

Zydus Healthcare SA (Pty) Ltd

(Registration number 1998/014338/07)
Trading as Zydus Healthcare SA (Pty) Ltd

Financial statements
for the year ended 31 December 2022

Zydus Healthcare SA (Pty) Ltd

(Registration number: 1998/014338/07)

Trading as Zydus Healthcare SA (Pty) Ltd

Financial Statements for the year ended 31 December 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Pharmaceutical industry
Directors	I F Oliver V Shiva N Y Shah
Registered office	22 Karee Street Southdowns office park Centurion, Gauteng South Africa 0157
Postal address	Postnet Suite 100 Private Bag X32 Highveld Park 0169
Bankers	Standard Chartered Bank ABSA Standard Bank
Auditors	GNR Auditors Chartered Accountants (SA) Registered Auditors
Company registration number	1998/014338/07
Tax reference number	9167004614
Preparer	The financial statements were internally compiled by: ADVA Auditors Incorporated



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Financial Statements for the year ended 31 December 2022

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The reports and statements set out below comprise the financial statements presented to the shareholder:

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The following supplementary information does not form part of the financial statements and is unaudited:	
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Level of assurance

These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa, 71 of 2008.



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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year ended 31 December 2022 and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2023 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 6 - 7.

The financial statements set out on pages 9 to 22, which have been prepared on the going concern basis, were approved by the directors on 12 April 2023 and were signed on its behalf by:

Approval of financial statements



I F Oliver



N V Shah



V Shiva

Wednesday, 12 April 2023

Zydus Healthcare SA (Pty) Ltd

(Registration number: 1998/014338/07)

Trading as Zydus Healthcare SA (Pty) Ltd

Financial Statements for the year ended 31 December 2022

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Zydus Healthcare SA (Pty) Ltd for the year ended 31 December 2022.

1. Nature of business

Zydus Healthcare SA (Pty) Ltd was incorporated in South Africa with interests in the pharmaceutical industry. The company operates in South Africa.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Directors

The directors in office at the date of this report are as follows:

Directors	Nationality
I F Oliver	RSA
V Shiva	India
N Y Shah	India

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

7. Auditors

GNR Auditors will continue in office in accordance with section 90 of the Companies Act of South Africa, 71 of 2008.

8. Secretary

The company had no secretary during the year.

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Directors' Report

The financial statements set out on pages 9 to 22, which have been prepared on the going concern basis, were approved by the directors on 12 April 2023, and were signed on its behalf by:

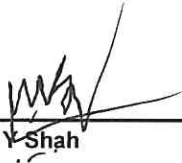
Approval of financial statements



I F Oliver



V Shiva



N Y Shah



Chartered Accountants (SA)
Registered Auditors

☎ 018 293 2726

☎ 018 462 8039 (Klerksdorp)

📄 018 293 2753

📄 018 462 8245 (Klerksdorp)

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Peter Mokaba Avenue 86
Potchefstroom
2531

✉ 20395
Noordbrug
2522

Independent Auditor's Report

To the Shareholder of Zydus Healthcare SA (Pty) Ltd

Opinion

We have audited the financial statements of Zydus Healthcare SA (Pty) Ltd (the company) set out on pages 9 to 22, which comprise the statement of financial position as at 31 December 2022, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Zydus Healthcare SA (Pty) Ltd as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, 71 of 2008.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Zydus Healthcare SA (Pty) Ltd financial statements for the year ended 31 December 2022", which includes the Directors' Report as required by the Companies Act of South Africa, 71 of 2008 and the supplementary information as set out on pages 23 to 24, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

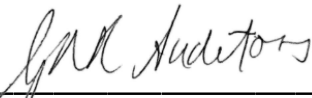
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



12 April 2023

GNR Auditors
M Rademeyer CA(SA)
Partner
Chartered Accountants (SA)
Registered Auditors

Practitioner's Compilation Report

To the Management of Zydus Healthcare SA (Pty) Ltd

We have compiled the financial statements of Zydus Healthcare SA (Pty) Ltd, as set out on pages 9 - 22, based on information you have provided. These financial statements comprise the statement of financial position of Zydus Healthcare SA (Pty) Ltd as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.



12 April 2023
Pretoria

ADVA Auditors Incorporated
Corniel de Villiers
Director
Chartered Accountants (S.A.)

