

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF ZYDUS FRANCE SAS,

We have audited the accompanying financial statements of, ("the Company") **ZYDUS FRANCE SAS** which comprise the Balance Sheet as at 31st December, 2014 and the Statement of Profit and Loss for the year ended on that date and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles and the Accounting Standards generally accepted in the respective country i.e. France. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our broad review. We conducted the review of these financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We have not conducted any detailed audit procedures as these financial statements have been audited by the auditors of the Company as appointed under the Laws of the France in accordance with the auditing standards prevalent in France.

In accordance with the above, we have carried out broad review of the financial statements as submitted by the management and as audited by the auditors of the Company. We believe that our review provides a reasonable basis for our opinion. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 France:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2014; and
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

Further to our comments in the annexure referred to above, we report that:

- (i) 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.
- (ii) The accounts and financial statements of the Company are duly audited and certified by the Company's Statutory Auditors viz Le Commissaire aux Comptes JPA, France, in accordance with the accounting and auditing standards generally accepted and prevalent in France. The audited accounts along with auditors' report have been submitted to us for our review and have been appropriately verified and reviewed by us in preparing and submitting our report thereon. Our opinion is solely based on the report of the said independent auditors of the Company.
- (iii) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- (iv) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements including Balance Sheet and statement of Profit and Loss dealt with by this report comply with the accounting standards generally accepted in France.

- (v) 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:
- a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. Since the Company is incorporated outside India, this clause regarding reporting on amounts which were required to be transferred to the Investor Education and Protection Fund by the Company is not applicable.

For Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration No. 106625W

Ahmedabad

Date: 5th June, 2015

Partner
[Chandresh S. Shah]
Membership No.: 042132

Zydus France SAS
Balance Sheet as at December 31, 2014

	Note No.	EUR-Thousands		INR-Thousands	
		As at December 31			
		2014	2013	2014	2013
EQUITY AND LIABILITIES:					
Shareholders' Funds:					
Share Capital	1	7,777	7,777	593,385	641,058
Reserves and Surplus	2	(2,095)	(2,516)	(159,850)	(207,392)
		5,682	5,261	433,535	433,666
Non-Current Liabilities:					
Other Long Term Liabilities	3	19	19	1,450	1,566
Current Liabilities:					
Short Term Borrowings	4	3,131	3,800	238,895	313,234
Trade Payables	5	10,539	16,017	804,126	1,320,281
Other Current Liabilities	6	86	632	6,563	52,096
Short Term Provisions	7	603	515	46,009	42,451
		14,359	20,964	1,095,593	1,728,062
Total		20,060	26,244	1,530,578	2,163,294
ASSETS:					
Non-Current Assets:					
Fixed Assets:					
Tangible Assets	8	1,157	1,291	88,278	106,417
Intangible Assets		1,809	2,739	138,026	225,777
		2,966	4,030	226,304	332,194
Long Term Loans and Advances	9	150	150	11,445	12,365
		3,116	4,180	237,749	344,559
Current Assets:					
Inventories	10	4,867	5,668	371,352	467,214
Trade Receivables	11	8,792	12,165	670,830	1,002,761
Short Term Loans and Advances	12	3,190	4,066	243,398	335,160
Cash and Cash Equivalents	13	-	136	-	11,210
Other Current Assets	14	95	29	7,249	2,390
		16,944	22,064	1,292,829	1,818,735
Total		20,060	26,244	1,530,578	2,163,294
Significant Accounting Policies					
Notes to the Financial Statements					
II					
1 to 26					
As per our report of even date		For and on behalf of the Board			
For Mukesh M. Shah & Co.					
Chartered Accountants					
Firm Registration Number: 106625W					
Chandresh S. Shah		Director			
Partner					
Membership Number: 042132					
Ahmedabad, Dated: June 5, 2015					

Zydus France SAS
Statement of Profit and Loss for the year ended December 31, 2014

