

Simayla Pharmaceuticals (Pty) Ltd

(Registration number 2004/020942/07)

**Financial statements
for the year ended 31 December 2018**

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Simayla Pharmaceuticals (Pty) Ltd

(Registration number 2004/020942/07)

Financial Statements for the year ended 31 December 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Pharmaceutical Industry
Directors	IF Oliver V Shiva NY Shah
Registered office	22 Karee Street Southdowns Office Park Centurion, Gauteng South Africa 0157
Postal address	Postnet Suite 100 Private Bag X 32 Highveld Park 0169
Bankers	Standard Chartered Bank
Auditor's	GNR Auditors Chartered Accountants (SA) Registered Auditors
Company registration number	2004/020942/07
Tax reference number	9111780152

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

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





**Chartered Accountants (SA)
Registered Auditors**

☎ 018 293 2726
☎ 018 462 8039 (Klerksdorp)
📠 018 293 2753
📠 018 462 8245 (Klerksdorp)
E-mail: admin@gnrauditors.co.za
E-mail: klerksdorp@gnrauditors.co.za

Peter Mokaba Avenue 86
Potchefstroom
2531

✉ 20395
Noordbrug
2522

Independent Auditor's Report

To the shareholder of Simayla Pharmaceuticals (Pty) Ltd

Opinion

We have audited the Financial Statements of Simayla Pharmaceuticals (Pty) Ltd set out on pages 7 to 14, which comprise the Statement of Financial Position as at 31 December 2018, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and 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 Simayla Pharmaceuticals (Pty) Ltd as at 31 December 2018, and its financial performance and cash flows for the year then ended 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.

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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). 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 Directors' Report as required by the Companies Act of South Africa, 71 of 2008, which we obtained prior to the date of this report. 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 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, 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 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.

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.

Independent Auditor's Report

- 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.



GNR Auditors
CR Rademeyer
Partner
Chartered Accountants (SA)
Registered Auditor

25 March 2019

Simayla Pharmaceuticals (Pty) Ltd

(Registration number 2004/020942/07)

Financial Statements for the year ended 31 December 2018

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 and the results of its operations and cash flows for the year then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's is 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 board of directors sets 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 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 3.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2019 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 financial statements set out on pages 6 to 15, which have been prepared on the going concern basis, were approved by the board of directors on 25 March 2019 and were signed on its behalf by:


NY Shih


IF Oliver


V Shiva

Monday, 25 March 2019

Simayla Pharmaceuticals (Pty) Ltd

(Registration number 2004/020942/07)

Financial Statements for the year ended 31 December 2018

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Simayla Pharmaceuticals (Pty) Ltd for the year ended 31 December 2018.

1. Nature of business

Simayla Pharmaceuticals (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 the 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	
SR Gadhia	India	Resigned Friday, 14 September 2018
IF Oliver	RSA	
V Shiva	India	
NY Shah	India	Appointed Wednesday, 05 December 2018

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

7. Auditors

GNR Auditors continued in office as auditors for the company for 2019.

The financial statements set out on pages 6 to 14, which have been prepared on the going concern basis, were approved by the board of directors on 25 March 2019, and were signed on its behalf by:

Approval of financial statements



NY Shah



IF Oliver



V Shiva

Simayla Pharmaceuticals (Pty) Ltd

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Statement of Financial Position as at 31 December 2018

Figures in Rand

	Note(s)	2018	2017
Assets			
Current Assets			
Cash and cash equivalents			
Total Assets	4	-	1 570
Equity and Liabilities			
Equity			
Share capital			
Accumulated loss	5	5 499 729	5 498 729
		(106 570 921)	(106 569 351)
		(101 071 192)	(101 069 622)
Liabilities			
Non-Current Liabilities			
Loans from shareholders	3	90 117 511	90 117 511
Current Liabilities			
Trade and other payables			
Total Liabilities	6	10 953 681	10 953 681
Total Equity and Liabilities		101 071 192	101 071 192
		-	1 570



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Statement of Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Operating expenses			
Bank charges			
Loss for the year		(1 570)	(4 918)
Other comprehensive income		(1 570)	(4 918)
Total comprehensive loss for the year		(1 570)	(4 918)





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Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Accumulated loss	Total equity
Balance at 01 January 2017	200	5 499 529	5 499 729	(106 564 433)	(101 064 704)
Loss for the year	-	-	-	(4 918)	(4 918)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(4 918)	(4 918)
Balance at 01 January 2018	200	5 499 529	5 499 729	(106 569 351)	(101 069 622)
Loss for the year	-	-	-	(1 570)	(1 570)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1 570)	(1 570)
Balance at 31 December 2018	200	5 499 529	5 499 729	(106 570 921)	(101 071 192)
Note(s)	5	5	5		



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Statement of Cash Flows

Figures in Rand

	Note(s)	2018	2017
Cash flows from operating activities			
Cash used in operations	7	(1 570)	(4 924)
Total cash movement for the year		(1 570)	(4 924)
Cash at the beginning of the year		1 570	6 494
Total cash at end of the year	4	-	1 570

Simayia Pharmaceuticals (Pty) Ltd

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Financial Statements for the year ended 31 December 2018

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared 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, except for biological assets at fair value less point of sale costs, 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.

1.1 Property, plant and equipment

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

Cost 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.

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

1.2 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.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

1.3 Tax

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 and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

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Accounting Policies

1.4 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

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.

1.5 Share capital and equity

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

1.6 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.

1.7 Borrowing costs

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

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Notes to the Financial Statements

Figures in Rand	2018		2017			
2. Property, plant and equipment						
	2018		2017			
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Leasehold improvements	398 207	(398 207)	-	398 207	(398 207)	-
3. Loans to (from) shareholders						
Zydus Healthcare SA (Pty) Ltd: Capital				(90 117 511)		(90 117 511)
This loans bears interest from time to time and no fixed terms of repayment exist as at year end.						
4. Cash and cash equivalents						
Cash and cash equivalents consist of:						
Bank balances						1 570
5. Share capital						
Issued						
Ordinary				200		200
Share premium				5 499 529		5 499 529
				5 499 729		5 499 729
6. Trade and other payables						
Interest Payable				10 953 681		10 953 681
7. Cash used in operations						
Loss before taxation				(1 570)		(4 918)
Adjustments for:						
Other non-cash items				-		(1)
Changes in working capital:						
Trade and other payables				-		(5)
				(1 570)		(4 924)
8. Related parties						
Related party balances and transactions with other related parties						
Related party balances						
Loan accounts - Owning (to) by related parties						
Zydus Healthcare SA (Pty) Ltd: Capital				(90 117 511)		(90 117 511)
Amounts included in Interest Receivable (Interest Payable) regarding related parties						
Zydus Healthcare SA (Pty) Ltd				(10 953 681)		(10 953 681)

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Notes to the Financial Statements

Figures in Rand

2018

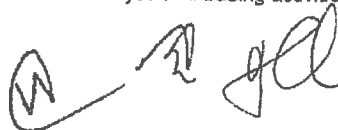
2017

9. Going concern

We draw attention to the fact that at 31 December 2018, the company had accumulated losses of R 106 570 921 and that the company's total liabilities exceed its assets by R (101 071 192).

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.

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