

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF ZYDUS HEALTHCARE SA (PTY) LTD,

We have audited the accompanying financial statements of **ZYDUS HEALTHCARE SA (PTY) LTD**, ("the Company") 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. South Africa. 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 South Africa in accordance with the auditing standards prevalent in South Africa.

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 South Africa:

- (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 GNR Auditors, South Africa, in accordance with the accounting and auditing standards generally accepted and prevalent in South Africa. 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 South Africa.

- (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: 14th May, 2015

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

Zydus Healthcare SA (Pty) Ltd
Balance Sheet as at December 31, 2014

Particulars	Note No.	ZAR-Thousands		INR-Thousands	
		As at December 31			
		2014	2013	2014	2013
EQUITY AND LIABILITIES:					
Shareholders' Funds:					
Share Capital	1	63,504	57,704	347,367	328,336
Reserves and Surplus	2	(51,407)	(73,234)	(281,192)	(416,699)
		12,097	(15,530)	66,175	(88,363)
Non-Current Liabilities:					
Long Term Borrowings	3	105,401	120,150	576,543	683,654
Current Liabilities:					
Short Term Borrowings	4	38,961	52,000	213,117	295,880
Trade Payables	5	6,695	7,144	36,622	40,649
Other Current Liabilities	6	27,093	23,312	148,198	132,645
Short Term Provisions	7	232	551	1,269	3,135
		72,981	83,007	399,206	472,309
Total		190,479	187,627	1,041,924	1,067,600
ASSETS:					
Non-Current Assets:					
Fixed Assets:					
Tangible Assets					
Non-Current Investments	8	568	715	3,108	4,070
Deferred Tax Assets [Net]	9	63,998	63,998	350,069	364,149
Long Term Loans and Advances	10	5,110	-	27,952	-
		90,204	90,204	493,415	513,260
		159,880	154,917	874,544	881,479
Current Assets:					
Inventories	11	6,618	5,740	36,200	32,661
Trade Receivables	12	12,668	8,936	69,299	50,846
Cash and Bank Balances	13	-	6,157	-	35,033
Short Term Loans and Advances	14	359	804	1,963	4,575
Other Current Assets	15	10,954	11,073	59,918	63,006
		30,599	32,710	167,380	186,121
Total		190,479	187,627	1,041,924	1,067,600
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 27				

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

Particulars	Note No.	ZAR-Thousands		INR-Thousands	
		Year ended December 31			
		2014	2013	2014	2013
REVENUE:					
Revenue from Operations:					
Sale of Products [Pharma Products]		88,229	40,856	495,847	232,471
Other Operating Revenues	16	1,650	10	9,273	57
Net Revenue from Operations		89,879	40,866	505,120	232,528
Other Income	17	-	5,079	-	36,632
Total Revenue		89,879	45,945	505,120	269,160
EXPENSES:					
Purchase of Stock in Trade	18	17,249	11,994	96,939	68,246
Changes in Inventories of Stock-in-Trade	19	(878)	1,049	(3,539)	7,530
Employee Benefits Expense	20	13,271	11,803	74,583	67,159
Finance Costs	21	8,857	14,237	49,775	81,009
Depreciation, Amortisation and Impairment expenses	8	272	277	1,528	1,576
Other Expenses	22	37,246	24,717	209,323	140,641
Total Expenses		76,017	64,077	428,609	366,161
Profit/ (Loss) before tax for the year		13,862	(18,132)	76,511	(97,001)
Add: Deferred Tax		5,110	-	28,718	-
Profit/ (Loss) for the year		18,972	(18,132)	105,229	(97,001)
		ZAR		INR	
Basic & Diluted Earning per Equity Share [EPS]	23	0.24	(0.31)	1.33	(1.68)
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 27				

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

For and on behalf of the Board

Chandresh S. Shah
Partner
Membership Number: 042132
Ahmedabad, Dated: May 14, 2015

Director

Zydus Healthcare SA (Pty) Ltd
Significant Accounting Policies

I-Company overview:

Zydus Healthcare SA (Pty) Ltd [the company] was incorporated on July 27, 1998. The Company's registered office is situated at Peter Mokaba, Avenue 86, Potchefstroom, 2531. The company is engaged in pharmaceutical industry and operates principally in South Africa.