	Note No.	EUR-Thousands		INR-Thousands	
		Year ended December 31			
		2014	2013	2014	2013
REVENUE:					
Revenue from Operations:					
Sale of Products [Pharma Products]		32,973	41,564	2,671,472	3,426,121
Other Operating Revenues		2,045	1,536	165,686	126,612
Net Revenue from Operations	15	35,018	43,100	2,837,158	3,552,733
Other Income		170	163	13,773	13,436
Total Revenue	16	35,188	43,263	2,850,931	3,566,169
EXPENSES:					
Cost of Materials Consumed	17	1,448	1,430	118,921	111,987
Purchases of Stock-in-Trade	18	9,602	13,453	777,954	1,108,931
Changes in Inventories of Stock-in-Trade	19	617	(1,415)	79,260	(165,727)
Employee Benefits Expenses	20	2,352	2,363	190,558	194,781
Finance Costs	21	146	169	11,829	13,930
Depreciation, Impairment and Amortisation expenses	8	1,147	976	92,930	80,452
Other Expenses	22	19,455	24,946	1,576,246	2,281,325
Total Expenses		34,767	41,922	2,847,698	3,625,679
Profit before Tax		421	1,341	3,233	(59,510)
Less: Tax Expenses:					
Current Tax		-	3	-	247
Profit for the year		421	1,338	3,233	(59,757)
		EUR		INR	
Basic & Diluted Earning per Equity Share [EPS]	23	0.22	0.69	1.66	(30.61)
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 26				

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: June 5, 2015

Director

Zydus France SAS

I-Company overview:

Zydus France SAS [the Company] is engaged in pharmaceutical business and operates principally in France. It is 100% subsidiary of Zydus International Private Limited, Ireland. The ultimate holding company is Cadila Healthcare Limited, based in India.

II-Significant Accounting Policies:

1 Basis of Accounting:

- A** The accounts have been prepared, in conformity with the 1999 French Chart of Accounts, using generally accepted accounting principles, with the acceptable assumptions and with the rules relating to liabilities.
- B** General accounting conventions have been applied, to respect the principle of prudence, using the following basic hypothesis:
 - a Going concern,
 - b Continuity of accounting method from year to year, except on intangible assets where the rule has been changed in 2004, and in conformity with general rules relating to the establishment and presentation of the annual accounts.
- C** The basic method used for the evaluation of items booked in the books of accounts is that of historical cost method.
- D** In 2004, the Company decided to depreciate Market Authorisation [MAT] [Autorisations de Mise sur le Marché (AMM)] for the saleable products for a period of ten years starting from the date of acquisition of the MAT [AMM].
- E** Only significant information are presented.

2 Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in France requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. These estimates are often based on judgments, probabilities and assumptions that management believes are reasonable but that are inherently uncertain and unpredictable. As a result, actual result could differ from those estimates. Management periodically evaluates estimates used in the preparation of the consolidated financial statements for continued reasonableness. Appropriate adjustment, if any, to the estimates used are made prospectively based on such periodic evaluations.

3 Reporting Currency Translation :

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 Reserves and Surplus.

4 Fixed Assets and Depreciation:

A Tangible Fixed Assets:

- a Tangible fixed assets are stated at acquisition value.
- b Tangible fixed assets are depreciated on a straight line basis in relation to their estimated useful lives.
- c The rates applied are as follows:

- Building	5%
- Fixtures and Fittings	10% & 20%
- Tools	20%
- Motor Vehicles	20.00%
- Office Equipment	20%

B Intangible Fixed Assets:

- a Intangible fixed assets are stated at acquisition value.
- b MAT [AMM] are depreciated over a period of ten years or 10 % p.a.
- c The company did impairment test by calculating net profit for each product, based on forecasted sales for nine years with two terminal years, the comparison is done with the net value including amortisation. The company prepared a projected Profit & Loss Account for each product from 2015 until 2023 that served the basis of the calculation of this "impairment test". The net profit so calculated is discounted by 3.50% and is compared with the net value of the MAT. If the net profit was lower than the net value of the MAT, a provision for the difference is made and if the net profit is higher than the net value of the MAT, the excess provision of the previous year is cancelled.

5 Impairment of Assets:

The company assesses at each year end date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs, is determined. If an impairment loss subsequently reverses, the carrying amount of the asset [or group of related assets] is increased to the revised estimate of its recoverable amount [selling price less costs to complete and sell, in the case of inventories], but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset [or group of assets] in prior years. A reversal of impairment is recognised immediately in profit or loss.

6 Inventories:

- A** The raw materials, packaging and finished goods are valued at lower of cost and net realisable value.
- B** Cost of raw materials, packaging and finished goods are determined on Moving Average Method.
- C** The following method governs the calculation of provisions for expiry:
 - a each product is identified with an expiration date
 - b a forecast of sales by product is established
 - c the date of closing, the theoretical stock of unsold products six months before the expiry date is calculated,
 - d the amount of stock expires and is determined at 100%The risk of deterioration or obsolescence is well covered .

