

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF ZYDUS INTERNATIONAL PRIVATE LIMITED,

We have audited the accompanying financial statements of **ZYDUS INTERNATIONAL PRIVATE LIMITED**, ("the Company") which comprise the Balance Sheet as at 31st December, 2014, the Statement of Profit and Loss and Cash flow statements 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, financial performance and cash flows of the Company in accordance with the accounting principles and the Accounting Standards generally accepted in the respective country i.e. Ireland. 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 Ireland in accordance with the auditing standards prevalent in Ireland.

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 Ireland:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date.
- (c) in case of the Cash Flow Statement, of the cash flows of the Company 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 UHY Farrelly Dawe White Limited, Ireland, in accordance with the accounting and auditing standards generally accepted and prevalent in Ireland. The audited accounts have been forwarded to us for our review and have been appropriately dealt with 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, the Statement of Profit and Loss, and the Cash Flow Statement 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, statement of Profit and Loss and Cash flow statements dealt with by this report comply with the accounting standards generally accepted in Ireland.
- (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: May 14, 2015

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

ZYDUS INTERNATIONAL PRIVATE LIMITED
Balance Sheet as at December 31, 2014

Particulars	Note No.	Euro Thousands		INR Thousands	
		As at December 31			
		2014	2013	2014	2013
EQUITY AND LIABILITIES:					
Shareholders' Funds:					
Share Capital	1	94,142	54,023	7,183,035	4,453,116
Reserves and Surplus	2	(27,830)	(25,698)	(2,123,415)	(2,118,286)
		66,312	28,325	5,059,620	2,334,830
Share Capital pending allotment		-	2,200	-	181,346
Non-Current Liabilities:					
Long Term Borrowings	3	39,425	53,525	3,008,128	4,412,066
Current Liabilities:					
Other Current Liabilities	4	14,231	18,292	1,085,825	1,507,810
Short Term Provisions	5	19	32	1,450	2,638
		14,250	18,324	1,087,275	1,510,448
Total		119,987	102,374	9,155,023	8,438,690
ASSETS:					
Non-Current Assets:					
Non-Current Investments	6	82,818	47,208	6,319,014	3,891,356
Long Term Loans and Advances	7	35,001	51,731	2,670,578	4,264,186
		117,819	98,939	8,989,592	8,155,542
Current Assets:					
Cash and Bank Balances	8	732	116	55,852	9,562
Short Term Loans and Advances	9	1,435	3,319	109,503	273,586
Other Current Assets	10	1	0	76	0
		2,168	3,435	165,431	283,148
Total		119,987	102,374	9,155,023	8,438,690
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 20				

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

Particulars	Note No.	Euro Thousands		INR Thousands	
		Year ended December 31			
		2014	2013	2014	2013
REVENUE:					
Revenue from Operations:					
Revenue from Operations	11	1,035	845	83,856	69,654
Other Operating Revenues		6	518	486	42,699
Net Revenue from Operations		1,041	1,363	84,342	112,353
Other Income	12	0	-	0	47,438
Total Revenue		1,041	1,363	84,342	159,791
EXPENSES:					
Finance Costs	13	399	171	32,327	14,096
Other Expenses	14	56	31	4,537	2,556
Total Expenses		455	202	36,864	16,652
Profit before exceptional items and Tax		586	1,161	47,478	143,139
Less: Exceptional Items	18	2,874	30,427	232,851	2,508,098
(Loss) before Tax		(2,288)	(29,266)	(185,373)	(2,364,959)
Less: Tax Expense:					
Current Tax		19	35	1,539	2,885
Prior year's tax adjustments	19	(175)	0	(14,179)	0
(Loss) for the year		(2,132)	(29,301)	(172,733)	(2,367,844)
Basic & Diluted Earning per Share [EPS]	15	(0.06)	(1.06)	(4.93)	(85.60)
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 20				

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 INTERNATIONAL PRIVATE LIMITED

I-Company overview:

Zydu International Private Limited [the Company] was incorporated on April 30, 1998. The Company's registered office is situated at FDW House, Coes Road, Dundalk, Ireland. The Company is an investment holding company for the global investments of Cadila Healthcare Limited, India [CHL].