II-Significant Accounting Policies:

1 Basis of Accounting:

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium - sized Entities, and the Companies Act 71 of 2008. The financial statements have been prepared on historical cost basis, and incorporate the principal accounting policies set out below. These accounting policies are consistent with the previous year.

2 Reporting Currency Translation:

The Local accounts are maintained in local and functional currency which is "South African Rand [ZAR]". These accounts have been translated in Indian Rupee considering the operation of the Company as "Non-integral operations" for holding company. The translation of Financial Statements to Indian Rupee [INR] from "ZAR" 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.

3 Investment in Subsidiaries:

Investment in subsidiaries are carried at cost less any accumulated impairment, if any.

4 Impairment of Assets:

- A** The company assess at each reporting year date whether there is any indication that an asset may be impaired.
- B** 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
- C** 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 cost 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 recognized immediately in the statement of Profit and Loss.

5 Property, Plant and Equipment:

- A** Property, plant and equipment are tangible items that:
 - a are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and
 - b are expected to be used during more than one year.
- B** Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.
- C** Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.
- D** Depreciation is provided using the straight line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows.

<u>Nature of Asset</u>	<u>Average Useful Life</u>
Leasehold Property	3 Years
Furniture and Fixtures	6 Years
Motor Vehicles	5 Years
Office Equipment	6 Years
IT Equipment	3 Years
- E** The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting year if there are indicators present that there is a change from the previous estimate.
- F** Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.
- G** Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the year.

6 Revenue Recognition:

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- A** the company has transferred to the buyer the significant risks and rewards of ownership of the goods.
- B** the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- C** the amount of revenue can be measured reliably.
- D** it is probable that the economic benefits associated with the transaction will flow to the company; and
- E** the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- A** The amount of revenue can be measured reliably;
- B** It is probable that the economic benefits associated with the transaction will flow to the company;
- C** The stage of completion of the transaction at the balance sheet date can be measured reliably; and
- D** The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the express recognised that are recoverable. Revenue is measured at the fair value of the consideration received or receivable and represent the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax. Interest is recognised, in statement of Profit and Loss, using the effective interest rate method.

7 Provisions and contingencies:

Provisions are recognised when:

- A** the company has an obligation at the reporting year date as a result of a past event.
- B** it is probable that the company will be required to transfer economic benefits in settlement, and
- C** the amount of the obligation can be estimated reliably.

