

**Dhirubhai Shah & Doshi**

Chartered Accountants.

401/408, "Aditya", B/h. Abhijeet-1,  
Near Mithakhali Circle, Ellisbridge,  
Ahmedabad 380 006.**Independent Auditors' Report****To the Board of Directors of Zydus Wellness Limited****Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated financial statements of Zydus Wellness Limited ('the Company'), which comprise the consolidated Balance Sheet as at 31 March 2014, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

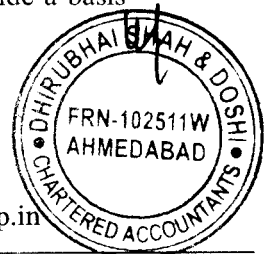
Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 consolidated financial statements.

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

Phone : (079) 26403326 | Website : [www.dbsgroup.in](http://www.dbsgroup.in) | E-Mail : [dshahco@dbsgroup.in](mailto:dshahco@dbsgroup.in)

## ● BRANCH OFFICE ●

Aditya Centre, Second Floor,  
Phulchhab Chowk,  
**Rajkot** : 360001  
Mob. : 98251489591st Floor Cama Chambers,  
23 Nagindas Master Road,  
**Mumbai** : 400023  
Mob. : 972000967204 Sakar Complex,  
Opp Abs Tower, Old Padra Road  
**Vadodara** : 390015  
Mob. : 9879006018

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

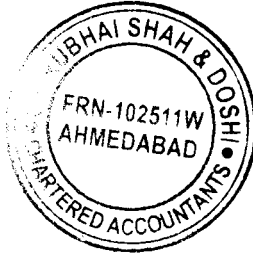
- (i) in the case of consolidated Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (ii) in the case of consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For, Dhirubhai Shah & Doshi  
Chartered Accountants  
Firm's Registration Number: 102511W



**Kaushik D Shah**  
Partner  
Membership Number: 016502

Ahmedabad  
15 May, 2014



**Zydus Wellness Limited**  
**Consolidated Balance Sheet as at March 31, 2014**

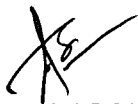
Particulars	Note No.	INR - Lacs	
		As at March 31	
		2014	2013
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Funds:</b>			
Share Capital	1	3,907	3,907
Reserves and Surplus	2	28,649	21,747
		<b>32,556</b>	25,654
<b>Minority Interest</b>			
		<b>471</b>	285
<b>Non-Current Liabilities:</b>			
Deferred Tax Liabilities [Net]	3	490	388
Other Long Term Liabilities	4	38	38
Long Term Provisions	5	37	42
		<b>565</b>	468
<b>Current Liabilities:</b>			
Trade Payables	6	4,975	4,624
Other Current Liabilities	7	1,134	884
Short Term Provisions	8	2,785	2,997
		<b>8,894</b>	8,505
<b>Total</b>		<b>42,486</b>	34,912
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>			
<b>Fixed Assets:</b>			
Tangible Assets	9	7,250	7,139
Intangible Assets	9	2,291	2,287
Capital work-in-progress		3	0
		<b>9,544</b>	9,426
Long Term Loans and Advances	10	2,599	1,345
		<b>12,143</b>	10,771
<b>Current Assets:</b>			
Current Investments	11	500	0
Inventories	12	2,794	4,086
Trade Receivables	13	264	145
Cash and Bank Balances	14	26,283	19,079
Short Term Loans and Advances	15	466	798
Other Current Assets	16	36	33
		<b>30,343</b>	24,141
<b>Total</b>		<b>42,486</b>	34,912
<b>Significant Accounting Policies</b>	I		
<b>Notes to the Financial Statements</b>	1 to 28		

As per our report of even date:  
For Dhirubhai Shah & Doshi,  
Chartered Accountants  
Firm Registration Number: 102511W

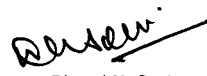
For and on behalf of the Board



Kaushik D. Shah  
Partner  
Membership Number: 016502  
Ahmedabad, Dated: May 15, 2014