II-Significant Accounting Policies:

1 Basis of Accounting:

The financial statements are prepared under the historical cost convention. Financial statements are prepared in accordance with applicable laws and the accounting standards issued by the Accounting Standards Board and promulgated by the Association of Chartered Certified Accountants in accordance with the Generally Accepted Accounting Practice in Ireland, which have been applied consistently.

2 Reporting Currency Translation:

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

3 Foreign Currency [Currency other than company's functional currency] Transactions:

- A** The transactions in foreign currencies are stated at the rates of exchange prevailing on the date of transaction.
- B** The net gain or loss on account of exchange differences either on settlement or on translation are recognised in the Statement of Profit and Loss.
- C** Monetary assets and liabilities denominated in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date.

4 Investments:

Long term and strategic investments are stated at cost, less any diminution in the value other than temporary.

5 Revenue Recognition:

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

6 Taxation:

- A** Current tax is measured at the amount expected to be paid in accordance with the applicable provisions of Irish Income Tax Act.
- B** Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

ZYDUS INTERNATIONAL PRIVATE LIMITED

Notes to the Financial Statements

	Euro Thousands		INR Thousands	
	As at December 31			
	2014	2013	2014	2013
Note: 1-Share Capital:				
Authorised:				
50,000,000 [as at December 31, 2013: 50,000,000] Ordinary Shares of € 1.462843 each	73,142	73,142	5,580,735	6,029,095
50,000,000 [as at December 31, 2013: Nil] Optionally Convertible Redeemable Preference Shares of € 1 each	50,000	-	3,815,000	-
20,000,000 [as at December 31, 2013: 20,000,000] Non- Cumulative Redeemable Preference Shares of € 1 each	20,000	20,000	1,526,000	1,648,600
	143,142	93,142	10,921,735	7,677,695
Issued, Subscribed and Paid-up:				
40,942,649 [as at December 31, 2013: 31,324,934] Ordinary Shares of € 1.462843 each, fully paid	59,892	45,823	4,569,760	3,777,190
34,249,844 [as at December 31, 2013: Nil] Optionally Convertible Redeemable Preference Shares of € 1 each	34,250	-	2,613,275	-
NIL [as at December 31, 2013: 8,200,000] Non- Cumulative Redeemable Preference Shares of € 1 each	-	8,200	-	675,926
	94,142	54,023	7,183,035	4,453,116
A The reconciliation of the number of Ordinary Shares outstanding is as under:				
Number of shares at the beginning	31,324,934	27,328,700		
Add: Shares issued during the year[*]	9,617,715	3,996,234		
Number of shares at the end	40,942,649	31,324,934		
B The reconciliation of the number of Optionally Convertible Redeemable Preference Shares outstanding is as under:				
Number of shares at the beginning	-	-		
Add: Issued During the year	34,249,844	-		
Number of shares at the end	34,249,844	-		
C The reconciliation of the number of Non- Cumulative Redeemable Preference Shares outstanding is as under:				
Number of shares at the beginning	8,200,000	-		
Less: Conversion into Optionally Convertible Redeemable Preference Shares	8,200,000	8,200,000		
Number of shares at the end	-	8,200,000		
D 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 remaining after distribution of all preferential amounts.				
E Ordinary shares of € 1.462843 each fully paid held by Cadila Healthcare Limited, the holding company, a company incorporated in India.				
Number of Shares	40,942,649	31,324,934		
% to total share holding	100%	100%		
F Optionally Convertible Redeemable Preference shares of € 1 each, fully paid held by Cadila Healthcare Limited, the holding company, a company incorporated in India.				
Number of Shares	34,249,844	0		
% to total share holding	100%	0%		
G Non- Cumulative Redeemable Preference shares of € 1 each, fully paid held by Cadila Healthcare Limited, the holding company, a company incorporated in India.				
Number of Shares	-	8,200,000		
% to total share holding	0%	100%		
[*] A convertible loan of USD 10,000,000 and Euro 6,800,000 have been converted into 9,617,715 ordinary shares of € 1.462843 each, as per the terms of the loan agreement.				
Note: 2-Reserves and Surplus:				
Foreign currency reserve	(103)	(103)	(7,859)	(8,490)
Foreign Currency Translation Reserve: [*]				
Balance as per last Balance Sheet	-	-	-	-
Add/ [Less]: Exchange differences on translation to Indian Rupee	-	-	166,973	-
	-	-	166,973	-
Surplus in Statement of Profit and Loss:				
Balance as per last Balance Sheet	(25,595)	3,706	(2,109,796)	258,048
Add: (Loss) for the year	(2,132)	(29,301)	(172,733)	(2,367,844)
Balance as at the end of year	(27,727)	(25,595)	(2,282,529)	(2,109,796)
Total	(27,830)	(25,698)	(2,123,415)	(2,118,286)
[*] 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, loss for the year (on INR conversion only) is higher by INR 166,961 thousands, with a corresponding effect in "Reserves and Surplus".				