II-Significant Accounting Policies-Continued:**7 Revenue Recognition:**

- A** The Company recognizes product sales revenue when title and risk of loss have transferred to the customers, when estimated provisions for product returns, rebates, including Medical rebates and other sales allowances are reasonably determinable, and when collectibles is reasonably assured. Accruals for these provisions are presented as reductions to revenues.
- B** Revenue is recognised when services are rendered and expenses reflected when costs are incurred.
- C** Interest income is recognised on time proportionate method.

8 Foreign Currency Transactions:

The transactions in the foreign currencies are stated at the rates prevailing on the date of transaction.

9 Retirement Commitments:

The amount of retirement indemnity is evaluated using the formula retained by the collective agreement of the Pharmaceutical Industry.

10 Provision for Bad and Doubtful Debts/ Advances:

- A** Provision is made in accounts for bad and doubtful debts which in the opinion of management are considered doubtful for recovery.
- B** As per the accounting policy followed in France, if the overdue outstanding is more than 150 days, 50% of over due amount shall be provided. If company decides to take legal actions for such unpaid amounts 50% shall be provided even if the overdue is less than 150 days. The outstanding amount shall be written off only after and as per the court decision. In other words, in books amount shall not be written off till the Court decision is not received.

Zydus France SAS				
Notes to the Financial Statements				
	EUR-Thousands		INR-Thousands	
	As at December 31			
	2014	2013	2014	2013
Note: 1-Share Capital:				
Authorised:				
1,944,134 [as at December 31, 2013: 1,944,134 Equity Shares of EUR 4/- each]	7,777	7,777	593,385	641,058
	7,777	7,777	593,385	641,058
Issued, Subscribed and Paid-up:				
1,944,134 [as at December 31, 2013: 1,944,134 Equity Shares of EUR 4/- each]	7,777	7,777	593,385	641,058
	7,777	7,777	593,385	641,058
A There is no change in the number of shares as at the beginning and end of the year. Number of shares at the beginning and end of the year	1,944,134	1,944,134		
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 EUR 4/- each, fully paid held by Holding Company, Zydus International Private Limited, 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 % to total share holding	1,944,134 100%	1,944,134 100%		
Note: 2-Reserves and Surplus:				
Capital Reserve:				
Balance as per last Balance Sheet	1,426	1,426	108,804	117,545
Other Reserves:				
General Reserve:				
Balance as per last Balance Sheet	174	174	13,276	14,343
Legal Reserve:				
Balance as per last Balance Sheet	54	54	4,120	4,451
Foreign Currency Translation Reserve: [*]				
Balance as per last Balance Sheet	-	-	-	-
Add: Exchange rate differences on translation to INR	-	-	54,448	-
	-	-	54,448	-
Surplus in statement of Profit and Loss:				
Balance as per last Balance Sheet	(4,170)	(13,285)	(343,731)	(925,032)
Add: Adjusted pursuant to reduction in value of Share Capital	-	7,777	-	641,058
Add: Profit for the year	421	1,338	3,233	(59,757)
Balance as at the end of the year	(3,749)	(4,170)	(340,498)	(343,731)
Total	(2,095)	(2,516)	(159,850)	(207,392)
[*] Hitherto, the gain/ loss arising on the translation of the Financial Statements to INR was given effect into Statement of Profit and Loss. However, from the year under report, it is now included in "Foreign Currency Translation Reserve" [FCTR] under Reserves and Surplus. Consequent to this change, profit for the year [in INR conversion only] is lower by INR 54,448 Thousands, with a corresponding effect in "Reserves and Surplus".				
Note :3-Other Long Term Liabilities:				
Deposits	19	19	1,450	1,566
Total	19	19	1,450	1,566
Note :4-Short Term Borrowings:				
Loans repayable on Demand:				
Working Capital Loans from Banks [Unsecured] [*]	3,131	3,800	238,895	313,234
Total	3,131	3,800	238,895	313,234
[*] The working capital loan is backed by Corporate Guarantee of the ultimate holding company.				
Note: 5-Trade Payables:				
Trade Payables	10,539	16,017	804,126	1,320,281
Total	10,539	16,017	804,126	1,320,281
Note: 6-Other Current Liabilities:				
Bank Overdraft	12	57	916	4,699
Others:				
Provision for Expenses	69	142	5,265	11,705
Payable to Statutory Authorities	5	433	382	35,692
Total	86	632	6,563	52,096
Note: 7-Short Term Provisions:				
Provision for Employee Benefits	603	515	46,009	42,451
Total	603	515	46,009	42,451