Amit B. Jain  
Chief Financial Officer

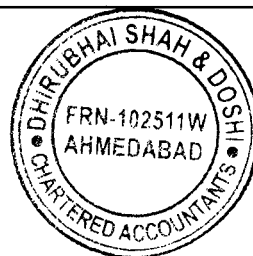




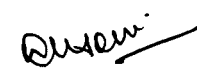
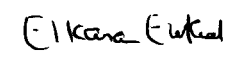
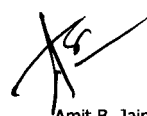
Dhaval N. Soni  
Company Secretary



Pankaj R. Patel  
Chairman

Elkana N. Ezekiel  
Managing Director



<b>Zydus Wellness Limited</b>			
<b>Consolidated Statement of Profit and Loss for the year ended March 31, 2014</b>			
<b>Particulars</b>	<b>Note No.</b>	<b>INR - Lacs</b>	
		<b>Year ended March 31</b>	
		<b>2014</b>	<b>2013</b>
<b>REVENUE:</b>			
Revenue from Operations:			
Sale of Products [Gross]		<b>42,960</b>	40,996
Less: Excise Duty		<b>2,687</b>	2,287
Sale of Products [Net]		<b>40,273</b>	38,709
Other Operating Revenues	18	<b>91</b>	90
Net Revenue from Operations		<b>40,364</b>	38,799
Other Income	19	<b>1,890</b>	1,579
Total Revenue		<b>42,254</b>	40,378
<b>EXPENSES:</b>			
Cost of Materials Consumed	20	<b>10,677</b>	11,905
Purchases of Stock-in-Trade	21	<b>534</b>	1,474
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	22	<b>1,182</b>	(959)
Employee Benefits Expense	23	<b>3,065</b>	2,732
Depreciation, Amortisation and Impairment expenses	9	<b>465</b>	450
Other Expenses	24	<b>15,968</b>	13,995
Total Expenses		<b>31,891</b>	29,597
<b>Profit before Tax</b>		<b>10,363</b>	10,781
Less/ [Add]: Tax Expenses:			
Current Tax		<b>967</b>	927
Deferred Tax	3	<b>101</b>	(63)
Prior year's tax adjustments		<b>(536)</b>	14
		<b>532</b>	878
<b>Profit for the year</b>		<b>9,831</b>	9,903
Less: Profit transferred to Minority Interest		<b>186</b>	192
<b>Net Profit for the year</b>		<b>9,645</b>	9,711
<b>Basic &amp; Diluted Earning per Equity Share [EPS] [in Rupees]</b>	25	<b>24.69</b>	24.85
<b>Significant Accounting Policies</b>	I		
<b>Notes to the Financial Statements</b>	1 to 28		
<b>As per our report of even date</b>		<b>For and on behalf of the Board</b>	
For Dhirubhai Shah & Doshi, Chartered Accountants Firm Registration Number: 102511W		 Pankaj R. Patel Chairman	
 Kaushik D. Shah Partner Membership Number: 016502 Ahmedabad, Dated: May 15, 2014		 Dhaval N. Soni Company Secretary	
		 Elkana N. Ezekiel Managing Director	
 Amit B. Jain Chief Financial Officer			



**Zydus Wellness Limited**  
**Consolidated Cash Flow Statement for the year ended March 31, 2014**

Particulars	INR - Lacs	
	Year ended March 31	
	2014	2013
<b>A Cash flows from operating activities:</b>		
Net profit before taxation and extraordinary items	10,363	10,781
Adjustments for:		
Depreciation, Amortisation and Impairment	465	450
Loss on sale of assets [Net]	1	0
Interest income	(1,884)	(1,553)
Interest expenses	13	10
Bad debts written off	1	0
Provisions for employee benefits	(5)	25
Provisions for probable product expiry claims and return of goods	(12)	23
Total	(1,421)	(1,045)
Operating profit before working capital changes	8,942	9,736
Adjustments for:		
Increase in trade receivables	(42)	(117)
Decrease/ [Increase] in inventories	1,291	(1,344)
Decrease/ [Increase] in short term advances	259	(178)
Increase in long term advances	(1,187)	(1,139)
[Increase]/ Decrease in other current assets	(1)	34
Increase in trade payables	426	462
Increase/ [Decrease] in other current liabilities	160	(26)
Increase/ [Decrease] in other long term liabilities	0	(22)
Total	906	(2,330)
Cash generated from operations	9,848	7,406
Direct taxes paid [Net of refunds]	(739)	(539)
Net cash from operating activities	9,109	6,867
<b>B Cash flows from investing activities:</b>		
Purchase of fixed assets	(546)	(225)
Proceeds from sale of fixed assets	4	25
Interest received	1,883	1,535
Net cash from investing activities	1,341	1,335
<b>C Cash flows from financing activities:</b>		
Interest paid	(13)	(10)
Dividends paid	(2,334)	(1,947)
Tax on dividends paid	(399)	(317)
Net cash used in financing activities	(2,746)	(2,274)
<b>Net increase in cash and cash equivalents</b>	<b>7,704</b>	<b>5,928</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>19,079</b>	<b>13,151</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>26,783</b>	<b>19,079</b>