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Notes to the Financial Statements

Note: 3-Long Term Borrowings:

	Euro Thousands		INR Thousands		Euro Thousands		INR Thousands	
	Non-current portion				Current Maturities			
	As at December 31				As at December 31			
	2014	2013	2014	2013	2014	2013	2014	2013
Loan from Related Party [Unsecured] [*]	31,425	37,525	2,397,728	3,093,186	6,100	14,075	465,430	1,160,202
Loan from Societe Generale[**]	8,000	16,000	610,400	1,318,880	8,000	4,000	610,400	329,720
Amount disclosed under the head Other Current Liabilities [Note-4]	-	-	-	-	(14,100)	(18,075)	(1,075,830)	(1,489,922)
Total	39,425	53,525	3,008,128	4,412,066	0	-	-	-

[*] Details of convertible loans received in different tranches from Cadila Healthcare Limited, the holding company incorporated in India are as under:

Date	Curr.	Amount (in Thousands)	Rate of Interest	Repayment Date
February 4, 2010	Euro	2,167	6M LIBOR + 5.50%	February 4, 2015
August 19, 2010	Euro	3,933	6M Euro LIBOR + 4.00%	August 19, 2015
February 10, 2011	Euro	2,205	6M Euro LIBOR + 2.75%	February 10, 2016
April 5, 2011	Euro	2,000	6M Euro LIBOR + 2.75%	April 5, 2016
April 26, 2011	Euro	2,051	6M Euro LIBOR + 2.75%	April 26, 2016
May 9, 2011	Euro	3,000	6M Euro LIBOR + 2.75%	May 9, 2016
July 25, 2011	Euro	2,783	6M Euro LIBOR + 2.75%	July 25, 2016
August 22, 2011	Euro	1,000	6M Euro LIBOR + 2.85%	August 22, 2016
October 20, 2011	Euro	3,629	6M Euro LIBOR + 2.85%	October 20, 2016
November 17, 2011	Euro	4,457	6M Euro LIBOR + 2.85%	November 17, 2016
July 25, 2012	Euro	1,645	6M Euro LIBOR + 2.85%	July 25, 2017
July 30, 2012	Euro	816	6M Euro LIBOR + 2.85%	July 30, 2017
August 6, 2012	Euro	1,613	6M Euro LIBOR + 2.85%	August 6, 2017
October 9, 2012	Euro	1,242	6M Euro LIBOR + 3.25%	October 9, 2017
October 12, 2012	Euro	1,850	6M Euro LIBOR + 3.25%	October 12, 2017
December 6, 2012	Euro	1,465	6M Euro LIBOR + 3.25%	December 6, 2017
February 1, 2013	Euro	367	6M Euro LIBOR + 3.25%	February 1, 2018
February 27, 2013	Euro	500	6M Euro LIBOR + 3.25%	February 27, 2018
March 6, 2013	Euro	500	6M Euro LIBOR + 3.25%	March 6, 2018
March 26, 2013	Euro	302	6M Euro LIBOR + 3.25%	March 26, 2018

[**] Loan of Societe Generale is secured by Corporate Guarantee of CHL and is repayable in five half yearly equal installments of Euro 4 million each. Interest is charged at the rate of 6 months EURIBOR plus 175 bps.