8 Share Capital and Equity :

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Zydus Healthcare SA (Pty) Ltd				
Notes to the Financial Statements				
	ZAR-Thousands		INR-Thousands	
	As at December 31			
	2014	2013	2014	2013
Note: 1-Share Capital:				
Authorised:				
70,000,000 [as at December 31, 2013: 70,000,00] Ordinary Shares, no par value	-	-	-	-
10,000,000 [as at December 31, 2013: Nil] Redeemable Non-cumulative Convertible Preference Shares, no par value	-	-	-	-
Issued, Subscribed and Paid-up:				
57,704,149 [as at December 31, 2013: 57,704,149] Ordinary Shares, no par value, fully paid-up	57,704	57,704	315,641	328,336
5,800,000 [as at December 31, 2013: Nil] Redeemable Non-cumulative Convertible Preference Shares no par value, fully paid-up	5,800	-	31,726	-
Total	63,504	57,704	347,367	328,336
A The reconciliation of the number of Ordinary Shares outstanding is as under:				
<u>Particulars</u>				
Number of shares at the beginning of the year	57,704,149	49,904,149		
Add: Shares issued during the year	-	7,800,000		
Number of shares at the end of the year	57,704,149	57,704,149		
B The reconciliation of the number of Preference Shares outstanding is as under:				
<u>Particulars</u>				
Number of shares at the beginning of the year	-	-		
Add: Shares issued during the year	5,800,000	-		
Number of shares at the end of the year	5,800,000	-		
C The Company has ordinary shares and preference shares. All ordinary shares rank pari passu and carry equal rights with respect to voting and dividend. In the event of liquidation of the Company, the ordinary shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all preferential amounts.				
D The Preference shares shall carry a preferential right with respect to dividend on the paid up capital in the event of distribution of profits by the company. In case of winding up of the Company, preference shareholders shall be entitled to rank as regards repayment of capital and dividend up to the commencement of winding up, in priority to equity shares.				
E Ordinary shares of ZAR 1/- 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	57,704,149	57,704,149		
% to total share holding	100%	100%		
F Preference shares of ZAR 1/- 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	5,800,000	-		
% to total share holding	100%	-		
Note: 2-Reserves and Surplus:				
Foreign Currency Monetary Items Translation Difference Account:				
Balance as per last Balance Sheet	(28,299)	1,183	(161,022)	6,731
Add / [Less]: Change during the year	2,855	(29,482)	15,617	(167,753)
	(25,444)	(28,299)	(145,405)	(161,022)
Foreign Currency Translation Reserve: [*]				
Balance as per last Balance Sheet	-	-	-	-
Add: Exchange Rate differences on translation to INR	-	-	14,661	-
	-	-	14,661	-
Surplus in statement of Profit and Loss:				
Balance as per last Balance Sheet	(44,935)	(26,803)	(255,677)	(158,676)
Add/ [Less]: Profit / [Loss] for the year	18,972	(18,132)	105,229	(97,001)
Balance as at the end of year	(25,963)	(44,935)	(150,448)	(255,677)
Total	(51,407)	(73,234)	(281,192)	(416,699)
[*] 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 14,661 Thousands, with a corresponding effect in "Reserves and Surplus".				
Note: 3-Long Term Borrowings:				
Loans and Advances from a Related Party [Unsecured] [*]	105,401	120,150	576,543	683,654
Total	105,401	120,150	576,543	683,654
[*] Loans and Advances from Related Parties relates to Zydus International Private Limited [The loan has no Fixed Repayment terms but not repayable with next 12 months and bears interest]				
Note: 4-Short Term Borrowings:				
Working Capital Loan - From a bank [Unsecured] [*]	38,961	52,000	213,117	295,880
Total	38,961	52,000	213,117	295,880
[*] The working capital loan is backed by Corporate Guarantee of the ultimate holding company [the interest is charged at Prime rate]				
Note: 5-Trade Payables:				
Trade Payables	6,695	7,144	36,622	40,649
Total	6,695	7,144	36,622	40,649

Zydus Healthcare SA (Pty) Ltd
Notes to the Financial Statements

	ZAR-Thousands		INR-Thousands			
	As at December 31					
	2014	2013	2014	2013		
Note: 6-Other Current Liabilities:						
Interest accrued but not due on borrowings	24,935	22,629	136,394	128,759		
Others: Provision for Expenses	2,158	683	11,804	3,886		
Total	27,093	23,312	148,198	132,645		
Note: 7-Short Term Provisions:						
Provision for Employee Benefits	232	551	1,269	3,135		
Total	232	551	1,269	3,135		
Note: 8-Fixed Assets:						
Tangible Assets:						
	Leasehold Improvements	Furniture and Fixtures	Vehicles	Office Equipment	IT Equipment	Total
	ZAR Thousands					
Gross Block:						
As at December 31, 2012	339	329	396	137	32	1,233
Additions			11		16	27
Disposals						-
Other adjustments						-
As at December 31, 2013	339	329	407	137	48	1,260
Additions		26		13	86	125
Disposals						-
Other adjustments						-
As at December 31, 2014	339	355	407	150	134	1,385
Depreciation and Impairment:						
As at December 31, 2012	132	70	41	22	3	268
Charge for the year	113	49	80	22	13	277
Disposals						-
Other adjustments						-
As at December 31, 2013	245	119	121	44	16	545
Charge for the year	94	51	81	23	23	272
Disposals						-
Other adjustments						-
As at December 31, 2014	339	170	202	67	39	817
Net Block:						
As at December 31, 2013	94	210	286	93	32	715
As at December 31, 2014	-	185	205	83	95	568
	INR Thousands					
Gross Block:						
As at December 31, 2012	2,007	1,948	2,344	811	189	7,299
Additions	-	-	63	-	91	154
Disposals	-	-	-	-	-	-
Other adjustments	(78)	(76)	(91)	(31)	(7)	(283)
As at December 31, 2013	1,929	1,872	2,316	780	273	7,170
Additions	-	146	-	73	483	702
Disposals	-	-	-	-	-	-
Other adjustments	(75)	(76)	(90)	(32)	(23)	(296)
As at December 31, 2014	1,854	1,942	2,226	821	733	7,576
Depreciation and Impairment:						
As at December 31, 2012	781	414	243	130	18	1,586
Charge for the year	643	279	455	125	74	1,576
Disposals	-	-	-	-	-	-
Other adjustments	(30)	(16)	(10)	(5)	(1)	(62)
As at December 31, 2013	1,394	677	688	250	91	3,100
Charge for the year	528	287	455	129	129	1,528
Disposals	-	-	-	-	-	-
Other adjustments	(68)	(34)	(38)	(13)	(7)	(160)
As at December 31, 2014	1,854	930	1,105	366	213	4,468
Net Block:						
As at December 31, 2013	535	1,195	1,628	530	182	4,070
As at December 31, 2014	-	1,012	1,121	455	520	3,108
Note: Other adjustments include adjustments on account of exchange rate translation differences.						