**Notes to the cash flow statement**

- 1 All figures in brackets are outflows.
- 2 Previous year's figures have been regrouped wherever necessary.
- 3 Cash and cash equivalents comprise of:

	As at March 31		
	2014	2013	2012
a Cash on Hand	4	4	3
b Balances with Banks	26,279	19,075	13,148
c Investment in Liquid Mutual Funds	500	0	0
d Total	26,783	19,079	13,151

As per our report of even date

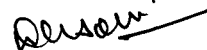
For Dhirubhai Shah & Doshi,  
Chartered Accountants  
Firm Registration Number: 102511W



Kaushik D. Shah  
Partner  
Membership Number: 016502  
Ahmedabad, Dated: May 15, 2014

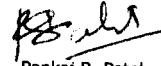


Amit B. Jain  
Chief Financial Officer



Dhaval N. Soni  
Company Secretary

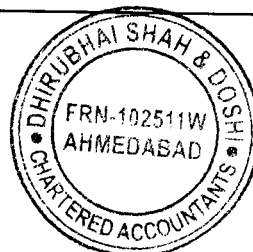
For and on behalf of the Board



Pankaj R. Patel  
Chairman



Elkana N. Ezekiel  
Managing Director



**I-Significant Accounting Policies:**

**1 Basis of Accounting:**

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accounting in accordance with the accounting principles generally accepted in India and they comply with the Accounting Standards prescribed in the Companies [Accounting Standards] Rules, 2006 issued by the Central Government and other pronouncements issued by the Institute of Chartered Accountants of India, to the extent applicable, and with the applicable provisions of the Companies Act, 1956.

**2 Basis of consolidation:**

The Consolidated Financial Statements [CFS] relate to Zydus Wellness Limited and its Partnership Firm.

The CFS have been prepared on the following basis:

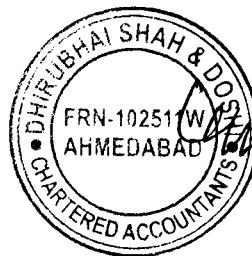
- a The financial statements of the parent Company and its Partnership Firm have been consolidated on a line by line basis by adding together the book values of the items like assets, liabilities, income and expenses.
- b CFS are prepared after fully eliminating intra group balances, intra group transactions and unrealised profits from the intra group transactions.

**3** Accounting policies and Notes on Accounts of the financial statements of the Parent Company and its Partnership Firm are set out in their respective financial statements. However, the Company has disclosed such notes and details which represent the needed disclosure to serve as a guide for better understanding of the Group's position.

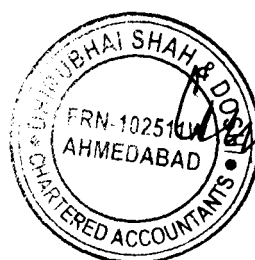
**4** Audited CFS as at March 31, 2014 comprise the financial statements of Zydus Wellness Limited [ZWL] and its Partnership Firm, Zydus Wellness - Sikkim (the Firm), in which ZWL holds 98% share.