	Euro Thousands		INR Thousands	
	As at December 31			
	2014	2013	2014	2013

Note: 4-Other Current Liabilities:

Current Maturities of Long Term Debt [Refer Note- 3]	14,100	18,075	1,075,830	1,489,922
Interest accrued but not due on borrowings	123	157	9,385	12,942
Payable to Statutory Authorities	-	53	-	4,369
Others: Provision for Expenses	8	7	610	577
Total	14,231	18,292	1,085,825	1,507,810

Note: 5-Short Term Provisions:

Others: Provision for Taxation	19	32	1,450	2,638
Total	19	32	1,450	2,638

ZYDUS INTERNATIONAL PRIVATE LIMITED

Notes to the Financial Statements

	Nos. [*]	Face Value [**]	Euro Thousands		INR Thousands	
			As at December 31			
			2014	2013	2014	2013
Note: 6-Non-Current Investments:						
Long Term Investments [Valued at cost]:						
Trade Investments:						
Investments in Preference Shares			398	0	30,367	0
Investments in Equity Instruments			82,420	47,208	6,288,647	3,891,356
Total			82,818	47,208	6,319,014	3,891,356
Redeemable Non Cumulative Convertible Preference share [No par value]						
Zydus Healthcare S.A. (Pty) Ltd	5800000 [0]	-	398	0	30,367	0
Unquoted shares in subsidiary companies: In fully paid-up equity shares of:						
Zydus Healthcare S.A. (Pty) Ltd	57,704,149	SA Rand 1	5,285	5,285	403,246	435,643
Zydus Healthcare (USA) LLC	200,000	USD 1	169	169	12,895	13,931
Zydus France, SAS	1,944,134	€ 8	9,114	9,114	695,398	751,267
Zydus Pharmaceuticals (USA) Inc	2,100,000	\$1	7,332	7,332	559,432	604,377
Zydus Pharma Japan Co. Ltd	19,295	JPY 26,976	11,799	11,799	900,264	972,592
Zydus Pharma Japan Co. Ltd	69,400	JPY 50,000	21,502	18,628	1,640,603	1,535,506
	[61,400]					
Zydus Netherlands B.V.	496,023	€ 100	49,602	17,332	3,784,633	1,428,677
	[173,320]					
Zydus Noveltch Inc.	850	Common Stock	2,930	2,930	223,559	241,520
Etna Biotech S.R.L.			100	100	7,630	8,243
Zydus Pharmaceuticals Mexico SA De CV	129,265,138	MXP 1	7,574	4,866	577,896	401,104
	[82,315,139]					
Zydus Pharmaceuticals Mexico Services Company SA De C.V.	6,870,381	MXP 1	314	80	23,958	6,594
	[1,319,390]					
Aggregate amount of unquoted Investments			115,721	77,635	8,829,514	6,399,454
Less: Provision for diminution in value of investment in Zydus Pharma Japan Co. Ltd. [Refer Note 18]			(33,301)	(30,427)	(2,540,867)	(2,508,098)
Total			82,420	47,208	6,288,647	3,891,356
Explanations:						
In "Nos. [*]" figures of previous year are same unless stated in []. In "Face Value [**]" figures are in Respective currency.						
			Euro Thousands		INR Thousands	
			As at December 31			
			2014	2013	2014	2013
Note: 7-Long Term Loans and Advances:						
Loans and Advances to Related Parties [*]			35,001	51,731	2,670,578	4,264,186
Total			35,001	51,731	2,670,578	4,264,186
[*] Details of Loans and Advances to Related Parties [Refer note no. 17 for relationship] are as under:						
a Advances to Subsidiary companies:						
Participatory Loan to Laboratorios Combix			7,550	7,550	576,065	622,347
Convertible Loan to Zydus Netherlands B.V.			15,503	33,814	1,182,879	2,787,288
Non-convertible and Participatory loan to Zydus Healthcare SA (PTY) Ltd.			7,543	7,961	575,531	656,225
Convertible Loan to Zydus Pharmaceuticals Mexico S.A De. C.V			2,412	745	184,036	61,410
Term loan to ZAHL B.V			117	75	8,927	6,182
			33,125	50,145	2,527,438	4,133,452
b Interest Receivable on Advances to Subsidiary companies:						
Zydus Healthcare SA (PTY) Ltd.			1,799	1,579	137,264	130,157
Zydus Pharmaceuticals Mexico S.A De. C.V			75	7	5,723	577
ZAHL B.V			2	-	153	-
			1,876	1,586	143,140	130,734
Total			35,001	51,731	2,670,578	4,264,186

