

**Simayla Pharmaceuticals (Pty) Ltd.**  
**Balance Sheet as at December 31, 2015**

Particulars	Note No.	ZAR-Thousands		INR-Thousands	
		As at December 31			
		2015	2014	2015	2014
<b>EQUITY AND LIABILITIES:</b>					
<b>Shareholders' Funds:</b>					
Share Capital	1	0	0	1	1
Reserves and Surplus	2	(101,060)	(101,054)	(433,549)	(552,766)
		(101,060)	(101,054)	(433,548)	(552,765)
<b>Non-Current Liabilities:</b>					
Long Term Borrowings	3	90,118	90,118	386,606	492,945
<b>Current Liabilities:</b>					
Other Current Liabilities	4	10,954	10,954	46,993	59,918
		10,954	10,954	46,993	59,918
<b>Total</b>		<b>12</b>	<b>18</b>	<b>51</b>	<b>98</b>
<b>ASSETS:</b>					
<b>Non-Current Assets:</b>					
Fixed Assets:					
Tangible Assets	5	-	-	-	-
<b>Current Assets:</b>					
Cash and Bank Balances	6	12	18	51	98
<b>Total</b>		<b>12</b>	<b>18</b>	<b>51</b>	<b>98</b>
<b>Significant Accounting Policies</b>	II				
<b>Notes to the Financial Statements</b>	1 to 12				

**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
<b>EXPENSES:</b>					
Finance Costs	7	4	4	20	22
Depreciation and Impairment expenses	5	-	-	-	-
Other Expenses	8	2	-	10	-
Total Expenses		6	4	30	22
<b>Loss for the year</b>		<b>(6)</b>	<b>(4)</b>	<b>(30)</b>	<b>(22)</b>
		<b>ZAR</b>		<b>INR</b>	
<b>Basic &amp; Diluted Earning per Equity Share [EPS]</b>	9	<b>(30)</b>	<b>(20)</b>	<b>(150)</b>	<b>(110)</b>
<b>Significant Accounting Policies</b>	II				
<b>Notes to the Financial Statements</b>	1 to 12				

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

## Simayla Pharmaceuticals (Pty) Ltd.

### I-Company overview:

The company is engaged in pharmaceutical and operates principally in South Africa. It is wholly owned subsidiary of Zydus Healthcare SA (Pty) Ltd, which is wholly owned subsidiary of Zydus International Private Limited and ultimate holding company is Cadila Healthcare Limited, based in India.

### II-Significant Accounting Policies:

#### 1 Basis of Accounting:

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

#### 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 period.

**B** Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

**C** Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

**D** Depreciation is provided using the straight line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment which is as follows:

<u>Item</u>	<u>Average useful life</u>	<u>Item</u>	<u>Average useful life</u>
Furniture and fixtures	6 years	IT Equipment	6 years
Motor vehicles	5 years	Leasehold improvements	5 years
Office Equipment	3 years		

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

**F** Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separated over its useful life.

**G** Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

#### 4 Impairment of assets:

The company assess at each balance sheet date whether there is any indication that an asset may be impaired. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs, is determined. 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.

#### 5 Revenue Recognition:

**A** Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and VAT.

**B** Revenue in respect of sales is recognised when goods are dispatched to the customers.

**C** Interest income is recognised on time proportionate method.

**D** Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.

#### 6 Provisions and contingencies:

**A** Provisions are recognised when:

- i The company has an obligation at the reporting period date as a result of a past event;
- ii It is probable that the company will be required to transfer economic benefits in settlement; and
- iii The amount of the obligation can be estimated reliably.

**B** Contingent assets and liabilities are not recognised.

#### 7 Borrowing Costs:

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

#### 8 Deferred tax assets and liabilities:

**A** A deferred tax liability is recognised for all taxable temporary differences.

**B** A deferred tax asset is recognized for all deductible temporary differences and unused tax losses and unused tax credits.

**C** Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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 period date.

