PHARMACEUTICALS LIMITED**  
**Notes to the Financial Statements**

	INR					
	As at March 31					
	2015		2014			
<b>Note: 1-Share Capital:</b>						
<b>Authorised:</b>						
5,000,000 [as at March 31,2014:5,000,000] Equity Shares of Rs.10/- each	<b>50,000,000</b>		50,000,000			
	<b>50,000,000</b>		50,000,000			
<b>Issued, Subscribed and Paid-up:</b>						
2,000,000[as at March31,2014:2,000,000] Equity Shares of Rs.10/- each fully paid-up	<b>20,000,000</b>		20,000,000			
	<b>20,000,000</b>		20,000,000			
A The Reconciliation of the numbers of equity shares outstanding is as under :						
Number of shares at the beginning	<b>2,000,000</b>		-			
Add:shares issued during the year	-		2,000,000			
Number of shares at the end	<b>2,000,000</b>		2,000,000			
B The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.						
C All Equity shares of Rs. 10/- each, fully paid are held by Holding Company, Cadila Healthcare Limited and its nominees						
Number of Shares	<b>2,000,000</b>		2,000,000			
% to total share holding	<b>100.00%</b>		100.00%			
<b>Note: 2-Reserves and Surplus:</b>						
<b>Surplus in statement of Profit and Loss:</b>						
Balance as per last Balance Sheet	<b>(493,324)</b>		-			
Add: Profit/[Loss] for the year	<b>127,104</b>		(493,324)			
<b>Balance as at the end of the year</b>	<b>(366,220)</b>		<b>(493,324)</b>			
<b>Note: 3-Long Term Borrowings:</b>						
	INR					
	Non-current portion		Current Maturities			
	As at March 31					
	2015		2014			
Loans and advances from a Related party [Unsecured]	<b>304,620,000</b>		-			
Total	<b>304,620,000</b>		-			
The Company has borrowed loan from Cadila Healthcare Limited [Parent Company] bearing interest @ 9.25% p.a., and is repayable within 5 years from 6th August, 2014 or as decided with mutual consent						
<b>Note: 4-Other Long Term Liabilities:</b>						
Others	<b>350,141</b>		-			
<b>Total</b>	<b>350,141</b>		-			
<b>Note: 5-Long Term Provisions:</b>						
Provision for Employee Benefits	<b>162,624</b>		-			
<b>Total</b>	<b>162,624</b>		-			
<b>Disclosure pursuant to Accounting Standard-15 [Revised] "Employee Benefits":</b>						
<b>Defined benefit plan and long term employment benefit</b>						
<b>A General description:</b>						
<b>Leave wages [Long term employment benefit]:</b>						
The employees of the Company are entitled to leave as per leave policy of the firm. The leave wages are payable to all eligible employees for each day of accumulated leave on death or on resignation or upon retirement on attaining super annuation age.						
<b>Gratuity [Defined benefit plan]:</b>						
The Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more, gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service.						
	INR					
	As at March 31					
	2015			2014		
	Med. Leave	Leave Wages	Gratuity	Med. Leave	Leave Wages	Gratuity
<b>B Change in the present value of the defined benefit obligation:</b>						
Opening defined benefit obligation	-	-	-	-	-	-
Interest cost	-	-	-	-	-	-
Current service cost	<b>28,420</b>	<b>166,190</b>	<b>53,039</b>	-	-	-
Benefits paid	-	-	-	-	-	-
Actuarial [gain]/ losses on obligation	-	-	<b>(3,564)</b>	-	-	-
Closing defined benefit obligation	<b>28,420</b>	<b>166,190</b>	<b>49,476</b>	-	-	-