<b>Zydus Wellness Limited</b>		
<b>Notes to the Consolidated Financial Statements</b>		
	<b>INR - Lacs</b>	
	<b>As at March 31</b>	
	<b>2014</b>	<b>2013</b>
<b>Note: 1 - Share Capital:</b>		
<b>Authorised:</b>		
4,50,00,000 [as at March 31, 2013: 4,50,00,000] Equity Shares of Rs.10/- each	<b>4,500</b>	4,500
	<b>4,500</b>	4,500
<b>Issued, Subscribed and Paid-up:</b>		
3,90,72,089 [as at March 31, 2013: 3,90,72,089] Equity Shares of Rs.10/- each fully paid up	<b>3,907</b>	3,907
<b>Total</b>	<b>3,907</b>	3,907
<b>A</b> There is no change in the number of shares as at the beginning and at the end of the year. Number of shares at the beginning and at the end of the year	<b>3,90,72,089</b>	3,90,72,089
<b>B</b> The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.		
<b>C</b> Details of Shareholders holding more than 5% of Equity Shares of Rs. 10/- each, fully paid-up: Cadila Healthcare Limited Number of Shares % to total share holding	<b>2,81,63,755</b> <b>72.06%</b>	2,74,43,274 70.24%
<b>D</b> Number of Shares held by Holding Company: Cadila Healthcare Limited	<b>2,81,63,755</b>	2,74,43,274
<b>E</b> The Company has issued 3,34,96,989 equity shares of Rs. 10/- each fully paid-up in the ratio of 04:15 pursuant to the Composite Scheme of Arrangement between the Company and Cadila Healthcare Limited, Zydus Hospitals and Medical Research Private Limited, their respective shareholders and creditors approved by Hon'ble High Court of Gujarat at Ahmedabad, vide order dated October 23, 2008 in the year 2008-09.		
<b>Note: 2 - Reserves and Surplus:</b>		
<b>General Reserve:</b>		
Balance as per last Balance Sheet	<b>3,500</b>	2,500
Add: Transfer from Surplus in statement of Profit and Loss	<b>1,000</b>	1,000
	<b>4,500</b>	3,500
<b>Surplus in statement of Profit and Loss:</b>		
Balance as per last Balance Sheet	<b>18,247</b>	12,279
Add: Profit for the year	<b>9,645</b>	9,711
	<b>27,892</b>	21,990
Less: Appropriations:		
Dividends:		
Interim Dividend	<b>0</b>	2,344
Proposed Dividend	<b>2,344</b>	0
Corporate Dividend Tax on Dividend	<b>399</b>	399
Transfer to General Reserve	<b>1,000</b>	1,000
	<b>3,743</b>	3,743
Balance as at the end of the year	<b>24,149</b>	18,247
<b>Total</b>	<b>28,649</b>	21,747



<b>Zydus Wellness Limited</b>		
<b>Notes to the Consolidated Financial Statements</b>		
	<b>INR - Lacs</b>	
	<b>As at March 31</b>	
	<b>2014</b>	<b>2013</b>
<b>Note: 3 - Deferred Tax:</b>		
A Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:		
Deferred Tax Liabilities:		
Depreciation	<b>535</b>	448
Deferred Tax Assets:		
Retirement benefits	<b>21</b>	30
Amalgamation Expenses	<b>13</b>	15
Provision for Expiry	<b>11</b>	15
Total	<b>45</b>	60
Net Deferred Tax Liabilities	<b>490</b>	388
B The Net Deferred Tax Liabilities/ [Assets] for the year provided in the Statement of Profit and Loss.	<b>101</b>	(63)
<b>Note: 4 - Other Long Term Liabilities:</b>		
Trade Deposits	<b>22</b>	22
Others	<b>16</b>	16
<b>Total</b>	<b>38</b>	38
<b>Note: 5 - Long Term Provisions:</b>		
Provision for employee benefits	<b>37</b>	42
<b>Total</b>	<b>37</b>	42
<b>Note: 6 - Trade Payables:</b>		
Others	<b>4,975</b>	4,624
<b>Total</b>	<b>4,975</b>	4,624
<b>Note: 7 - Other Current Liabilities:</b>		
Unpaid Dividend	<b>34</b>	24
Advances from Debtors	<b>227</b>	149
Other Payables :		
Provision for Expenses	<b>338</b>	282
Payable to Statutory Authorities	<b>485</b>	381
Others	<b>50</b>	48
<b>Total</b>	<b>873</b>	711
	<b>1,134</b>	884
<b>Note: 8 - Short Term Provisions:</b>		
Provision for Employee Benefits	<b>7</b>	7
Others:		
Interim Dividend	<b>0</b>	2,344
Proposed Dividend	<b>2,344</b>	0
Corporate Dividend Tax on Dividend	<b>399</b>	399
Provision for taxation [Net of advance payment of tax]	<b>0</b>	200
Provision for claims for product expiry and return of goods	<b>35</b>	47
<b>Total</b>	<b>2,778</b>	2,990
	<b>2,785</b>	2,997