#### 9 Inventories:

Inventories are measured at the lower of cost and selling price less costs to complete and sell, on the first-in, first-out [FIFO] basis.

**Simayla Pharmaceuticals (Pty) Ltd.**  
**Notes to the Financial Statements**

	ZAR-Thousands		INR-Thousands	
	As at December 31			
	2015	2014	2015	2014
<b>Note: 1-Share Capital:</b>				
<b>Authorised:</b>				
1,000 [as at December 31, 2014: 1,000] Ordinary shares of ZAR 1/- each	1	1	4	5
	1	1	4	5
<b>Issued, Subscribed and Paid-up:</b>				
200 [as at December 31, 2014: 200] Ordinary shares of ZAR 1/- each	0	0	1	1
fully paid [ZAR 200 (as at December 31, 2014:ZAR 200)]	0	0	1	1
A There is no change in number of shares as at the beginning and end of year. Number of shares at the beginning and end of year	200	200		
B The Company has only ordinary shares. All shares rank pari passu and carry equal rights with respect to voting and dividend. In the event of liquidation of the Company, the shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all preferential amounts.				
C Ordinary shares 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	200 100%	200 100%		
<b>Note: 2-Reserves and Surplus:</b>				
<b>Securities Premium Reserve:</b>				
Balance as per last Balance Sheet	5,500	5,500	23,595	30,085
<b>Foreign Currency Translation Reserve:</b>				
Balance as per last Balance Sheet	-	-	23,441	-
Add: Exchange Rate differences on translation to INR	-	-	125,737	23,441
	-	-	149,178	23,441
<b>Surplus in statement of Profit and Loss:</b>				
Balance as per last Balance Sheet	(106,554)	(106,550)	(606,292)	(606,270)
Add: Loss for the year	(6)	(4)	(30)	(22)
Balance as at the end of the year	(106,560)	(106,554)	(606,322)	(606,292)
<b>Total</b>	(101,060)	(101,054)	(433,549)	(552,766)
<b>Note: 3-Long Term Borrowings:</b>				
Loan from a Related Party [Unsecured] [*]	90,118	90,118	386,606	492,945
<b>Total</b>	90,118	90,118	386,606	492,945
[*] This loan carries interest from time to time and no fixed terms of repayment exist at year end.				
<b>Note: 4-Other Current Liabilities:</b>				
Interest accrued but not due on borrowings	10,954	10,954	46,993	59,918
<b>Total</b>	10,954	10,954	46,993	59,918

**Simayla Pharmaceuticals (Pty) Ltd.**  
**Notes to the Financial Statements**

**Note: 5-Tangible Assets:**

	ZAR Thousands			INR Thousands		
	IT Equipment	Vehicles	Total	IT Equipment	Vehicles	Total
Gross Block:						
As at December 31, 2013	158	180	338	899	1,024	1,923
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	(35)	(39)	(74)
As at December 31, 2014	158	180	338	864	985	1,849
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	(186)	(213)	(399)
As at December 31, 2015	158	180	338	678	772	1,450
Depreciation and Impairment:						
As at December 31, 2013	158	180	338	899	1,024	1,923
Charge for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	(35)	(39)	(74)
As at December 31, 2014	158	180	338	864	985	1,849
Charge for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	(186)	(213)	(399)
As at December 31, 2015	158	180	338	678	772	1,450
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-Cash and Bank Balances:**

Balances with Banks	12	18	51	98
<b>Total</b>	12	18	51	98

	ZAR-Thousands		INR-Thousands	
	Year ended December 31			
	2015	2014	2015	2014

**Note: 7-Finance Cost:**

Bank Commission & charges	4	4	20	22
<b>Total</b>	4	4	20	22

**Note: 8-Other Expenses:**

Miscellaneous Expenses - Payment to the auditors for Audit fees	2	-	10	-
<b>Total</b>	2	-	10	-