**LIVA PHARMACEUTICALS LIMITED**  
Notes to the Financial Statements

**Note: 5-Long Term Provisions-Continued:**

	INR					
	As at March 31					
	2015		Gratuity	2014		
Med. Leave	Leave Wages	Med. Leave		Leave Wages	Gratuity	
<b>C Change in the fair value of plan assets:</b>						
Opening fair value of plan assets	-	-	-	-	-	-
Expenses deducted from fund	-	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-	-
Contributions by employer	-	-	<b>81,462</b>	-	-	-
Benefits paid	-	-	-	-	-	-
Actuarial gains/ [losses]	-	-	-	-	-	-
Closing fair value of plan assets	-	-	<b>81,462</b>	-	-	-
Total actuarial [losses]/ gains to be recognised	-	-	<b>(3,564)</b>	-	-	-
<b>D Actual return on plan assets:</b>						
Expected return on plan assets	-	-	-	-	-	-
Actuarial gains/ [losses] on plan assets	-	-	-	-	-	-
Actual return on plan assets	-	-	-	-	-	-
<b>E Amount recognised in the balance sheet:</b>						
Liabilities/ at the end of the year	<b>28,420</b>	<b>166,190</b>	<b>49,476</b>	-	-	-
Fair value of plan Assets at the end of the year	-	-	<b>(81,462)</b>	-	-	-
Difference	<b>28,420</b>	<b>166,190</b>	<b>(31,986)</b>	-	-	-
Unrecognized past Service cost	-	-	-	-	-	-
Liabilities/ [Assets] recognised in the Balance Sheet	<b>28,420</b>	<b>166,190</b>	<b>(31,986)</b>	-	-	-
<b>F [Income]/Expenses recognised in the statement Pre-operative Expenses:</b>						
Current service cost	<b>28,420</b>	<b>166,190</b>	<b>53,039</b>	-	-	-
Interest cost on benefit obligation	-	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-	-
Net actuarial [gains]/ in the year	-	-	<b>(3,564)</b>	-	-	-
Net [benefits]/expenses	<b>28,420</b>	<b>166,190</b>	<b>49,475</b>	-	-	-
<b>G Movement in net liabilities recognised in Balance Sheet:</b>						
Opening net liabilities	-	-	-	-	-	-
Expenses as above [Pre-operative Ch:	<b>28,420</b>	<b>166,190</b>	<b>49,475</b>	-	-	-
Employer's contribution	-	-	<b>(81,462)</b>	-	-	-
Liabilities/ [Assets] recognised in the Balance Sheet	<b>28,420</b>	<b>166,190</b>	<b>(31,987)</b>	-	-	-
<b>H Principal actuarial assumptions as at Balance sheet date:</b>						
Discount rate	<b>7.80%</b>	<b>7.80%</b>	<b>7.80%</b>	0.00%	0.00%	0.00%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms inconsistency with the currency and terms of the post employment benefit obligations]						
Expected rate of return on plan Assets	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	0.00%	0.00%	0.00%
[The expected rate of return assumed by the Insurance company is generally based on their Investment patterns as stipulated by the Government of India]						
Annual increase in salary cost	<b>7.50%</b>	<b>7.50%</b>	<b>7.50%</b>	0.00%	0.00%	0.00%
[The estimates of future salary increases considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]						
<b>I The categories of plan assets as a % of total plan assets are:</b>						
Insurance Plan	<b>0%</b>	<b>0%</b>	<b>0%</b>	0.00%	0.00%	0.00%

As this is first year of operation, previous four years data is not shown.



**LIVA PHARMACEUTICALS LIMITED**  
**Notes to the Financial Statements**

	INR	
	As at March 31	
	2015	2014
<b>Note: 6-Trade Payables:</b>		
Micro, Small and Medium Enterprises [*]		
Others	<b>16,907,843</b>	25,281
<b>Total</b>	<b>16,907,843</b>	25,281
<p>[*] Disclosure in respect of Micro, Small and Medium Enterprises:</p> <p>A Principal amount remaining unpaid to any supplier as at the end of year - -</p> <p>B Interest due thereon - -</p> <p>C Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during year - -</p> <p>D Amount of interest due and payable for the period of delay in making payment [which have been paid but beyond the appointed day during the reporting period] but without adding the interest specified under the MSMED - -</p> <p>E Amount of interest accrued and remaining unpaid at the end of the accounting year - -</p> <p>F Amount of further interest remaining due and payable in succeeding years - -</p> <p>The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.</p>		
<b>Note: 7-Other Current Liabilities:</b>		
Interest accrued but not due on borrowings	<b>10,547,464</b>	-
Others:		
Provision For Expenses	<b>380,484</b>	-
Payable to Statutory Authorities	<b>1,631,165</b>	-
<b>Total</b>	<b>12,559,113</b>	-
<b>Note: 8-Short Term Provision:</b>		
Other:		
Provision for Taxation [Net of advance payment of tax of Rs. 92033]	<b>0</b>	967
<b>Total</b>	<b>0</b>	967
<b>Note: 9-Fixed Assets:</b>		
A Tangible Assets:		INR
		<b>Vehicles</b>
		<b>Total</b>
Gross Block:		
As at March 31, 2013		-
Additions		-
Disposals		-
Other adjustments		-
As at March 31, 2014		-
Additions		<b>1,443,399</b>
Disposals		-
Other adjustments		-
As at March 31, 2015		<b>1,443,399</b>
Depreciation and Impairment:		
As at March 31, 2013		-
Depreciation for the year		-
Impairment for the year		-
Disposals		-
As at March 31, 2014		-
Depreciation for the year		<b>43,904</b>
Impairment for the year		-
Disposals		-
As at March 31, 2015		<b>43,904</b>
Net Block:		
As at March 31, 2014		-
As at March 31, 2015		<b>1,399,495</b>
<b>Note: 10 - Pre-operative &amp; Project Expenses pending capitalisation/ allocation [Net]:</b>	<b>2015</b>	2014
Salaries and Wages	<b>4,250,246</b>	-
Staff Welfare Expenses	<b>7,512</b>	-
Travelling	<b>965,534</b>	-
Rent	<b>300,000</b>	-
Finance Cost		
Interest	<b>11,719,405</b>	-
Bank Commission	<b>33,806</b>	-
Power	<b>1,332,369</b>	-
Books & Periodicals	<b>112,751</b>	-
Other Expenses	<b>2,237,452</b>	-
<b>Total</b>	<b>20,959,075</b>	-