Zydus France SAS
Notes to the Financial Statements

Note: 8-Fixed Assets:

	EUR-Thousands				INR-Thousands			
	Buildings	Plant and Equipment	Office Equipment	Total	Buildings	Plant and Equipment	Office Equipment	Total
A Tangible Assets:								
Gross Block:								
As at December 31, 2012	2,340	2	60	2,402	162,934	139	4,178	167,251
Additions	5	-	-	5	412	-	-	412
Disposals	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	29,952	26	768	30,746
As at December 31, 2013	2,345	2	60	2,407	193,298	165	4,946	198,409
Additions	2	-	4	6	162	-	324	486
Disposals	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	(14,384)	(12)	(387)	(14,783)
As at December 31, 2014	2,347	2	64	2,413	179,076	153	4,883	184,112
Depreciation and Impairment:								
As at December 31, 2012	938	2	36	976	65,313	139	2,507	67,959
Charge for the year	132	-	8	140	10,881	-	659	11,540
Disposals	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	12,006	26	461	12,493
As at December 31, 2013	1,070	2	44	1,116	88,200	165	3,627	91,992
Charge for the year	132	-	8	140	10,695	-	648	11,343
Disposals	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	(7,182)	(12)	(307)	(7,501)
As at December 31, 2014	1,202	2	52	1,256	91,713	153	3,968	95,834
Net Block:								
As at December 31, 2013	1,275	-	16	1,291	105,098	-	1,319	106,417
As at December 31, 2014	1,145	-	12	1,157	87,363	-	915	88,278
	EUR-Thousands				INR-Thousands			
	Brands/Trademarks	Computer Software		Total	Brands/Trademarks	Computer Software		Total
B Intangible Assets:								
Gross Block:								
As at December 31, 2012	13,850	141		13,991	964,376	9,818		974,194
Additions	275	5		280	22,668	412		23,080
Disposals	-	-		-	-	-		-
Other adjustments	-	-		-	177,280	1,805		179,085
As at December 31, 2013	14,125	146		14,271	1,164,324	12,035		1,176,359
Additions	74	3		77	5,995	243		6,238
Disposals	(1,695)	-		(1,695)	(137,329)	-		(137,329)
Other adjustments	-	-		-	(78,935)	(909)		(79,844)
As at December 31, 2014	12,504	149		12,653	954,055	11,369		965,424
Amortisation:								
As at December 31, 2012	8,289	99		8,388	577,163	6,893		584,056
Charge for the year	1,600	23		1,623	131,888	1,896		133,784
Disposals	-	-		-	-	-		-
Other adjustments	-	-		-	106,099	1,267		107,366
As at December 31, 2013	9,889	122		10,011	815,150	10,056		825,206
Charge for the year	1,193	10		1,203	96,657	810		97,467
Disposals	(1,695)	-		(1,695)	(137,329)	-		(137,329)
Other adjustments	-	-		-	(58,250)	(794)		(59,044)
As at December 31, 2014	9,387	132		9,519	716,228	10,072		726,300
Impairment Loss:								
As at December 31, 2012	2,308	-		2,308	160,706	-		160,706
Additions	(787)	-		(787)	(64,872)	-		(64,872)
Disposals	-	-		-	-	-		-
Other adjustments	-	-		-	29,542	-		29,542
As at December 31, 2013	1,521	-		1,521	125,376	-		125,376
Additions	(196)	-		(196)	(15,880)	-		(15,880)
Disposals	-	-		-	-	-		-
Other adjustments	-	-		-	(8,398)	-		(8,398)
As at December 31, 2014	1,325	-		1,325	101,098	-		101,098
Net Block:								
As at December 31, 2013	2,715	24		2,739	223,798	1,979		225,777
As at December 31, 2014	1,792	17		1,809	136,729	1,297		138,026

