

Script Management Services (Pty) Ltd.

Balance Sheet as at December 31, 2016

Particulars	Note No.	ZAR- Thousands		INR- Thousands	
		As at December 31			
		2016	2015	2016	2015
ASSETS:					
Non-Current Assets:					
Property, Plant and Equipment	1	-	-	-	-
Other Intangible Assets	1	-	-	-	-
Other Non-Current Assets	2	-	26	-	112
Current Assets:					
Financial Assets:					
Trade Receivables	3	626	1,091	3,111	4,680
Cash and Cash Equivalents	4	58	582	288	2,497
		684	1,673	3,399	7,177
Total		684	1,699	3,399	7,289
EQUITY AND LIABILITIES:					
Equity:					
Equity Share Capital	5	0	0	0	0
Other Equity	6	620	621	3,081	2,665
		620	621	3,081	2,665
Current Liabilities:					
Financial Liabilities:					
Trade Payables	7	64	1,078	318	4,624
Total		684	1,699	3,399	7,289
Significant Accounting Policies	II				
Notes to the Financial Statements	1 to 15				

Statement of Profit and Loss for the year ended December 31, 2016

Particulars	Note No.	ZAR- Thousands		INR- Thousands	
		Year ended December 31			
		2016	2015	2016	2015
REVENUE:					
Revenue from Operations	8	15,027	13,982	68,824	70,470
Total Revenue		15,027	13,982	68,824	70,470
EXPENSES:					
Finance Costs	9	8	8	37	40
Depreciation, Amortisation and Impairment expenses	1	-	-	-	-
Other Expenses	10	15,019	13,972	68,787	70,419
Total Expenses		15,027	13,980	68,824	70,459
Profit before Tax		-	2	-	11
Less: Tax Expense:					
Current Tax		1	-	5	-
[Loss]/ Profit for the year		(1)	2	(5)	11
OTHER COMPREHENSIVE INCOME:					
Other Comprehensive Income for the year, net of tax		-	-	-	-
Total Comprehensive Income for the year		(1)	2	(5)	11
Basic & Diluted Earning per Equity Share [EPS] [in ZAR / Rupees]	11	(1,000)	2,000	(5,000)	11,000
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 25, 2017

Director

Script Management Services (Pty) Ltd.					
Statement of Change in Equity for the year ended December 31, 2016					
a Equity Share Capital:		No. of Shares	ZAR- Thousands	INR- Thousands	
Ordinary Shares of Currency ZAR 1/- each, Issued, Subscribed and Fully Paid-up:					
As at December 31, 2014 [ZAR 1/-]		1	0	0	
As at December 31, 2015 [ZAR 1/-]		1	0	0	
As at December 31, 2016 [ZAR 1/-]		1	0	0	
		ZAR- Thousands			
b Other Equity:		Securities Premium Reserve	Retained Earnings	Total	
As at December 31, 2014		300	319	619	
Add: Profit for the year			2	2	
As at December 31, 2015		300	321	621	
Less: Loss for the year			(1)	(1)	
As at December 31, 2016		300	320	620	
				-	
		INR- Thousands			
b Other Equity:		Foreign Currency Translation Reserve	Securities Premium Reserve	Retained Earnings	Total
As at December 31, 2014		-	1,287	1,805	3,092
Add: Profit for the year				11	11
Less: Deduction for the year #		(438)			(438)
As at December 31, 2015		(438)	1,287	1,816	2,665
Add: Profit for the year				(5)	(5)
Add: Addition for the year #		217			217
As at December 31, 2016		(221)	1,287	1,811	2,877
# Includes adjustments on account of exchange rate translation differences.					-
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 25, 2017		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 Other Equity.

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 Financial instruments:

Financial instruments at amortised cost:

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

6 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.

7 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.

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. The amount of revenue can be measured reliably.

C it is probable that the economic benefits associated with the transaction will flow to the company; and

D the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Script Management Services (Pty) Ltd.

II-Significant Accounting Policies- Continued:

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.