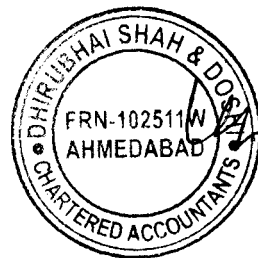


**Zydus Wellness Limited**  
**Notes to the Consolidated Financial Statements**

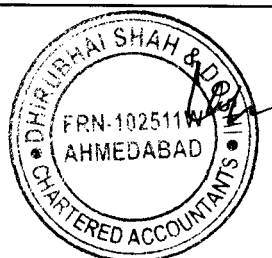
**Note: 9 -Fixed Assets:**

INR - Lacs

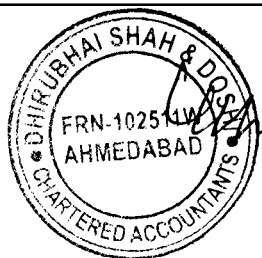
A Tangible Assets:	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
<b>Gross Block:</b>								
As at March 31, 2012	586	570	1,637	5,431	35	111	107	<b>8,477</b>
Additions	0	0	11	253	12	11	5	<b>292</b>
Disposals	0	0	0	(31)	0	(6)	0	<b>(37)</b>
As at March 31, 2013	586	570	1,648	5,653	47	116	112	<b>8,732</b>
Additions	0	0	8	318	203	11	40	<b>580</b>
Disposals	0	0	0	(7)	0	(6)	0	<b>(13)</b>
As at March 31, 2014	586	570	1,656	5,964	250	121	152	<b>9,299</b>
<b>Depreciation and Impairment:</b>								
As at March 31, 2012	0	13	135	920	14	11	64	<b>1,157</b>
Depreciation for the year	0	6	55	370	3	11	3	<b>448</b>
Impairment for the year	0	0	0	0	0	0	0	<b>0</b>
Disposals	0	0	0	(11)	0	(1)	0	<b>(12)</b>
As at March 31, 2013	0	19	190	1,279	17	21	67	<b>1,593</b>
Depreciation for the year	0	6	55	372	15	11	4	<b>463</b>
Impairment for the year	0	0	0	0	0	0	0	<b>0</b>
Disposals	0	0	0	(6)	0	(1)	0	<b>(7)</b>
As at March 31, 2014	0	25	245	1,645	32	31	71	<b>2,049</b>
<b>Net Block:</b>								
As at March 31, 2013	586	551	1,458	4,374	30	95	45	<b>7,139</b>
As at March 31, 2014	586	545	1,411	4,319	218	90	81	<b>7,250</b>
<b>B Intangible Assets:</b>								
			Computer Software	Goodwill	Trademarks	Technical Know-how	Commercial Rights	Total
<b>Gross Block:</b>								
As at March 31, 2012			0	2,282	5	2	10	<b>2,299</b>
Additions			0	0	0	0	0	<b>0</b>
Disposals			0	0	0	0	0	<b>0</b>
As at March 31, 2013			0	2,282	5	2	10	<b>2,299</b>
Additions			6	0	0	0	0	<b>6</b>
Disposals			0	0	0	0	0	<b>0</b>
As at March 31, 2014			6	2,282	5	2	10	<b>2,305</b>
<b>Amortisation and Impairment:</b>								
As at March 31, 2012			0	0	3	1	6	<b>10</b>
Amortisation for the year			0	0	1	0	1	<b>2</b>
Impairment for the year			0	0	0	0	0	<b>0</b>
Disposals			0	0	0	0	0	<b>0</b>
As at March 31, 2013			0	0	4	1	7	<b>12</b>
Amortisation for the year			1	0	0	0	1	<b>2</b>
Impairment for the year			0	0	0	0	0	<b>0</b>
Disposals			0	0	0	0	0	<b>0</b>
As at March 31, 2014			1	0	4	1	8	<b>14</b>
<b>Net Block:</b>								
As at March 31, 2013			0	2,282	1	1	3	<b>2,287</b>
As at March 31, 2014			5	2,282	1	1	2	<b>2,291</b>