Zydus Healthcare SA (Pty) Ltd

(Registration number: 1998/014338/07)

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Financial Statements for the year ended 31 December 2022

Statement of Financial Position as at 31 December 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	198,117	194,189
Investments in subsidiaries	3	63,997,517	63,997,517
Loans to group companies	4	90,117,511	90,117,511
Other assets	5	12,168,680	11,982,531
Deferred tax	6	1,501,236	1,841,948
		167,983,061	168,133,696
Current Assets			
Inventories	7	49,483,518	41,078,352
Trade and other receivables	8	121,442,141	141,546,156
Other assets	5	3,292,938	739,058
Cash and cash equivalents	9	18,714,392	20,516,297
		192,932,989	203,879,863
Total Assets		360,916,050	372,013,559
Equity and Liabilities			
Equity			
Share capital	10	140,504,149	140,504,149
Reserves	11	(33,217,210)	(33,217,210)
Retained income		38,650,525	28,368,107
		145,937,464	135,655,046
Liabilities			
Non-Current Liabilities			
Loans from group companies	4	55,137,688	55,107,259
Current Liabilities			
Trade and other payables	14	144,212,047	163,045,151
Other current liabilities	12	11,990,600	15,524,113
Current tax payable		829,512	620,244
Provisions	13	2,808,739	2,061,746
		159,840,898	181,251,254
Total Liabilities		214,978,586	236,358,513
Total Equity and Liabilities		360,916,050	372,013,559

Zydus Healthcare SA (Pty) Ltd

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2022	2021
Revenue	15	411,258,812	355,721,808
Cost of sales	16	(154,421,117)	(161,311,001)
Gross profit		256,837,695	194,410,807
Other income	17	470,969	332,312
Operating expenses		(243,773,321)	(184,472,862)
Operating profit		13,535,343	10,270,257
Interest revenue	19	1,309,466	785,654
Finance costs	20	(486,411)	(802,820)
Profit before taxation		14,358,398	10,253,091
Taxation	21	(4,075,980)	(2,872,299)
Profit for the year		10,282,418	7,380,792
Other comprehensive income		-	-
Total comprehensive income for the year		10,282,418	7,380,792

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Statement of Changes in Equity

Figures in Rand	Share capital	FCTR Reserve	Retained income	Total equity
Balance at 31 December 2020	140,504,149	(33,217,210)	20,987,315	128,274,254
Profit for the year	-	-	7,380,792	7,380,792
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	7,380,792	7,380,792
Balance at 31 December 2021	140,504,149	(33,217,210)	28,368,107	135,655,046
Profit for the year	-	-	10,282,418	10,282,418
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	10,282,418	10,282,418
Balance at 31 December 2022	140,504,149	(33,217,210)	38,650,525	145,937,464

Note(s)

11

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Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash receipts from customers		431,362,827	345,084,995
Cash paid to suppliers and employees		(430,761,985)	(331,590,275)
Cash generated from operations	22	600,842	13,494,720
Tax paid	23	(3,526,000)	(2,287,974)
Net cash from operating activities		(2,925,158)	11,206,746
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(118,285)	(134,675)
Proceeds from sale of property, plant and equipment	2	55,404	-
Interest Income		1,309,466	785,654
Net cash from investing activities		1,246,585	650,979
Cash flows from financing activities			
Finance costs		(123,332)	(802,818)
Total cash movement for the year		(1,801,905)	11,054,907
Cash and cash equivalents at the beginning of the year		20,516,297	9,461,390
Total cash at end of the year	9	18,714,392	20,516,297

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Financial Statements for the year ended 31 December 2022

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa, 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period except for otherwise mentioned.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use for performing various business operations or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leasehold property	Straight line	Over period of the lease
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
IT equipment	Straight line	3 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.2 Investments in subsidiaries

Investments in subsidiaries are measured at cost.

Zydus Healthcare SA (Pty) Ltd

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Financial Statements for the year ended 31 December 2022

Accounting Policies

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria, 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.

Effective from 1st January 2021, the Company has amended accounting policy of restating financial instruments at each reporting date and accordingly booked a profit or loss into "Statement of Comprehensive Income" under finance cost for the year ended 31 December 2021.

1.4 Tax

Current tax assets and liabilities

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.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

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

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses.

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 end of the reporting period.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.5 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the weighted average cost basis.

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that any other assets may be impaired.

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Financial Statements for the year ended 31 December 2022

Accounting Policies

1.6 Impairment of assets (continued)

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its 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.

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.

1.7 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 its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.8 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.9 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding VAT.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.10 Other liability

Zydus Healthcare SA (Pty) Ltd (Distributor) has entered into supply and distribution agreement with Zydus Lifesciences Limited formerly known as Cadila Healthcare Limited(ultimate holding company)(Principal).