Notes to the Financial Statements

Note: 1: Property, Plant and Equipment & Intangible Assets:

	Property Plant and Equipmer		Intangilbe Assets	
	Office Equipment		Brands/ Trademark	
	ZAR- Thousands	INR- Thousands	ZAR- Thousands	INR- Thousands
Gross Block:				
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
Additions	-	-	-	-
Disposals	-	-	-	-
Other adjustments	-	17	-	156
As at December 31, 2016	26	129	230	1,143
Depreciation and Impairment:				
As at December 31, 2014	26	142	230	1,258
Charge for the year	-	-	-	-
Impairment for the year	-	-	-	-
Disposals	-	-	-	-
Other adjustments	-	(30)	-	(271)
As at December 31, 2015	26	112	230	987
Charge for the year	-	-	-	-
Impairment for the year	-	-	-	-
Disposals	-	-	-	-
Other adjustments	-	17	-	156
As at December 31, 2016	26	129	230	1,143
Net Block:				
As at December 31, 2015	-	-	-	-
As at December 31, 2016	-	-	-	-

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

Script Management Services (Pty) Ltd.				
Notes to the Financial Statements				
	ZAR- Thousands		INR- Thousands	
	As at December 31			
	2016	2015	2016	2015
Note: 2-Other Non-Current Assets:				
[Unsecured, Considered Good unless otherwise stated]				
Balances with Statutory Authorities	-	26	-	112
Total	-	26	-	112
Note: 3-Trade Receivables:				
Others- Considered good [Unsecured]	626	1,091	3,111	4,680
Total	626	1,091	3,111	4,680
Note: 4-Cash and Cash Equivalents:				
Balances with Banks	58	582	288	2,497
Total	58	582	288	2,497
Note: 5-Equity Share Capital:				
Authorised:				
1 [as at December 31, 2015: 1] Ordinary Share of ZAR 1/- each]	0	0	0	0
	0	0	0	0
Issued, Subscribed and Fully Paid-up Equity Shares:				
1 [as at December 31, 2015: 1] Ordinary Share of ZAR 1/- each, fully paid-up [ZAR 1/- (as at December 31, 2015: ZAR 1/-)]	0	0	0	0
	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, Zyodus Healthcare SA (Pty) Limited, a company incorporated in South Africa which is a subsidiary company of Zyodus International Private Limited,[Refer Note 14] 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: 6-Other Equity:				
Other Reserves:				
Securities Premium Reserve:				
Balance as per last Balance Sheet	300	300	1,491	1,287
Foreign Currency Translation Reserve:				
Balance as per last Balance Sheet			(438)	-
Less [Add]: Exchange Rate differences on translation to INR			217	(438)
	-	-	(221)	(438)
Retained Earnings:				
Balance as per last Balance Sheet	321	319	1,816	1,805
[Less]/ Add: [Loss]/ Profit for the year	(1)	2	(5)	11
Balance as at the end of the year	320	321	1,811	1,816
Total	620	621	3,081	2,665
Note: 7-Trade Payables:				
Trade Payables	64	1,078	318	4,624
Total	64	1,078	318	4,624
ZAR- Thousands INR- Thousands				
Year ended December 31				
	2016	2015	2016	2015
Note: 8-Revenue from Operations:				
Data fees income	14,983	13,944	68,622	70,278
Key account management fees	44	38	202	192
Total	15,027	13,982	68,824	70,470
Note: 9-Finance Cost:				
Bank commission & charges	8	8	37	40
Total	8	8	37	40
Note: 10-Other Expenses:				
Data fees and IT Vendor data expenses	14,983	13,944	68,622	70,278
Miscellaneous Expenses - Payment to the auditors as "Auditor"	36	28	165	141
Total	15,019	13,972	68,787	70,419

Script Management Services (Pty) Ltd.

Notes to the Financial Statements

Note: 11-Calculation of Earnings per Equity Share [EPS]:

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

A [Loss]/ Profit attributable to Shareholders	(1)	2	(5)	11
B Basic and weighted average number of Equity shares outstanding during the year	1	1	1	1
	ZAR		INR	
C Nominal value of equity share	1	1		
D Basic & Diluted EPS	(1000)	2000	(5000)	11000

Note: 12-Segment Information:

The Chief Operating Decision Maker [CODM] review the Company as a single segment, namely "Extraction, analysis and reporting of data related to dispensed medicines by pharmacies".