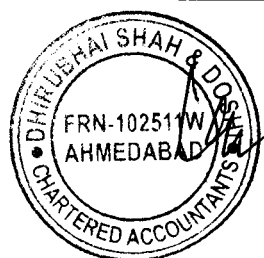
<b>Zydus Wellness Limited</b>		
<b>Notes to the Consolidated Financial Statements</b>		
	<b>INR - Lacs</b>	
	<b>As at March 31</b>	
	<b>2014</b>	<b>2013</b>
<b>Note: 10 - Long Term Loans and Advances:</b>		
[Unsecured, Considered Good]		
Capital Advances	3	43
Other Deposits	95	89
Other Loans and Advances:		
Advance payment of Tax [Net of Provision for taxation]	109	0
Alternate Minimum Tax Credit Entitlement	2,329	1,153
Other advances recoverable in cash or in kind or for value to be received	63	60
<b>Total</b>	<b>2,501</b>	<b>1,213</b>
	<b>2,599</b>	<b>1,345</b>
<b>Note: 11 - Current Investment:</b>		
Investment in Mutual Funds [*]	500	0
<b>Total</b>	<b>500</b>	<b>0</b>
[*] Considered as cash and cash equivalents for Cash Flow Statement		
<b>Note: 12 - Inventories:</b>		
Classification of Inventories:		
Raw Materials	810	827
Finished Goods	1,289	2,028
Stock-in-Trade	112	667
Works-in-Progress	79	70
Packing Materials	504	485
Stores and Spares	0	9
<b>Total</b>	<b>2,794</b>	<b>4,086</b>
<b>Note: 13 - Trade Receivables:</b>		
[Unsecured, Considered good]		
Outstanding for a period exceeding six months from the date they are due for payment [as at March 31, 2013: Rs.0.06 Lacs]	8	0
Others	256	145
<b>Total</b>	<b>264</b>	<b>145</b>
<b>Note: 14 - Cash and Bank Balances:</b>		
Balances with Banks	26,279	19,075
Cash on Hand	4	4
<b>Total</b>	<b>26,283</b>	<b>19,079</b>
<b>Note: 15 - Short Term Loans and Advances:</b>		
[Unsecured, Considered Good]		
Others:		
Balances with Statutory Authorities	220	317
Advances to Suppliers	11	85
Advances recoverable in cash or in kind or for value to be received	235	396
<b>Total</b>	<b>466</b>	<b>798</b>
<b>Note: 16 - Other Current Assets:</b>		
[Unsecured, Considered Good]		
Interest Receivable	13	11
Others	23	22
<b>Total</b>	<b>36</b>	<b>33</b>
<b>Note: 17 - Contingent Liabilities and commitment [to the extent not provided for]:</b>		
A Contingent Liabilities:		
a Claims against the Company not acknowledged as debts	20	20
b In respect of guarantees given by Banks and/ or counter guarantees given by the Company	29	220
c Other money for which the Company is contingently liable:		
i In respect of Sales Tax matters pending before appellate authorities	88	126
ii In respect of Income Tax matters pending before appellate authorities	193	4
B Commitments:		
a Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Advances]	27	116