The agreement stipulates that the price of the products supplied to the distributor by the principal shall be readjusted on a quarterly basis to bring the EBITA of the distributor in line with the arm's length margin earned by comparable uncontrolled companies in the territory of the distributor.

The adjustment to be made in the form of overall price (True up) will be worked out mutually in order to maintain the EBITA outcome for the distributor to be within the range of comparable companies in a manner which satisfies the arm's length criteria under the transfer pricing regulations of both India and South Africa.

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Zydus Healthcare SA (Pty) Ltd

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Financial Statements for the year ended 31 December 2022

Notes to the Financial Statements

Figures in Rand

2022

2021

2. Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Leasehold Improvements	389,177	(389,177)	-	389,177	(389,177)	-
Furniture and fixtures	567,170	(551,027)	16,143	567,170	(518,819)	48,351
Motor vehicles	319,161	(319,161)	-	475,161	(475,161)	-
Office equipment	185,416	(178,408)	7,008	185,416	(172,610)	12,806
IT equipment	522,812	(347,846)	174,966	505,422	(372,390)	133,032
Total	1,983,736	(1,785,619)	198,117	2,122,346	(1,928,157)	194,189

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	48,351	-	(32,208)	16,143
Office equipment	12,806	-	(5,798)	7,008
IT equipment	133,032	118,284	(76,350)	174,966
	194,189	118,284	(114,356)	198,117

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	84,031	-	(35,680)	48,351
Office equipment	18,604	-	(5,798)	12,806
IT equipment	46,466	134,675	(48,109)	133,032
	149,101	134,675	(89,587)	194,189

3. Investments in subsidiaries

Name of subsidiary	% holding 2022	% holding 2021	Carrying amount 2022	Carrying amount 2021
Unlisted Investment - Simayla Pharmaceuticals (Pty) Ltd	100.00 %	100.00 %	63,697,517	63,697,517
Unlisted Investment - Script Management Services (Pty) Ltd	100.00 %	100.00 %	300,000	300,000
			63,997,517	63,997,517

Zydus Healthcare SA (Pty) Ltd

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Figures in Rand	2022	2021
4. Loans to (from) group companies		
Simayla Pharmaceuticals (Pty) Ltd	90,117,511	90,117,511
No fixed terms of repayment exists at year end.		
Zydus International PVT Ltd	(55,137,688)	(55,107,259)
The loan has no fixed repayment terms and interest rates are linked to EURO LIBOR.		
	34,979,823	35,010,252
Net loans to (from) group companies		
Non-current assets	90,117,511	90,117,511
Non-current liabilities	(55,137,688)	(55,107,259)
	34,979,823	35,010,252
5. Other assets		
Other non-current assets		
Deposits	824,999	703,850
Interest receivable	10,953,681	10,953,681
Loan - BEE Compliance	390,000	325,000
	12,168,680	11,982,531
Other current assets		
Customs VAT	1,782,783	580,718
VAT refund receivable	870,113	-
Prepaid expense	640,042	158,340
	3,292,938	739,058
Total other assets	15,461,618	12,721,589
6. Deferred tax		
The major components of the deferred tax balance are as follows:		
Reconciliation of deferred tax asset/(liability)		
At beginning of year	1,841,948	1,834,029
Recognised in profit or loss:		
Movement in temporary differences on inventory provision	(521,033)	(87,871)
Movement in temporary differences on salary related provisions	180,321	95,790
At end of year	1,501,236	1,841,948
7. Inventories		
Finished goods	52,159,911	45,519,992
	52,159,911	45,519,992
Inventories (write-downs)	(2,676,393)	(4,441,640)
	49,483,518	41,078,352

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Figures in Rand	2022	2021
8. Trade and other receivables		
Trade receivables	120,711,138	140,597,533
Other receivables	731,003	948,623
	121,442,141	141,546,156
9. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	18,714,392	20,516,297
10. Share capital		
Authorised number of shares		
Ordinary shares	70,000,000	70,000,000
Preference shares	10,000,000	10,000,000
	80,000,000	80,000,000
Issued number of shares		
Ordinary shares	57,704,149	57,704,149
Preference shares	5,877,000	5,877,000
	63,581,149	63,581,149
Issued		
Ordinary	57,704,149	57,704,149
Preference	82,800,000	82,800,000
	140,504,149	140,504,149
11. FCTR Reserve		
Reported as at 31 December	(33,217,210)	(33,217,210)
12. Other current liabilities		
VAT payable	-	3,933,978
Interest payable	11,516,643	11,183,993
Other	458,707	338,892
Advance received from customer	15,250	67,250
	11,990,600	15,524,113