<b>LIVA PHARMACEUTICALS LIMITED</b>		
<b>Notes to the Financial Statements</b>		
	<b>INR</b>	
	<b>As at March 31</b>	
	<b>2,015</b>	<b>2014</b>
<b>Note: 11-Long Term Loans and Advances</b>		
Capital Advances [Unsecured, Considered Good unless otherwise stated]	<b>217,851,296</b>	-
Other loans and advances:		
Advance Payment of Tax [Net of Provision for taxation of Rs.1,30,000 {As at 31st March, 2014} Rs. 93,000}]	<b>589</b>	-
Security Deposits	<b>2,361,164</b>	-
Balance With Statutory Authorities	<b>1,712,869</b>	45,000
<b>Total</b>	<b>221,925,918</b>	45,000
<b>Note: 12-Cash and Bank Balances:</b>		
Balances With Banks [*]	<b>2,167,640</b>	19,185,609
Cash on Hand	<b>3,593</b>	-
<b>Total</b>	<b>2,171,233</b>	19,185,609
[*] Earmarked balances with banks:		
A Balances with Banks include:		
i Balances in unclaimed dividend account	-	-
ii Balances to the extent held as margin money deposits against Guarantee	-	-
B Bank deposits with maturity of more than 12 months	-	-
C Company keeps Fixed deposit with the Nationalised/ Scheduled banks, which can be withdrawn by the company as per its own discretion/ requirement of funds.	-	-
<b>Note: 13-Short Term Loans and Advances:</b>		
[Unsecured, Considered Good unless otherwise stated]		
Other loans and advances:		
Advance to Employee	<b>93,164</b>	-
<b>Total</b>	<b>93,164</b>	-
<b>Note: 14-Other Current Assets:</b>		
[Unsecured, Considered Good]		
Interest Receivable	-	42,970
Prepaid Expenses	<b>40,140</b>	-
<b>Total</b>	<b>40,140</b>	42,970
<b>Note: 15-Contingent Liabilities and commitments [to the extent not provided for]:</b>		
A Contingent Liabilities:	<b>NIL</b>	NIL
B Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advances of Rs. 21,78,51,296 {As at March 31, 2014 Rs. 0}]	<b>865,353,544</b>	-
<b>Note: 16-Other Income:</b>		
Interest Income [Gross]		
From Others [Other than current investments]	<b>401,491</b>	300,340
Gain on sale of investments [Net of Loss of Rs. 0 {Previous Year:Rs.0}]	<b>16,727</b>	-
<b>Total</b>	<b>418,218</b>	300,340
<b>Note: 17-Other Expenses:</b>		
Legal and Professional Fees	<b>15,400</b>	16,523
Registration Expenses	<b>3,600</b>	11,750
Miscellaneous Expenses [*]	<b>33,282</b>	41,671
Insurance Expenses	<b>49,396</b>	-
<b>Total</b>	<b>101,678</b>	69,944
[*] Miscellaneous Expenses include payment to the auditors as an Auditor	<b>28,652</b>	11,236