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

Zydus France SAS
Notes to the Financial Statements

	EUR-Thousands		INR-Thousands	
	As at December 31			
	2014	2013	2014	2013
Note: 9-Long Term Loans and Advances:				
[Unsecured, Considered Good unless otherwise stated]				
Security Deposits	150	150	11,445	12,365
Total	150	150	11,445	12,365
Note: 10-Inventories:				
Classification of Inventories [Valued at lower of cost or net realisable value]:				
Raw Materials	221	397	16,862	32,725
Stock-in-Trade	4,633	5,250	353,498	432,758
Others:				
Packing Materials	13	21	992	1,731
Total	4,867	5,668	371,352	467,214
Note: 11-Trade Receivables:				
[Unsecured]				
Outstanding for a period exceeding six months from the date they are due for payment:				
Considered doubtful	278	389	21,211	32,065
Less : Provision for doubtful debts	278	389	21,211	32,065
	-	-	-	-
Others- Considered good	8,792	12,165	670,830	1,002,761
Total	8,792	12,165	670,830	1,002,761
Note: 12-Short Term Loans and Advances:				
[Unsecured, Considered Good unless otherwise stated]				
Balances with Revenue Authorities	1,445	2,005	110,254	165,272
Advances recoverable in cash or in kind or for value to be received	1,745	2,061	133,144	169,888
Total	3,190	4,066	243,398	335,160
Note: 13 -Cash and Bank Balances :				
Balances with Banks	-	136	-	11,210
Total	-	136	-	11,210
Note: 14-Other Current Assets:				
[Unsecured, Considered good]				
Prepaid Expenses	95	29	7,249	2,390
Total	95	29	7,249	2,390

Zydus France SAS
Notes to the Financial Statements

	EUR-Thousands		INR-Thousands	
	Year ended December 31			
	2014	2013	2014	2013
Note: 15-Other Operating Revenues:				
Miscellaneous Income	2,045	1,536	165,686	126,612
Total	2,045	1,536	165,686	126,612
Note: 16-Other Income:				
Other Non-operating Income	170	163	13,773	13,436
Total	170	163	13,773	13,436
Note: 17-Cost of Materials Consumed:				
Raw Materials:				
Stock at commencement	397	460	32,725	32,030
Add: Purchases	1,136	1,334	92,039	109,962
	1,533	1,794	124,764	141,992
Less: Stock at close	221	397	16,862	32,725
	1,312	1,397	107,902	109,267
Packing Materials consumed	136	33	11,019	2,720
Total	1,448	1,430	118,921	111,987
Note: 18-Purchase of Stock-in-Trade:				
Purchase of Stock-in-Trade [Pharma Products]	9,602	13,453	777,954	1,108,931
Total	9,602	13,453	777,954	1,108,931
Note: 19-Changes in Inventories of Stock-in-Trade:				
Stock-in-Trade:				
Stock at commencement	5,250	3,835	432,758	267,031
Less : Stock at close	4,633	5,250	353,498	432,758
Total	617	(1,415)	79,260	(165,727)
Note: 20-Employee Benefits Expense:				
Salaries and wages	1,667	1,631	135,060	134,443
Contribution to provident and other funds	664	710	53,797	58,525
Staff welfare expenses	21	22	1,701	1,813
Total	2,352	2,363	190,558	194,781
Note: 21-Finance Cost:				
Interest expense [*]	51	73	4,132	6,017
Bank commission & charges	95	96	7,697	7,913
Total	146	169	11,829	13,930
[*] The break up of interest expense into major heads:				
On working capital loans	42	26	3,403	2,143
Others	9	47	729	3,874
	51	73	4,132	6,017