Notes to the Financial Statements

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13. Provisions

Reconciliation of provisions - 2022

	Opening balance	Created/(reversed) during the year	Closing balance
Provisions for leave pay	49,746	458,895	508,641
Provision for annual bonus and incentives	2,012,000	288,098	2,300,098
	2,061,746	746,993	2,808,739

Reconciliation of provisions - 2021

	Opening balance	Created/(reversed) during the year	Closing balance
Provisions for leave pay	214,641	(164,895)	49,746
Provision for annual bonus and incentives	1,505,000	507,000	2,012,000
	1,719,641	342,105	2,061,746

14. Trade and other payables

Trade payables	109,412,737	118,028,890
Other payables	34,799,310	45,016,261
	144,212,047	163,045,151

15. Revenue

Sale of goods	319,349,516	260,046,764
Out-Licensing	85,373,501	86,795,689
Tender Sales	6,741,870	8,658,364
Other	(206,075)	220,991
	411,258,812	355,721,808

16. Cost of sales

Sale of goods		
Cost of goods sold	154,421,117	161,311,001

17. Other income

Profit on sale of assets	55,404	500
Recoveries	-	311,298
SETA Refund	80,975	43,331
Sundry balances written back/(off)	334,590	(22,817)
	470,969	332,312

18. Auditor's remuneration

Audit Fees	447,000	363,750
Consulting	9,350	9,710
	456,350	373,460

19. Investment revenue

Interest revenue		
Interest Income	1,309,466	785,654

Notes to the Financial Statements

Figures in Rand	2022	2021
20. Finance costs		
Bank charges	113,303	115,209
ERF (gain)/loss	44,055	565,165
Interest expense - ZIPL	319,024	116,125
Bank interest	10,029	6,321
	486,411	802,820
21. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - year	3,735,268	2,879,000
South African normal tax - prior period (over) under provision	-	1,218
	3,735,268	2,880,218
Deferred taxation		
South African deferred tax - current year	340,712	(7,919)
	4,075,980	2,872,299
22. Cash generated from operations		
Net profit before taxation	14,358,398	10,253,091
Adjustments for:		
Depreciation, amortisation, impairments and reversals of impairments	114,357	89,587
Profit on sale of assets and liabilities	(55,404)	-
Movement in loans to or from group companies	30,429	467,035
Finance cost: Non-cash	363,079	681,289
Finance cost	123,332	121,529
Investment received	(1,309,466)	(785,654)
Changes in working capital:		
(Increase) decrease in inventories	(8,405,166)	635,889
(Increase) decrease in trade and other receivables	20,104,015	(10,636,813)
Movement in other current assets	(2,740,029)	(1,058,460)
Movement in other current liabilities	(3,896,592)	3,706,711
Increase (decrease) in trade and other payables	(18,833,104)	9,678,410
Movement in provisions	746,993	342,106
	600,842	13,494,720
23. Tax paid		
Balance at beginning of the year	(620,244)	(28,000)
Current tax for the year recognised in profit or loss	(3,735,268)	(2,880,218)
Balance at end of the year	829,512	620,244
	(3,526,000)	(2,287,974)

