

Script Management Services (Pty) Ltd.
Balance Sheet as at December 31, 2015

Particulars	Note No.	ZAR-Thousands		INR-Thousands	
		As at December 31			
		2015	2014	2015	2014
EQUITY AND LIABILITIES:					
Shareholders' Funds:					
Share Capital	1	0	0	0	0
Reserves and Surplus	2	621	619	2,664	3,387
		621	619	2,664	3,387
Current Liabilities:					
Trade Payables	3	1,078	1,300	4,625	7,111
Short Term Provisions	4	-	2	-	11
		1,078	1,302	4,625	7,122
Total		1,699	1,921	7,289	10,509
ASSETS:					
Non-Current Assets:					
Fixed Assets:					
Tangible Assets	5	-	-	-	-
Intangible Assets		-	-	-	-
		-	-	-	-
Current Assets:					
Trade Receivables	6	1,091	1,893	4,680	10,355
Cash and Bank Balances	7	582	16	2,497	88
Short Term Loans and Advances	8	26	12	112	66
		1,699	1,921	7,289	10,509
Total		1,699	1,921	7,289	10,509
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 15				

Statement of Profit and Loss for the year ended December 31, 2015

Particulars	Note No.	ZAR-Thousands		INR-Thousands	
		Year ended December 31			
		2015	2014	2015	2014
REVENUE:					
Revenue from Operations:					
Other Operating Revenues	9	13,982	9,039	70,470	50,799
EXPENSES:					
Finance Costs	10	8	9	40	50
Depreciation, Impairment and Amortisation expenses	5	-	-	-	-
Other Expenses	11	13,972	9,026	70,419	50,726
Total Expenses		13,980	9,035	70,459	50,776
Profit before Tax		2	4	11	23
Less: Tax Expense:					
Current Tax		-	2	-	11
Profit for the year		2	2	11	12
		ZAR		INR	
Basic & Diluted Earning per Equity Share [EPS]	12	2,000	2,000	11,000	12,000
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 15				

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 12, 2016

Director

Script Management Services (Pty) Ltd.

I-Company overview:

Script Management Services [the Company] was incorporated on October 14, 2009. The Company's registered office is situated at Southdown Office Park, Building B, Centurion, Pretoria - 0157. The principal activity of the company is to carry out data extraction of dispensed medicines by pharmacies and to analyse and generate the reports.

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 Rupees 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 Property, Plant and Equipment:

A Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and are expected to be used during more than one year.

B Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

C 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 is derecognised.

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>Item</u>	<u>Average useful life</u>
IT Equipment	3 years

E The residual value, depreciation and the useful life of each asset are reviewed at each annual reporting year if there are indicators present that there has been a change from the previous estimate.

F 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.

4 Intangible Assets:

A An intangible asset is an identifiable non-monetary asset without physical substance.

B Intangible assets are initially recognised at cost.

C All research and development costs are recognised as an expense unless they form part of the cost of another asset that meets the recognition criteria.

D Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

E If the company is unable to make a reliable estimate of the useful life of an intangible assets, the life will be presumed to be 10 years.

F The amortisation period and the amortisation for intangible assets are reviewed at each reporting year date if there are indicators present that there is a change from the previous estimate.

G Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

<u>Item</u>	<u>Average useful life</u>
Patents, Trademarks and other rights	3 years

5 Taxes on Income:

A Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

B A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

6 Impairment of assets:

A The company assesses at each reporting 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 assets 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, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset [or group of assets] in prior years. A reversal of impairment is recognised immediately in profit or loss.

7 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 the liabilities.

II-Significant Accounting Policies-Continue:

8 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 is 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.

9 Borrowing costs:

Borrowing costs are recognised as an expense in the year in which they are incurred.

Script Management Services (Pty) Ltd.