<b>Zydus Wellness Limited</b>		
<b>Notes to the Consolidated Financial Statements</b>		
	<b>INR - Lacs</b>	
	<b>Year ended March 31</b>	
	<b>2014</b>	<b>2013</b>
<b>Note: 18 - Other Operating Revenues:</b>		
Net Gain on foreign currency transactions and translations	<b>0</b>	16
Miscellaneous Income	<b>91</b>	74
<b>Total</b>	<b>91</b>	90
<b>Note: 19 - Other Income:</b>		
Interest Income [Gross]		
From Fixed Deposits with Banks	<b>1,858</b>	1,552
Others	<b>26</b>	1
	<b>1,884</b>	1,553
Gain on sale of Mutual Fund Investments	<b>6</b>	26
<b>Total</b>	<b>1,890</b>	1,579
<b>Note: 20 - Cost of Materials Consumed:</b>		
Raw Materials:		
Stock at commencement	<b>827</b>	656
Add : Purchases	<b>7,287</b>	8,316
	<b>8,114</b>	8,972
Less : Stock at close	<b>810</b>	827
	<b>7,304</b>	8,145
Packing Materials consumed	<b>3,373</b>	3,760
<b>Total</b>	<b>10,677</b>	11,905
<b>Note: 21 - Purchases of Stock-in-Trade:</b>		
Purchases of Stock-in-Trade	<b>534</b>	1,474
<b>Total</b>	<b>534</b>	1,474
<b>Note: 22 - Changes in Inventories:</b>		
Stock at commencement:		
Works-in-progress	<b>70</b>	56
Finished Goods	<b>2,028</b>	1,197
Stock-in-Trade	<b>667</b>	310
	<b>2,765</b>	1,563
Less: Stock at close:		
Works-in-progress	<b>79</b>	70
Finished Goods	<b>1,289</b>	2,028
Stock-in-Trade	<b>112</b>	667
	<b>1,480</b>	2,765
Differential Excise Duty on Opening and Closing stock of Finished Goods	<b>1,285</b>	(1,202)
<b>Total</b>	<b>(103)</b>	243
	<b>1,182</b>	(959)
<b>Note: 23 - Employee Benefits Expense:</b>		
Salaries and wages	<b>2,859</b>	2,517
Contribution to provident and other funds	<b>119</b>	129
Staff welfare expenses	<b>87</b>	86
<b>Total</b>	<b>3,065</b>	2,732



<b>Zydus Wellness Limited</b>			
<b>Notes to the Consolidated Financial Statements</b>			
		<b>INR - Lacs</b>	
		<b>Year ended March 31</b>	
		<b>2014</b>	<b>2013</b>
<b>Note: 24 - Other Expenses:</b>			
Consumption of Stores and spare parts		<b>191</b>	189
Power & fuel		<b>326</b>	254
Labour charges		<b>614</b>	447
Rent		<b>284</b>	194
Repairs to Buildings		<b>128</b>	15
Repairs to Plant and Machinery		<b>67</b>	46
Repairs to Others		<b>27</b>	42
Insurance		<b>64</b>	55
Rates and Taxes		<b>85</b>	39
Managing Director's Remuneration		<b>184</b>	179
Commission to Directors		<b>14</b>	12
Traveling Expenses		<b>396</b>	275
Legal and Professional Fees		<b>723</b>	171
Net Loss on foreign currency transactions and translations		<b>29</b>	0
Commission on sales		<b>870</b>	840
Freight and forwarding on sales		<b>834</b>	928
Advertisements & Sales Promotion expenses		<b>8,229</b>	7,759
Representative Allowances		<b>311</b>	342
Other marketing expenses		<b>1,805</b>	1,577
Bad debts written off		<b>1</b>	0
Directors' fees		<b>9</b>	9
Net Loss on fixed assets		<b>1</b>	0
Donations		<b>135</b>	178
Interest to Others		<b>3</b>	2
Bank commission & charges		<b>10</b>	8
Miscellaneous Expenses		<b>628</b>	434
<b>Total</b>		<b>15,968</b>	13,995
<b>Note: 25 - Calculation of Earning per Equity Share [EPS]:</b>			
The numerators and denominators used to calculate the basic and diluted EPS are as follows:			
A	Profit attributable to Shareholders	INR - Lacs	<b>9,645</b>
B	Basic and weighted average number of Equity shares outstanding during the year	Numbers	<b>39,072,089</b>
C	Nominal value of equity share	INR	<b>10</b>
D	Basic & Diluted EPS	INR	<b>24.69</b>
<b>Note: 26 - Segment Information:</b>			
The Company operates in one segment only, namely "Consumer Products." The Company also exports its products to other countries. However the value being below threshold limit prescribed under Accounting Standard [AS]-17-"Segment Reporting", the reporting is not required.			