Notes to the Financial Statements

Figures in Rand	2022	2021
24. Related parties		
Relationships		
Ultimate holding company	Zydus Lifesciences Limited (formerly known as Cadila Healthcare Limited)	
Holding company	Zydus Worldwide DMCC	
Subsidiaries	Simayla Pharmaceuticals (Pty) Ltd Script Management Services (Pty) Ltd	
Other group companies	Zydus International Pvt. Ltd. Zydus Hospira Oncology Pvt. Ltd.	
Related party balances and transactions with entities with control, joint control or significant influence over the company		
Related party balances		
Loan accounts - Owing (to) by related parties		
Simayla Pharmaceuticals (Pty) Ltd	90,117,511	90,117,511
Zydus International PVT Ltd	(55,137,688)	(55,107,259)
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Zydus Lifesciences Limited	(53,036,984)	(40,398,522)
Zydus Lifesciences Limited - Regulatory cost	1,312,662	4,724,484
Zydus Hospira Oncology Pvt. Ltd.	-	(1,174,963)
Script Management Services (Pty) Ltd	(10,757,257)	(3,176,631)
True up adjustment (payable)/ receivable		
Zydus Lifesciences Limited	(23,759,555)	(57,413,987)
Zydus Lifesciences Limited- True up Receivable	25,735,472	24,214,534
Zydus Hospira Oncology Pvt. Ltd.	-	(1,239,580)
Amounts included in Interest Receivable (Interest Payable) regarding related parties		
Simayla Pharmaceuticals (Pty) Ltd	10,953,681	10,953,681
Zydus International PVT Ltd	(11,516,643)	(11,183,993)
Investments in subsidiaries		
Script Management Services (Pty) Ltd	300,000	300,000
Simayla Pharmaceuticals (Pty) Ltd	63,697,517	63,697,517
Share capital		
Zydus Worldwide DMCC	(140,504,149)	(140,504,149)
Related party transactions		
Interest paid to (received from) related parties		
Zydus International PVT Ltd	319,024	116,125
Purchases from (sales to) related parties		
Zydus Hospira Oncology Pvt. Ltd.	-	1,156,381
Zydus Lifesciences Limited	107,319,464	85,245,529
Administration fees paid to (received from) related parties		
Script Management Services (Pty) Ltd	54,000	51,640
Data fees expense to related parties		
Script Management Services (Pty) Ltd	103,836,721	68,502,856
True up expense (Income)		
Zydus Lifesciences Limited	3,394,702	22,114,824
Zydus Hospira Oncology Pvt. Ltd.	243,642	1,239,580

Notes to the Financial Statements

Figures in Rand

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24. Related parties (continued)

Directors' remuneration

V Shiva	2,578,087	2,623,626
NY Shah	1,193,307	1,083,756



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Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Revenue			
Sale of goods		319,349,516	260,046,764
Other		(206,075)	220,991
Out-Licensing		85,373,501	86,795,689
Tender Sales		6,741,870	8,658,364
	15	411,258,812	355,721,808
Cost of sales			
Opening stock		(41,078,352)	(41,714,241)
Purchases and adjustments		(162,826,283)	(160,675,112)
Closing stock		49,483,518	41,078,352
	16	(154,421,117)	(161,311,001)
		256,837,695	194,410,807
Gross profit			
Other income			
Recoveries		-	311,298
Seta Refund		80,975	43,331
Sundry balances written back		334,590	(22,817)
Profit on disposal of fixed assets		55,404	500
		470,969	332,312
Operating expenses			
Administration and management fees		(54,000)	(51,640)
Auditors remuneration	18	(456,350)	(373,460)
Consulting and professional fees		(108,685)	(443,108)
Consulting fees - BEE		(2,355,216)	(2,469,240)
Delivery expenses		(34,761,796)	(27,884,395)
Depreciation, amortisation and impairments		(114,357)	(89,587)
Distribution fees		(11,309,940)	(9,487,429)
Employee Benefits		(418,408)	(544,201)
Employee Cost - Stipend/ Learner		(927,637)	(349,996)
Employee costs		(40,605,309)	(36,692,333)
HR Admin Fees		(918,839)	(752,304)
IT expenses		(2,042,149)	(1,858,816)
Insurance		(443,978)	(230,488)
Lease rentals on operating lease		(1,355,475)	(1,263,234)
Loss on exchange differences		(9,579,368)	(6,341,529)
Market research: IMS Data Fees		(1,911,281)	(1,738,750)
Market research: Other expenses		(96,024,918)	(66,966,002)
Marketing expense : Sponsorships		(1,721,861)	(752,019)
Marketing expenses : CRM		(930,276)	(186,784)
Marketing expenses : Product Information		(4,582,337)	(2,528,357)
Marketing expenses: Sales promotion		(7,304,582)	(5,557,399)
Marketing expenses: Seminar & Conferences		(1,477,653)	(744,779)
Other expenses		(2,888,604)	(2,035,593)
Regulatory and lab testing		(2,497,342)	(1,934,461)
Repairs and maintenance		(189,920)	(98,478)
Sales Incentives		(4,586,120)	(5,315,683)
Staff welfare		(853,031)	(546,525)
Subscriptions		(355,937)	(347,289)
Telephone and fax		(879,772)	(820,677)
Travel - local		(12,118,180)	(6,068,306)

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Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
		(243,773,321)	(184,472,862)
Operating profit		13,535,343	10,270,257
Interest income	19	1,309,466	785,654
Finance costs		(486,411)	(802,820)
		823,055	(17,166)
Profit before taxation		14,358,398	10,253,091
Taxation	21	(4,075,980)	(2,872,299)
Profit for the year		10,282,418	7,380,792