Notes to the Financial Statements

	ZAR-Thousands		INR-Thousands	
	As at December 31			
	2015	2014	2015	2014
Note: 1-Share Capital:				
Authorised:				
1 [as at December 31, 2014: 1] Ordinary Share of ZAR 1/- each]	0	0	0	0
	0	0	0	0
Issued, Subscribed and Paid-up:				
1 [as at December 31, 2014: 1] Ordinary Share of ZAR 1/- each, fully paid-up [ZAR 1/- (as at December 31, 2014:ZAR 1/-)]	0	0	0	0
Total	0	0	0	0
A There is no change in the number of shares as at the beginning and end of the year. Number of shares at the beginning and at the end of the year	1	1		
B Ordinary share of ZAR 1/- each, fully paid held by holding company, Zydus Healthcare SA (Pty) Limited, a company incorporated in South Africa which is a subsidiary company of Zydus International Private Limited, a company incorporated in the Republic of Ireland which is a subsidiary company of Cadila Healthcare Limited, the ultimate holding company, a company incorporated in India. Number of Shares % to total share holding	1 100%	1 100%		
Note: 2-Reserves and Surplus:				
Securities Premium Reserve:				
Balance as per last Balance Sheet	300	300	1,287	1,641
Foreign Currency Translation Reserve:				
Balance as per last Balance Sheet	-	-	(71)	-
[Less]: Exchange differences on translation to INR	-	-	(380)	(71)
	-	-	(451)	(71)
Surplus in statement of Profit and Loss:				
Balance as per last Balance Sheet	319	317	1,817	1,805
Add: Profit for the year	2	2	11	12
Balance as at end of the year	321	319	1,828	1,817
Total	621	619	2,664	3,387
Note: 3-Trade Payables:				
Trade Payables	1,078	1,300	4,625	7,111
Total	1,078	1,300	4,625	7,111
Note: 4-Short Term Provisions:				
Provision for Taxation	-	2	-	11
Total	-	2	-	11

Script Management Services (Pty) Ltd.
Notes to the Financial Statements

Note: 5-Fixed Assets:

	Tangible Assets		Intangible Assets	
	Office Equipment		Brands/ Trademarks	
	ZAR - Thousands	INR - Thousands	ZAR - Thousands	INR - Thousands
Gross Block:				
As at December 31, 2013	26	148	230	1,309
Additions	-	-	-	-
Disposals	-	-	-	-
Other adjustments	-	(6)	-	(51)
As at December 31, 2014	26	142	230	1,258
Additions	-	-	-	-
Disposals	-	-	-	-
Other adjustments	-	(30)	-	(271)
As at December 31, 2015	26	112	230	987
Depreciation, Impairment and Amortisation:				
As at December 31, 2013	26	148	230	1,309
Charge for the year	-	-	-	-
Disposals	-	-	-	-
Other adjustments	-	(6)	-	(51)
As at December 31, 2014	26	142	230	1,258
Charge for the year	-	-	-	-
Disposals	-	-	-	-
Other adjustments	-	(30)	-	(271)
As at December 31, 2015	26	112	230	987
Net Block:				
As at December 31, 2014	-	-	-	-
As at December 31, 2015	-	-	-	-
Note: Other adjustments include adjustments on account of exchange rate translation differences.				
	ZAR-Thousands		INR-Thousands	
	As at December 31			
	2015	2014	2015	2014
Note: 6-Trade Receivables:				
Others- Considered good [Unsecured]	1,091	1,893	4,680	10,355
Total	1,091	1,893	4,680	10,355
Note: 7-Cash and Bank Balances:				
Balances with Banks	582	16	2,497	88
Total	582	16	2,497	88
Note: 8-Short Term Loans and Advances:				
[Unsecured, Considered Good]				
Balances with Revenue Authorities	26	12	112	66
Total	26	12	112	66

Script Management Services (Pty) Ltd.