ZYDUS INTERNATIONAL PRIVATE LIMITED

Notes to the Financial Statements

	Euro Thousands		INR Thousands	
	As at December 31			
	2014	2013	2014	2013
Note: 8-Cash and Bank Balances:				
Balances with Banks				
In Current Accounts	132	116	10,072	9,562
In Fixed Deposits	600	-	45,780	-
Total	732	116	55,852	9,562
Note: 9-Short Term Loans and Advances:				
Loans and Advances to Related Parties[*]	361	2,357	27,544	194,288
Interest Receivable on Advances to Subsidiary companies:[**]	1,074	962	81,947	79,298
Share application money [Eur 163]	-	-	12	-
Total	1,435	3,319	109,503	273,586
[*] Short term Loans and Advances to Subsidiary companies:				
Zydus Netherlands B.V.	361	1,920	27,544	158,266
Zydus Healthcare SA (PTY) Ltd.	-	437	-	36,022
[**] Interest Receivable on Advances to Subsidiary companies:	361	2,357	27,544	194,288
Laboratorios Combix	322	316	24,569	26,048
Zydus Netherlands B.V.	752	644	57,378	53,085
Zydus Healthcare SA (PTY) Ltd.	-	2	-	165
Total	1,074	962	81,947	79,298
Note: 10-Other Current Assets:				
Prepaid Expenses	1	-	76	-
Total	1	-	76	-
	Euro Thousands		INR Thousands	
	Year ended December 31			
	2014	2013	2014	2013
Note: 11-Revenue from Operations:				
Details of Revenue under broad heads:				
Interest Income [Gross] - From Others	851	841	68,948	69,324
Net Gain on foreign currency transactions and translation on others	184	4	14,908	330
Total	1,035	845	83,856	69,654
Other Operating Revenues:				
Net Gain on foreign currency transactions and translation	6	518	486	42,699
Note: 12-Other Income:				
Other Non-operating Income:				
Exchange rate difference due to translation [Refer Note 2 *]	-	-	0	47,438
Total	-	-	0	47,438
Note: 13-Finance Cost:				
Interest	395	165	32,003	13,601
Bank commission & charges	4	6	324	495
Total	399	171	32,327	14,096
A The break up of interest cost in to major heads is given below :				
a On term loans- Societe General	395	157	32,003	12,942
b Others- CHL- Short term loan	-	8	-	659
Total	395	165	32,003	13,601
Note: 14-Other Expenses:				
Legal and Professional Fees	22	25	1,782	2,061
Miscellaneous Expenses [*]	34	6	2,755	495
Total	56	31	4,537	2,556
[*] Miscellaneous Expenses include Payment to the auditors as auditor	7	6	567	0

ZYDUS INTERNATIONAL PRIVATE LIMITED

Notes to the Financial Statements

	Euro Thousands		INR Thousands	
	As at December 31			
	2014	2013	2014	2013

Note: 15-Calculation of Earnings per Share [EPS]:

The numerators and denominators used to calculate the basic and diluted EPS are as follows:

	Numbers			
A (Loss)/ Profit after tax attributable to Shareholders	(2,132)	(29,301)	(172,733)	(2,367,844)
B Basic and weighted average number of shares outstanding during the year	35,025,130	27,661,720	35,025,130	27,661,720
		Euro	INR	
C Nominal value of share	1.462843	1.462843		
D Basic & Diluted EPS	(0.06)	(1.06)	(4.93)	(85.60)

Note: 16-Segment Information:

A Primary Business Segment – By Geographical market:

	Value of Transactions [Euro Thousands]				Value of Transactions [INR Thousands]			
	Revenue by Geographical Market		Carrying amount of segment assets		Revenue by Geographical Market		Carrying amount of segment assets	
	Year ended December 31,							
	2014	2013	2014	2013	2014	2013	2014	2013
a United States of America	-	-	10,431	10,431	-	-	795,886	859,828
b European Countries	619	476	84,156	69,061	50,152	39,238	6,421,104	5,692,699
c Rest of the world	422	887	25,400	22,882	34,190	73,115	1,938,021	1,886,163
d Total	1,041	1,363	119,987	102,374	84,342	112,353	9,155,011	8,438,690

B Secondary Business Segment - There is only one segment namely investments activities.