Zydus Healthcare SA (Pty) Ltd																																				
Notes to the Financial Statements																																				
	ZAR-Thousands		INR-Thousands																																	
	2014	2013	2014	2013																																
Note: 20-Employee Benefits Expense:																																				
Salaries and wages	12,799	11,593	71,930	65,964																																
Staff Welfare expenses	472	210	2,653	1,195																																
Total	13,271	11,803	74,583	67,159																																
Note: 21-Finance Cost:																																				
Interest expense:																																				
On working capital loans	3,891	4,282	21,867	24,365																																
On others	4,947	9,114	27,802	51,859																																
	8,838	13,396	49,669	76,224																																
Net Gain on foreign currency transactions	(935)	-	(5,255)	-																																
Bank commission & charges	954	841	5,361	4,785																																
Total	8,857	14,237	49,775	81,009																																
Note: 22-Other Expenses:																																				
Advertising Expenses	1,785	1,788	10,032	10,174																																
Traveling Expenses	2,288	1,311	12,859	7,460																																
Legal and Professional Fees	39	4	219	23																																
Insurance	76	43	427	245																																
Rent Expenses	1,006	907	5,654	5,161																																
Data Fees	12,250	6,523	68,845	37,116																																
Patient Education	2,076	1,114	11,667	6,339																																
Net loss on foreign currency transactions and translations [Refer Note-2 (*)]	1,066	1,739	5,991	9,895																																
Other Marketing Expenses	12,919	7,044	72,605	40,080																																
Miscellaneous Expenses [*]	3,741	4,244	21,024	24,148																																
Total	37,246	24,717	209,323	140,641																																
[*] Miscellaneous Expenses include Payment to the auditors as Auditor	185	132	1,040	751																																
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	13,862	(18,132)	76,511	(97,001)																																
B Basic and weighted average number of shares outstanding during the year	57,704,149	57,704,149	57,704,149	57,704,149																																
	ZAR		INR																																	
C Basic & Diluted EPS	0.24	(0.31)	1.33	(1.68)																																
Note: 24-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, Company incorporated in India																																			
c Subsidiaries:	Simayla Pharmaceuticals (Pty) Ltd. [South Africa] Script Management Services (Pty) Ltd. [South Africa]																																			
d Fellow Subsidiaries :	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Dialforhealth India Limited</td> <td style="width: 50%;">Zydus Pharmaceuticals (USA) Inc. [USA]</td> </tr> <tr> <td>Dialforhealth Unity Limited</td> <td>Nesher Pharmaceuticals (USA) LLC [USA]</td> </tr> <tr> <td>Dialforhealth Greencross Limited</td> <td>Zydus Healthcare (USA) LLC [USA]</td> </tr> <tr> <td>German Remedies Limited</td> <td>Zydus Noveltech Inc. [USA]</td> </tr> <tr> <td>Zydus Wellness Limited</td> <td>Hercon Pharmaceuticals LLC [USA]</td> </tr> <tr> <td>M/s. Zydus Wellness-Sikkim, a Partnership Firm</td> <td>Zydus Nikkho Farmaceutica Ltda. [Brazil]</td> </tr> <tr> <td>Liva Pharmaceuticals Limited</td> <td>Zydus Pharma Japan Co. Ltd. [Japan]</td> </tr> <tr> <td>Zydus Technologies Limited</td> <td>Laboratorios Combix S.L. [Spain]</td> </tr> <tr> <td>Biochem