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 [Ireland] [Refer Note 14]
c Ultimate Holding Company:	Cadila Healthcare Limited, a company incorporated in India
d Fellow Subsidiaries:	
Dialforhealth India Limited	Zydus Nikkho Farmaceutica Ltda. [Brazil]
Dialforhealth Unity Limited	Laboratorios Combix S.L. [Spain]
Dialforhealth Greencross Limited	Zydus Noveltech Inc. [USA]
Zydus Wellness Limited	Hercon Pharmaceuticals LLC [USA]
M/s. Zydus Wellness-Sikkim, a Partnership Firm	Simayla Pharmaceuticals (Pty) Ltd [South Africa]
Zydus Healthcare Limited	Alidac Healthcare (Myanmar) Limited [Myanmar]
Zydus Technologies Limited	Zydus Pharmaceuticals Mexico SA De CV [Mexico]
Liva Pharmaceuticals Limited	Etna Biotech S.R.L. [Italy]
Alidac Pharmaceuticals Limited	ZAHL B.V. [the Netherlands]
Zydus Netherlands B.V. [the Netherlands]	ZAHL Europe B.V. [the Netherlands]
Zydus Healthcare (USA) LLC [USA]	Bremer Pharma GmbH [Germany]
Zydus Healthcare Philippines Inc [Philippines]	Nesher Pharmaceuticals (USA) LLC [USA]
Zydus Worldwide DMCC [Dubai] [Refer Note 13]	Zydus France, SAS [France]
Zydus Discovery DMCC [Dubai]	Zydus Pharma Japan Co. Ltd. [Japan] [Liquidated during the year]
Zydus Lanka (Private) Limited [Srilanka]	Zydus Pharmaceuticals Mexico Services Company SA De C.V. [Mexico]
Zydus Pharmaceuticals (USA) Inc.[USA]	

e Directors:

Mr. G. Jain [Resigned w.e.f. February 24, 2016]	Mr. S.R.Gadhia [Appointed w.e.f. February 24, 2016]
Mr. Vineet Shiva [Appointed w.e.f. February 24, 2016]	Mrs. I.F.Oliver

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	ZAR- Thousands		INR- Thousands	
	Year ended December 31			
	2016	2015	2016	2015
Service Income:				
Data Fees	14,983	13,944	68,622	70,278
Key Account Management Fees	44	38	202	192
		As at December 31		
	2016	2015	2016	2015
Outstanding:				
Receivable	626	1,091	3,111	4,680

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

Note: 14 Post reporting date events :

Pursuant to the Share Purchase Agreement [SPA] entered into by Zydus International Private Limited [ZIPL], Ireland [wholly owned subsidiary of Cadila Healthcare Limited [CHL], India] on March 24, 2017 with Zydus Worldwide DMCC [ZWD], Dubai [wholly owned subsidiary of CHL], ZWD had acquired 100% of the share capital of Zydus Healthcare SA (Pty) Ltd [ZHSA], South Africa, for Cash Consideration. Pursuant to this, ZHSA has become direct overseas subsidiary of ZWD and the Company has become step down subsidiary of ZWD. CHL continues to be the ultimate holding company of the Company.

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 25, 2017

Director

Script Management Services (Pty) Ltd.
Cash Flow Statement for the year ended December 31, 2016

Particulars	ZAR- Thousands		INR- Thousands	
	Year ended December 31			
	2016	2015	2016	2015
A Cash flows from operating activities:				
Profit before tax	-	2	-	11
Operating profit before working capital changes	-	2	-	11
Adjustments for:				
Decrease in trade receivables	465	802	2,130	4,042
Decrease/ [Increase] in other current assets	26	(14)	119	(71)
[Decrease] in trade payables	(1,014)	(222)	(4,644)	(1,119)
Total	(523)	566	(2,395)	2,852
Cash generated from operations	(523)	568	(2,395)	2,863
Direct taxes paid [Net of refunds]	(1)	(2)	(5)	(11)
Net cash from [used] operating activities	(524)	566	(2,400)	2,852
B Cash flows from investing activities:				
Net cash used [from] in investing activities	-	-	-	-
C Cash flows from financing activities:				
Net cash used [from] in financing activities	-	-	-	-
Net increase in cash and cash equivalents	(524)	566	(2,400)	2,852
Increase/ [Decrease] due to the translation to INR [Refer Note-3]	-	-	191	(443)
Cash and cash equivalents at the beginning of the year	582	16	2,497	88
Cash and cash equivalents at the end of the year	58	582	288	2,497

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 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 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 25, 2017

Director