Zydus France SAS				
Notes to the Financial Statements				
	EUR-Thousands		INR-Thousands	
	Year ended December 31			
	2014	2013	2014	2013
Note: 22-Other Expenses:				
Power & fuel	25	21	2,026	1,731
Rent	113	129	9,155	10,633
Repairs to buildings	10	11	810	907
Repairs to Others	34	30	2,755	2,473
Insurance	81	128	6,563	10,551
Rates and Taxes [excluding taxes on income]	1,526	1,946	123,637	160,409
Traveling Expenses	1,098	984	88,960	81,111
Legal and Professional Fees	371	524	30,058	43,193
Exchange Rate difference due to translation [Refer Note2 (*)]	-	-	-	225,028
Freight and forwarding on sales	4	3	324	247
Commission on sales	1,375	1,629	111,403	134,278
Other marketing expenses	11,798	15,957	955,874	1,315,336
Bad Debts:				
Bad debts written off	11	105	891	8,655
Provision for Doubtful Debts	278	236	22,524	19,453
	289	341	23,415	28,108
Miscellaneous Expenses [*]	2,731	3,243	221,266	267,320
Total	19,455	24,946	1,576,246	2,281,325
[*] Miscellaneous Expenses include Payment to the Statutory Auditors:				
i As Auditor	26	43	2,107	3,544
ii For taxation matters	2	-	162	-
iii Total	28	43	2,269	3,544
Note: 23-Calculation of Earnings per Equity Share [EPS]:				
The numerators and denominators used to calculate the basic and diluted EPS are as follows:				
A Profit/ (Loss) attributable to Shareholders	421	1,341	3,233	(59,510)
B Basic and weighted average number of shares outstanding during the period	1,944,134	1,944,134	1,944,134	1,944,134
	EUR		INR	
C Nominal value of equity share	4	4		
D Basic & Diluted EPS	0.22	0.69	1.66	(30.61)
Note: 24-Segment Information:				
There is only one segment namely, "Pharmaceutical Products".				
Note: 25-Related Party Transactions:				
A Name of the Related Parties and Nature of the Related Party Relationship:				
a Holding Company:	Zydus International Private Limited			
b Ultimate Holding Company:	Cadila Healthcare Limited			
c 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]			
German Remedies Limited	Script Management Services (Pty) Ltd [South Africa]			
Zydus Wellness Limited	Zydus Nikkho Farmaceutica Ltda. [Brazil]			
M/s. Zydus Wellness-Sikkim, a Partnership Firm	Zydus Pharma Japan Co. Ltd. [Japan]			
Liva Pharmaceuticals Limited	Laboratorios Combix S.L. [Spain]			
Zydus Technologies Limited	Zydus Pharmaceuticals Mexico SA De CV [Mexico]			
Biochem Pharmaceutical Industries Limited	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]			
Zydus BSV Pharma Private Limited	Etna Biotech S.R.L. [Italy]			
M/s. Zydus Healthcare, a Partnership Firm	Z AHL B.V. [the Netherlands]			
Zydus Lanka (Private) Limited [Sri Lanka]	Z AHL Europe B.V. [the Netherlands]			
Zydus Netherlands B.V. [the Netherlands]	Bremer Pharma GmbH [Germany]			
Zydus Healthcare (USA) LLC [USA]	Nesher Pharmaceuticals (USA) LLC [USA]			
Zydus Healthcare Philippines Inc [Philippines]	Zydus Worldwide DMCC [Dubai]			
Zydus Pharmaceuticals (USA) Inc.[USA]	Zydus Discovery DMCC [Dubai]			
Zydus Noveltech Inc. [USA]				
d Directors:				
Mr. Pankaj R. Patel	Mr. Ganesh N. Nayak	Mr. David Blanksby		

Zydus France SAS
Notes to the Financial Statements

Note: 25-Related Party Transactions-Continued:

B Transactions with Related Parties:

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

a Details relating to parties referred to in items 25 - A [a]:

Nature of Transactions	Value of Transactions			
	EUR-Thousands		INR-Thousands	
	2014	2013	2014	2013
	<u>Year ended December 31</u>			
Finance:				
Inter-corporate loan repaid	-	2,000	-	164,860
Interest Paid	-	22	-	1,813

b Details relating to parties referred to in items 25 - A [b]:

Nature of Transactions	Value of Transactions			
	EUR-Thousands		INR-Thousands	
	2014	2013	2014	2013
	<u>Year ended December 31</u>			
Purchase:				
Goods	4,781	6,200	387,357	511,066
Reimbursement of expenses paid	2,025	1,021	164,066	84,161
Sales:				
Reimbursement of expenses received	1,240	1,135	100,465	93,558
Finance:				
Guarantee fees paid	61	61	4,942	5,028
	<u>As at December 31</u>			
Outstanding:				
Payables	1,197	2,832	91,331	233,442
Receivables	103	23	7,859	1,896

c Details relating to parties referred to in items 25 - A [c]:

Nature of Transactions	Value of Transactions			
	EUR-Thousands		INR-Thousands	
	2014	2013	2014	2013
	<u>Year ended December 31</u>			
Sales:				
Goods to Laboratorios Combix S.L.	-	125	-	10,304
Reimbursement of expenses received from Laboratorios Combix S.L.	57	161	4,618	13,271
	<u>As at December 31</u>			
Outstanding:				
Receivables from Laboratorios Combix S.L.	9	15	687	1,236

d There are no transactions with the parties referred to in item no. 25 A [d].

Note: 26

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 26 to the Financial Statements

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: June 5, 2015

Director