Pharmaceutical Industries Limited</td> <td>Zydus Pharmaceuticals Mexico SA De CV [Mexico]</td> </tr> <tr> <td>Zydus BSV Pharma Private Limited</td> <td>Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]</td> </tr> <tr> <td>M/s. Zydus Healthcare, a Partnership Firm</td> <td>ZAHL B.V. [the Netherlands]</td> </tr> <tr> <td>Zydus Lanka (Private) Limited [Sri Lanka]</td> <td>ZAHL Europe B.V. [the Netherlands]</td> </tr> <tr> <td>Zydus Netherlands B.V. [the Netherlands]</td> <td>Bremer Pharma GmbH [Germany]</td> </tr> <tr> <td>Zydus France, SAS [France]</td> <td>Zydus Worldwide DMCC [Dubai]</td> </tr> <tr> <td>Zydus Healthcare Philippines Inc [Philippines]</td> <td>Zydus Discovery DMCC [Dubai]</td> </tr> <tr> <td>Etna Biotech S.R.L. [Italy]</td> <td></td> </tr> </table>				Dialforhealth India Limited	Zydus Pharmaceuticals (USA) Inc. [USA]	Dialforhealth Unity Limited	Nesher Pharmaceuticals (USA) LLC [USA]	Dialforhealth Greencross Limited	Zydus Healthcare (USA) LLC [USA]	German Remedies Limited	Zydus Noveltech Inc. [USA]	Zydus Wellness Limited	Hercon Pharmaceuticals LLC [USA]	M/s. Zydus Wellness-Sikkim, a Partnership Firm	Zydus Nikkho Farmaceutica Ltda. [Brazil]	Liva Pharmaceuticals Limited	Zydus Pharma Japan Co. Ltd. [Japan]	Zydus Technologies Limited	Laboratorios Combix S.L. [Spain]	Biochem Pharmaceutical Industries Limited	Zydus Pharmaceuticals Mexico SA De CV [Mexico]	Zydus BSV Pharma Private Limited	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]	M/s. Zydus Healthcare, a Partnership Firm	ZAHL B.V. [the Netherlands]	Zydus Lanka (Private) Limited [Sri Lanka]	ZAHL Europe B.V. [the Netherlands]	Zydus Netherlands B.V. [the Netherlands]	Bremer Pharma GmbH [Germany]	Zydus France, SAS [France]	Zydus Worldwide DMCC [Dubai]	Zydus Healthcare Philippines Inc [Philippines]	Zydus Discovery DMCC [Dubai]	Etna Biotech S.R.L. [Italy]	
Dialforhealth India Limited	Zydus Pharmaceuticals (USA) Inc. [USA]																																			
Dialforhealth Unity Limited	Nesher Pharmaceuticals (USA) LLC [USA]																																			
Dialforhealth Greencross Limited	Zydus Healthcare (USA) LLC [USA]																																			
German Remedies Limited	Zydus Noveltech Inc. [USA]																																			
Zydus Wellness Limited	Hercon Pharmaceuticals LLC [USA]																																			
M/s. Zydus Wellness-Sikkim, a Partnership Firm	Zydus Nikkho Farmaceutica Ltda. [Brazil]																																			
Liva Pharmaceuticals Limited	Zydus Pharma Japan Co. Ltd. [Japan]																																			
Zydus Technologies Limited	Laboratorios Combix S.L. [Spain]																																			
Biochem Pharmaceutical Industries Limited	Zydus Pharmaceuticals Mexico SA De CV [Mexico]																																			
Zydus BSV Pharma Private Limited	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]																																			
M/s. Zydus Healthcare, a Partnership Firm	ZAHL B.V. [the Netherlands]																																			
Zydus Lanka (Private) Limited [Sri Lanka]	ZAHL Europe B.V. [the Netherlands]																																			
Zydus Netherlands B.V. [the Netherlands]	Bremer Pharma GmbH [Germany]																																			
Zydus France, SAS [France]	Zydus Worldwide DMCC [Dubai]																																			
Zydus Healthcare Philippines Inc [Philippines]	Zydus Discovery DMCC [Dubai]																																			
Etna Biotech S.R.L. [Italy]																																				
e Directors:	Mr. P. R. Patel	Mrs. I. F. Oliver	Mr. Ashok Bhatia	E Swanepoel [Ceased to be director w.e.f. June 11, 2014]																																