C Notes:

The segment revenue in the geographical segment considered for disclosure are as follows:

- Revenue within a particular geographical segment includes interest and dividend received from investments made within that segment.
- Revenue that can not be allocated to a particular segment has been disclosed as unallocated revenue under Rest of the world.

Note: 17-Related Party Transactions:

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

a Holding Company:

Cadila Healthcare Limited, a company incorporated in India

b Subsidiary Companies:

Zydus Netherlands B.V. [the Netherlands]

Zydus France, SAS [France]

Etna Biotech S.R.L. [Italy]

Zydus Pharmaceuticals (USA) Inc. [USA]

Zydus Healthcare (USA) LLC [USA]

c Fellow Subsidiary Companies:

Dialforhealth India Limited

Dialforhealth Unity Limited

Dialforhealth Greencross Limited

German Remedies Limited

Zydus Wellness Limited

Liva Pharmaceuticals Limited

Zydus Technologies Limited

Biochem Pharmaceutical Industries Limited

Zydus BSV Pharma Private Limited

d Step-down Subsidiary Companies:

Laboratorios Combix S.L. [Spain]

Nesher Pharmaceuticals (USA) LLC [USA]

Simayla Pharmaceuticals (Pty) Ltd [South Africa]

e Directors:

Mr. David R Blanksby

Mr. Kamlesh K Patel

Zydus Noveltch Inc. [USA]

Zydus Healthcare S.A. (Pty) Ltd [South Africa]

Zydus Pharma Japan Co. Ltd. [Japan]

Zydus Pharmaceuticals Mexico SA De CV [Mexico]

Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]

M/s. Zydus Wellness-Sikkim, a Partnership Firm

ZAHL B.V. [the Netherlands]

ZAHL Europe B.V. [the Netherlands]

Bremer Pharma GmbH [Germany]

Zydus Lanka (Private) Limited [Sri Lanka]

Zydus Healthcare Philippines Inc. [Philippines]

Zydus Worldwide DMCC [Dubai]

Zydus Discovery DMCC [Dubai]

M/s. Zydus Healthcare, a Partnership Firm

Zydus Nikkho Farmaceutica Ltda. [Brazil]

Hercon Pharmaceuticals LLC [USA]

Script Management Services (Pty) Ltd [South Africa]

Mr. Pankaj R Patel [Ceased to be director w.e.f. 25th Mar,15]

ZYDUS INTERNATIONAL PRIVATE LIMITED

Notes to the Financial Statements

Note: 17-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 17 A [a,b,c & d]

Nature of Transactions	Value of Transactions [Euro Thousands]				Value of Transactions [INR Thousands]			
	Holding Company		Subsidiary Companies & Step down Subsidiary Companies		Holding Company		Subsidiary Companies & Step down Subsidiary Companies	
	Year ended December 31,		Year ended December 31,		Year ended December 31,		Year ended December 31,	
	2014	2013	2014	2013	2014	2013	2014	2013
1 Finance:								
Inter Corporate Loans given:								
Laboratorios Combix S.L.			-				-	0
Zydus Pharmaceuticals Mexico SA De CV			1,667	744			127,192	61,332
Zydus Healthcare S.A. (Pty) Ltd				437			0	35,990
ZAHL B.V.			42	75			3,205	6,182
Zydus Netherlands B.V.				18,612			0	1,534,187
Total	-	-	1,709	19,868	-	-	130,397	1,637,691
Inter Corporate Loans recovered:								
Laboratorios Combix S.L.			-				-	0
Zydus France, SAS				2,000			-	164,860
Zydus Pharmaceuticals Mexico SA De CV				394			-	32,476
Zydus Healthcare S.A. (Pty) Ltd			855				65,237	0
Zydus Netherlands B.V.			19,870				1,516,081	0
Total			20,725	2,394			1,581,318	197,336
Inter Corporate Loans taken:								
Cadila Healthcare Limited		14,419			0	1,188,558	0	0
Inter Corporate Loans Repaid:								
Cadila Healthcare Limited	14,075	12,750			1,073,923	1,050,983	0	0
Interest Paid:								
Cadila Healthcare Limited		8			0	668	0	0
Interest Received:								
Zydus Healthcare S.A. (Pty) Ltd			348	359	0		28,195	29,592
Zydus Netherlands B.V.			108	133	0		8,750	10,963
Laboratorios Combix S.L.			322	316	0		26,088	26,048
Zydus Pharmaceuticals Mexico SA De CV			68	10	0		5,509	824
ZAHL B.V.			2	0	0		162	29
Zydus France, SAS				22	0		0	1,814
Total	0	-	848	840	-	-	68,704	69,270