**Simayla Pharmaceuticals (Pty) Ltd.**  
**Notes to the Financial Statements**

	ZAR-Thousands		INR-Thousands	
	Year ended December 31			
	2015	2014	2015	2014

**Note: 9-Calculation of Earnings per Equity Share [EPS]:**

The numerators and denominators used to calculate the basic and diluted EPS are:					
A	Loss attributable to Shareholders	(6)	(4)	(30)	(22)
B	Basic and weighted average number of shares outstanding during year	200	200	200	200
		<b>ZAR</b>		<b>INR</b>	
C	Nominal value of equity share	1	1		
D	Basic & Diluted EPS	(30)	(20)	(150)	(110)

**Note: 10-Related Party Transactions:**

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

<b>a Holding Company:</b>	Zydus Healthcare SA (Pty) Ltd [South Africa]
<b>b Holding Company of Holding Company:</b>	Zydus International Private Limited [Ireland]
<b>c Ultimate Holding Company:</b>	Cadila Healthcare Limited [India]
<b>d Fellow Subsidiaries/ Concerns:</b>	
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 Wellness Limited	Script Management Services (Pty) Ltd [South Africa]
M/s. Zydus Wellness-Sikkim, a Partnership Firm	Zydus Nikkho Farmaceutica Ltda. [Brazil]
Zydus Technologies Limited	Zydus Pharma Japan Co. Ltd. [Japan]
Biochem Pharmaceutical Industries Limited	Laboratorios Combix S.L. [Spain]
Alidac Pharmaceuticals Limited [Formerly known as Zydus BSV Pharma Private Limited]	Zydus Pharmaceuticals Mexico SA De CV [Mexico]
M/s. Zydus Healthcare, a Partnership Firm	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]
Zydus Lanka (Private) Limited [Sri Lanka]	ZAHL B.V. [the Netherlands]
Etna Biotech S.R.L. [Italy]	ZAHL Europe B.V. [the Netherlands]
Zydus Netherlands B.V. [the Netherlands]	Bremer Pharma GmbH [Germany]
Zydus France, SAS [France]	Zydus Worldwide DMCC [Dubai]
Zydus Healthcare Philippines Inc [Philippines]	Zydus Discovery DMCC [Dubai]
<b>e Directors:</b>	
Mrs. I.F.Oliver	Mr. V Shiva [Appointed w.e.f. February 24, 2016]
Mr. S.R.Gadhia [Appointed w.e.f. February 24, 2016]	Mr G Jain [Resigned w.e.f. February 24, 2016]

**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 10 - A [a]

Nature of Transactions

**Outstanding:**

**Payable**

Zydus Healthcare SA (Pty) Ltd

- b** There are no transactions with parties referred to in items 10 - A [b, c, d & e].

Value of the Transactions			
ZAR-Thousands		INR-Thousands	
Year ended December 31			
2015	2014	2015	2014
101,072	101,072	433,599	552,864

**Note: 11-Going Concern:**

The company has accumulated losses of ZAR 106,560 Thousands [as at 31st Dec'2014: ZAR 106,054 Thousand] and company's total liabilities exceed its assets by ZAR 101,060 Thousands.

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

The company has ceased all trading activities since the 2013 financial year. All trading activities have been taken over by the holding company

**Simayla Pharmaceuticals (Pty) Ltd.**  
**Notes to the Financial Statements**

**Note: 12**

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 12 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

**Simayla Pharmaceuticals (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
<b>A Cash flows from operating activities:</b>				
Loss before tax	(6)	(4)	(30)	(22)
<b>Net increase in cash and cash equivalents</b>	<b>(6)</b>	<b>(4)</b>	<b>(30)</b>	<b>(22)</b>
<b>Increase/ [Decrease] due to the translation to INR [Refer Note-3]</b>	<b>-</b>	<b>-</b>	<b>(17)</b>	<b>(5)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>18</b>	22	<b>98</b>	125
<b>Cash and cash equivalents at the end of the year</b>	<b>12</b>	18	<b>51</b>	98

**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 12, 2016

Director