Zydus Healthcare SA (Pty) Ltd
Notes to the Financial Statements

Note: 24-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 24 - A [a , b & c]

	Holding company		Value of the Transactions ZAR-Thousands		Subsidiary company/ Fellow subsidiaries	
	2014	2013	Ultimate Holding company Year ended December 31		2013	2013
			2014	2013		
Purchases:						
Goods:						
Cadila Healthcare Limited			17,241	12,912		
Simayla Pharmaceuticals (Pty) Ltd.						
Services:						
Cadila Healthcare Limited			905	809		
Script Management Services (Pty) Ltd.					9,039	6,427
Fixed Assets:						
Simayla Pharmaceuticals (Pty) Ltd.					-	14
Reimbursement of expenses paid:						
Simayla Pharmaceuticals (Pty) Ltd.					-	448
Finance:						
Receipt towards Share Capital:						
Zydus International Private Limited	5,800	7,800				
Receipt towards Inter Corporate Loans given:						
Script Management Services (Pty) Ltd.						500
Payment towards Inter Corporate Loans:						
Simayla Pharmaceuticals (Pty) Ltd.						493
Interest Paid:						
Zydus International Private Limited	4,947	9,114				
Interest Received:						
Simayla Pharmaceuticals (Pty) Ltd.						5,047
			<u>As at December 31</u>			
Outstanding:						
Payables:						
Zydus International Private Limited	130,336	142,779				
Cadila Healthcare Limited			4,048	4,469		
Simayla Pharmaceuticals (Pty) Ltd.						
Script Management Services (Pty) Ltd.					1,893	1,731
Receivables:						
Simayla Pharmaceuticals (Pty) Ltd.					101,072	101,072
			INR-Thousands			
			Year ended December 31			
	2014	2013	2014	2013	2013	2013
Purchases:						
Goods:						
Cadila Healthcare Limited			96,894	73,469		
Simayla Pharmaceuticals (Pty) Ltd.						
Services:						
Cadila Healthcare Limited			5,086	4,603		
Script Management Services (Pty) Ltd.					50,799	36,570
Fixed Assets:						
Simayla Pharmaceuticals (Pty) Ltd.					-	80
Reimbursement of expenses paid:						
Simayla Pharmaceuticals (Pty) Ltd.					-	2,549
Finance:						
Receipt towards Share Capital:						
Zydus International Private Limited	31,726	44,382				
Receipt towards Inter Corporate Loans given:						
Script Management Services (Pty) Ltd.					-	2,845
Payment towards Inter Corporate Loans:						
Simayla Pharmaceuticals (Pty) Ltd.					-	2,805
Interest Paid:						
Zydus International Private Limited	27,802	51,859				
Interest Received:						
Simayla Pharmaceuticals (Pty) Ltd.					-	28,717
			<u>As at December 31</u>			
Outstanding:						
Payables:						
Zydus International Private Limited	712,938	812,413				
Cadila Healthcare Limited			22,143	25,429		
Simayla Pharmaceuticals (Pty) Ltd.						
Script Management Services (Pty) Ltd.					10,355	9,849
Receivable:						
Simayla Pharmaceuticals (Pty) Ltd.					552,864	575,100

b There are no transactions with the parties referred to in item no. 24 A [d & e].

Zydus Healthcare SA (Pty) Ltd
Notes to the Financial Statements

Note: 25-Segment Information:

There is only one segment, namely "Pharmaceuticals".

Note: 26-Going Concern:

The company had accumulated losses of ZAR 25,963 Thousands. The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The holding company, Zydus International Private Limited has given an assurance to provide continuous financial support to the Company to meet its financial commitments and liabilities as and when they fall due.

Note: 27

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 27 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: May 14, 2015

Director