Notes to the Financial Statements

	ZAR-Thousands		INR-Thousands	
	Year ended December 31			
	2015	2014	2015	2014
Note: 9-Other Operating Revenues:				
Data fees income	13,944	8,997	70,278	50,563
Key account management fees	38	42	192	236
Total	13,982	9,039	70,470	50,799
Note: 10-Finance Cost:				
Interest expense- Others	-	2	-	11
Bank commission & charges	8	7	40	39
Total	8	9	40	50
Note: 11-Other Expenses:				
Data fees and IT Vendor data expenses	13,944	8,997	70,278	50,563
Miscellaneous Expenses - Payment to the auditors as "Auditor"	28	29	141	163
Total	13,972	9,026	70,419	50,726
Note: 12-Calculation of Earnings per Equity Share [EPS]:				
The numerators and denominators used to calculate the basic and diluted EPS are:				
A Profit attributable to Shareholders	2	2	11	12
B Basic & weighted average number of Ordinary shares outstanding during the year	1	1	1	1
	ZAR		INR	
C Nominal value of ordinary share	1	1	11,000	12,000
D Basic & Diluted EPS	2,000	2,000	11,000	12,000
Note: 13-Related Party Transactions:				
A Name of the Related Parties and Nature of the Related Party Relationship:				
a Holding Company:	Zydus Healthcare S.A. (Pty) Ltd [South Africa]			
b Holding Company of Holding Company:	Zydus International Private Limited, a company incorporated in Ireland			
c Ultimate Holding Company:	Cadila Healthcare Limited, a company incorporated in India			
d Fellow Subsidiaries:				
Dialforhealth India Limited	Zydus France, SAS [France]			
Dialforhealth Unity Limited	Etna Biotech S.R.L. [Italy]			
Dialforhealth Greencross Limited	Zydus Pharmaceuticals Mexico SA De CV [Mexico]			
German Remedies Limited	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]			
Zydus Wellness Limited	Zydus Noveltech Inc. [USA]			
Liva Pharmaceuticals Limited	Simayla Pharmaceuticals (Pty) Ltd [South Africa]			
Zydus Technologies Limited	Hercon Pharmaceuticals LLC [USA]			
Biochem Pharmaceutical Industries Limited	ZAHL B.V. [the Netherlands]			
Alidac Pharmaceuticals Limited [Formerly known as Zydus BSV Pharma Private Limited]	ZAHL Europe B.V. [the Netherlands]			
M/s. Zydus Healthcare, a Partnership Firm	Bremer Pharma GmbH [Germany]			
M/s. Zydus Wellness-Sikkim, a Partnership Firm	Zydus Nikkho Farmaceutica Ltda. [Brazil]			
Zydus Lanka (Private) Limited [Sri Lanka]	Zydus Netherlands B.V. [the Netherlands]			
Zydus Healthcare (USA) LLC [USA]	Zydus Healthcare Philippines Inc [Philippines]			
Laboratorios Combix S.L. [Spain]	Zydus Pharma Japan Co. Ltd. [Japan]			
Zydus Pharmaceuticals (USA) Inc. [USA]	Zydus Worldwide DMCC [Dubai]			
Nesher Pharmaceuticals (USA) LLC [USA]	Zydus Discovery DMCC [Dubai]			
e Directors:				
Mr. G. Jain [Resigned w.e.f. February 24, 2016]	Mrs. I.F.Oliver	Mr. S.R.Gadhia	[Appointed w.e.f. February 24, 2016]	

**Script Management Services (Pty) Ltd.
Notes to the Financial Statements**

Note: 13-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 13- A [a].

Nature of Transactions

Service Income:

Data Fees
Key Account Management Fees

Outstanding:

Receivables

Value of the Transactions			
ZAR-Thousands		INR-Thousands	
Year ended December 31			
2015	2014	2015	2014
13,944	8,997	70,278	50,563
38	42	192	236
As at December 31			
2015	2014	2015	2014
1,091	1,893	4,680	10,355

- b There are no transactions with the parties referred to in item 13- A [b, c, d & e].

Note: 14-Segment Information:

There is only one segment, namely "Extraction, analysis and reporting of data related to dispensed medicines by pharmacies".

Note: 15

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 15 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 12, 2016

Director

Script Management Services (Pty) Ltd.
Cash Flow Statement for the year ended December 31, 2015

Particulars	ZAR-Thousands		INR-Thousands	
	Year ended December 31			
	2015	2014	2015	2014
A Cash flows from operating activities:				
Profit before tax	2	4	11	23
Adjustments for:				
Interest expenses	-	2	-	11
Operating profit before working capital changes	2	6	11	34
Adjustments for:				
Decrease/ [Increase] in trade receivables	802	(181)	4,042	(1,017)
Decrease/ [Increase] in short term advances	(14)	8	(71)	45
Increase/ [Decrease] in trade payables	(222)	379	(1,119)	2,130
Increase/ [Decrease] in other current liabilities	-	(132)	-	(742)
Total	566	74	2,852	416
Cash generated from operations	568	80	2,863	450
Direct taxes paid [Net of refunds]	(2)	(105)	(10)	(590)
Net cash from [used] operating activities	566	(25)	2,853	(140)
B Cash flows from investing activities:				
Net cash used [from] in investing activities	-	-	-	-
C Cash flows from financing activities:				
Interest paid	-	(2)	-	(11)
Net cash used [from] in financing activities	-	(2)	-	(11)
Net increase in cash and cash equivalents	566	(27)	2,853	(151)
Increase/ [Decrease] due to the translation to INR [Refer Note-3]	-	-	(444)	(6)
Cash and cash equivalents at the beginning of the year	16	43	88	245
Cash and cash equivalents at the end of the year	582	16	2,497	88

Notes to the Cash Flow Statement

- All figures in brackets are outflows.
- Previous year's figures have been regrouped wherever necessary.
- Cash Flow Statement is translated into Indian Rupee [INR] at the average exchange rates for the year. The increase/ decrease resulting from such translation is shown separately as "Increase/ [Decrease] due to the translation to INR"

As per our report of even date

For and on behalf of the Board

For Mukesh M. Shah & Co.,
Chartered Accountants
Firm Registration Number: 106625W

Chandresh S. Shah
Partner
Membership Number: 042132
Ahmedabad, Dated: May 12, 2016

Director