ZYDUS INTERNATIONAL PRIVATE LIMITED

Notes to the Financial Statements

Note: 17-Related Party Transactions-Continued:

Nature of Transactions	Value of Transactions [Euro Thousands]				Value of Transactions [INR Thousands]			
	Holding Company		Subsidiary Companies & Step down Subsidiary Companies		Holding Company		Subsidiary Companies & Step down Subsidiary Companies	
	Year ended December 31,		Year ended December 31,		Year ended December 31,		Year ended December 31,	
	2014	2013	2014	2013	2014	2013	2014	2013
2 Investments:								
Subscription to Share Capital:								
Zydus Pharma Japan Co. Ltd.			2,874	2,902	0		219,286	239,199
Zydus Pharmaceuticals Mexico SA De CV			2,708		0		0	0
Zydus Pharmaceuticals Mexico Services Company SA De C.V.			234	584	0		17,854	48,155
Zydus Healthcare S.A. (Pty) Ltd			398	640	0		30,367	52,744
Zydus Netherlands B.V.			32,270	10,950	0		2,462,201	902,609
Total	-	-	38,484	15,076	-	-	2,729,708	1,242,707
Share Application Money:								
Zydus Pharmaceuticals Mexico SA De CV			-	0	-		-	0
Zydus Netherlands B.V.			-	0	-		-	0
Total	-	-	-	-	-	-	-	-
3 Shares Issued:								
Cadila Healthcare Limited	40,119	14,045			2,729,919	1,669,448		
4 Outstanding:								
Payable:								
Cadila Healthcare Limited	37,525	51,600			2,863,158	4,253,388	0	0
Receivable:								
Zydus Netherlands B.V.			15,864	35,734			1,210,423	2,945,554
Zydus Healthcare S.A. (Pty) Ltd			7,543	8,398			575,531	692,247
Laboratorios Combix S.L.			7,550	7,550			576,065	622,347
Zydus Pharmaceuticals Mexico SA De CV			2,412	745			184,036	61,410
Zydus France, SAS							-	0
Z AHL B.V.			117	75			8,927	6,182.00
Total	-	-	33,486	52,502	-	-	2,554,982	4,327,740
Interest Receivable:								
Zydus Netherlands B.V.			752	644			57,378	53,085
Zydus Healthcare S.A. (Pty) Ltd			1,799	1,581			137,264	130,322
Laboratorios Combix S.L.			322	316			24,569	26,048
Zydus Pharmaceuticals Mexico SA De CV			75	7			5,723	577
Zydus France, SAS							-	0
Z AHL B.V.			2	0.35			153	29
Total	-	-	2,950	2,548	-	-	225,087	210,061

b There are no transactions with the parties referred to in item no. 17 A [e]

Note: 18 Management had, in 2013, carried out a portfolio and strategy review of business operated in Japan through 100% subsidiary Zydus Pharma Japan Co. Ltd. ["ZPJ"] and it has been decided to discontinue existing business in Japan. Consequently, ZPJ has stopped manufacturing and selling of the ethical pharmaceutical products from the end of March 2014. As at December 2013 and 2014, a provision has been made in the financial statements in line with accounting policies for diminution in value of the Investment in ZPJ to reduce the carrying value of the non-current investment to Nil, being its estimated net realizable value.

Note: 19 Pursuant to Revenue Audit carried out by the local tax authorities the Company has received tax refund which was related to the years 2008 to 2012, which is disclosed as Prior year's tax adjustments.

Note: 20 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 20 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