**LIVA PHARMACEUTICALS LIMITED**  
**Notes to the Financial Statements**

		INR	
		Year ended March 31	
		2015	2014
<b>Note: 18- Finance Expenses:</b>			
Interest expense		14,960	-
Bank commission & charges		572	-
<b>Total</b>		<b>15,532</b>	-
<b>Note: 19- Calculation of Earnings per Equity Share [EPS]:</b>			
The numerators and denominators used to calculate the basic and diluted EPS are as follows:			
A Profit/[Loss] attributable to Shareholders	INR	127,104	(493,324)
B Basic and weighted average number of Equity shares outstanding during the year	Numbers	2,000,000	2,000,000
C Nominal value of equity share	INR	10	10
D Basic & Diluted EPS	INR	0.06	(0.25)
<b>Note: 20-Segment Information:</b>			
The information on segment is not applicable as there are no revenue from operations.			
<b>Note: 21-Value of Imports calculated on CIF basis:</b>			
		NIL	NIL
<b>Note: 22-Expenditure in Foreign Currency:</b>			
Professional and Consultation Fees		8,969,190	-
		8,969,190	-
<b>Note: 23-Related Party Transactions:</b>			
<b>A Name of the Related Parties and Nature of the Related Party Relationship:</b>			
<b>a Holding Company:</b>			
Cadila Healthcare Limited			
<b>b Fellow Subsidiaries:</b>			
Dialforhealth India Limited	Zydu Pharmaceuticals (USA) Inc. [USA]		
Dialforhealth Unity Limited	Nesher Pharmaceuticals (USA) LLC [USA]		
Dialforhealth Greencross Limited	Zydu Healthcare (USA) LLC [USA]		
German Remedies Limited	Zydu Noveltech Inc. [USA]		
Zydu Wellness Limited	Hercon Pharmaceuticals LLC [USA]		
M/s. Zydu Wellness-Sikkim, a Partnership Firm	Zydu Healthcare S.A. (Pty) Ltd [South Africa]		
Zydu Technologies Limited	Simayla Pharmaceuticals (Pty) Ltd [South Africa]		
Biochem Pharmaceutical Industries Limited	Script Management Services (Pty) Ltd [South Africa]		
M/s. Zydu Healthcare, a Partnership Firm	Zydu France, SAS [France]		
Zydu BSV Pharma Private Limited			
Zydu Lanka (Private) Limited [Sri Lanka]	Zydu Nikkho Farmaceutica Ltda. [Brazil]		
Zydu Healthcare Philippines Inc. [Philippines]	Zydu Pharma Japan Co. Ltd. [Japan]		
Zydu International Private Limited [Ireland]	Laboratorios Combix S.L. [Spain]		
Zydu Netherlands B.V. [the Netherlands]	Zydu Pharmaceuticals Mexico SA De CV [Mexico]		
ZAHL B.V. [the Netherlands]	Zydu Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]		
ZAHL Europe B.V. [the Netherlands]	Etna Biotech S.R.L. [Italy]		
Bremer Pharma GmbH [Germany]	Zydu Discovery DMCC [Dubai]		
Zydu Worldwide DMCC [Dubai]			
<b>c Directors and their relatives:</b>			
Mr. Pranav D. Patel	Chairman		
Mr. Amit B. Jain	Director		
Mr. R. R. Tuljapurkar	Director		
<b>d Enterprises significantly influenced by Directors and/or their relatives:</b>			
Travel "n" Ease Private Limited			
Oneiro Chemicals Limited			
Abhigam Consultants Private Limited			



**LIVA PHARMACEUTICALS LIMITED**  
**Notes to the Financial Statements**

**Note: 23-Related Party Transactions-Continued:**

**B Transactions with Related Parties:**

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

a Details relating to parties referred to in Note 20-A [a & d]

Nature of Transactions	Holding Company	Value of the Transactions [INR]			
		Year ended March 31,		Enterprises significantly influenced by Directors and/ or their relatives	
		2015	2014	2015	2014
<b>Purchases:</b>					
<b>Services:</b>					
Cadila Healthcare Limited		<b>337,080</b>	-		
Travel "n" Ease Private Limited				<b>843,809</b>	223,401
<b>Fixed Assets</b>					
Cadila Healthcare Limited		<b>843,003</b>	-		
<b>Investments:</b>					
<b>Loan Received</b>					
Cadila Healthcare Limited		<b>304,620,000</b>	-		
<b>Interest Paid</b>					
Cadila Healthcare Limited		<b>11,719,405</b>			
<b>Outstanding Payable:</b>					
Cadila Healthcare Limited		<b>316,339,405</b>			

b There are no transactions with parties referred to in Note 23-A [b & c]

**Note: 24**

As there are no timing differences resulting into Deferred Tax Assets/ Liabilities for the current year, hence provision for Deferred Tax has not been made.

**Note: 25**

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

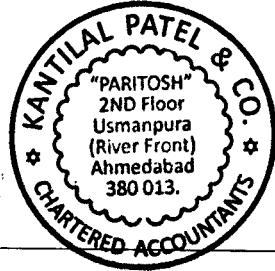
**Signatures to Significant Accounting Policies and Notes 1 to 25 to the Financial Statements**

As per our report of even date

For Kantilal Patel & Co.,  
Chartered Accountants  
Firm Registration Number: 104744W



Jinal Patel  
Partner  
Membership Number: 153599  
Ahmedabad, Dated: 12/5/15



For and on behalf of the Board

*Pranav D. Patel*

Pranav D. Patel  
Chairman



Amit Jain  
Director