**Zydus Wellness Limited**  
**Notes to the Consolidated Financial Statements**

**Note: 27 - Related Party Transactions:**

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

**a Holding Company :** Cadila Healthcare Limited

**b Fellow Subsidiaries/ Concerns:**

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]
Liva Pharmaceuticals Limited	Hercon Pharmaceuticals LLC [USA]
Zydus Technologies Limited	Zydus Healthcare S.A. (Pty) Ltd [South Africa]
Biochem Pharmaceutical Industries Limited	Simayla Pharmaceuticals (Pty) Ltd [South Africa]
M/s. Zydus Healthcare, a Partnership Firm	Script Management Services (Pty) Ltd [South Africa]
Zydus Lanka (Private) Limited [Sri Lanka]	Zydus France, SAS [France]
Zydus Healthcare Philippines Inc. [Philippines]	Zydus Nikkho Farmaceutica Ltda. [Brazil]
Zydus International Private Limited [Ireland]	Zydus Pharma Japan Co. Ltd. [Japan]
Zydus Netherlands B.V. [the Netherlands]	Laboratorios Combix S.L. [Spain]
Z AHL B.V. [the Netherlands]	Zydus Pharmaceuticals Mexico SA De CV [Mexico]
Z AHL Europe B.V. [the Netherlands]	Zydus Pharmaceuticals Mexico Services Company SA De C.V. [Mexico]
Bremer Pharma GmbH [Germany]	
Etna Biotech S.R.L. [Italy]	

**c Key Managerial Personnel:**

Mr. Elkana Ezekiel - Managing Director

**B Transactions with Related Parties:**

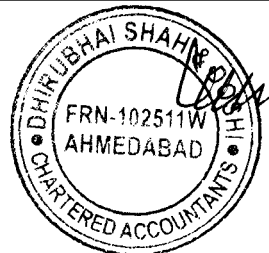
The following transactions were carried out with the related parties in the ordinary course of business:

**a Details relating to parties referred to in items 27- A [a & b]**

Nature of Transactions	INR - Lacs			
	Holding Company		Fellow Subsidiaries / Concerns	
	Year ended March 31			
	2014	2013	2014	2013
<b>Purchases:</b>				
<b>Goods:</b>				
Dialforhealth India Limited			0	28
<b>Fixed Assets:</b>				
Cadila Healthcare Limited	3	0		
<b>Services:</b>				
Cadila Healthcare Limited	12	19		
<b>Reimbursement of Expenses:</b>				
Cadila Healthcare Limited	2	3		
<b>Sales:</b>				
<b>Goods:</b>				
Cadila Healthcare Limited	23	48		
M/s. Zydus Healthcare, a Partnership Firm			32	0
Biochem Pharmaceutical Industries Limited			6	0
Dialforhealth India Limited			0	2
Total	23	48	38	2
<b>Reimbursement of Expenses:</b>				
Cadila Healthcare Limited	4	10		
<b>Dividend Paid:</b>				
Cadila Healthcare Limited	1,690	1,408		

**b Details relating to person referred to in item 27 - A [c] above :**

Remuneration:	INR - Lacs	
	Year ended March 31	
	2014	2013
Mr. Elkana Ezekiel - Managing Director	184	179



**Zydus Wellness Limited**

**Notes to the Consolidated Financial Statements**

**Note: 28** 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 28 to the Financial Statements**

As per our report of even date:

For Dhirubhai Shah & Doshi,  
Chartered Accountants  
Firm Registration Number: 102511W



Kaushik D. Shah  
Partner

Membership Number: 016502  
Ahmedabad, Dated: May 15, 2014



Amit B. Jain  
Chief Financial Officer



Dhaval N. Soni  
Company Secretary

For and on behalf of the Board



Pankaj R. Patel  
Chairman



Elkana N. Ezekiel  
Managing Director

