



Amarnath Kamath & Associates  
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To  
The Members of Fagris Medica Private Limited,  
Mumbai.

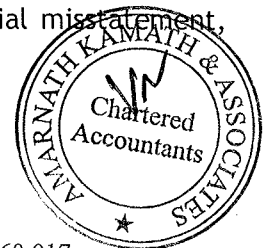
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of "Fagris Medica Private Limited"(the company), which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, The Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Managements Responsibility for Standalone Financial Statements

The Board of Directors of the company are responsible for preparation and presentation of Standalone Financial Statements according to Section 129 of the Companies Act 2013 (the act), which requires that the Financial Statements which give a true and fair view of the affairs of the company, comply with the Accounting Standards notified u/s 133 and in form and content be in accordance to Schedule III of the Act.

The above responsibility also includes apart from those matters included in section 134(5) of the act, maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





## Amarnath Kamath & Associates Chartered Accountants

### Auditors Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under.

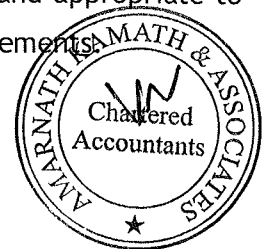
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An Audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the Audit Evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.





Amarnath Kamath & Associates  
Chartered Accountants

Opinion

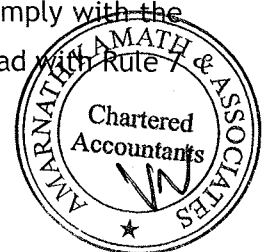
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its Loss and its Cash Flows for the year ended on that date.

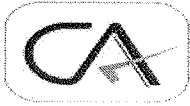
Report on other Legal and Regulatory Requirements

1) The Stand Alone Financial Statements of the Company attract the requirements of Companies (Auditor's Report) Order 2016 (the order) issued by the Central Government of India /us 143(11) of the Act. We have reported on the same in the Annexure - A to this report.

2) As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The company has centralized accounting system and has no branch accounting. Therefore the process of reporting under sub-section (8) is not applicable.
- d) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;





**Amarnath Kamath & Associates**  
**Chartered Accountants**

- f) There are no such financial transactions or matters which have an adverse effect on the functioning of the company
- g) Based on Information & Explanation given to us and our Examination of the records and the information received from the Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company has no Pending Litigation.
  - b) The Company has no Long Term Contracts or Derivatives, and hence it is not required to make any provision for losses under the Act or the Accounting Standards.
  - c) The Company is not required to transfer any funds to Investors Education and Protection Fund.
- i) The company has adequate internal financial control system in place and it is operating effectively. The same has been given in Annexure - B to this report

**For Amarnath Kamath & Associates,**  
**Chartered Accountants,**  
**FRN 000099S**

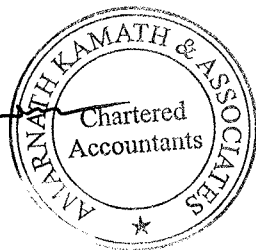
*V. Narayanan*

**V Narayanan**

**Mem No. 219265**

**Place : Bangalore**

**Date : May 11<sup>th</sup>, 2016**





Amarnath Kamath & Associates  
Chartered Accountants

Annexure -A to the Independent Auditors' Report

**I. Fixed Assets**

Based on the information provided to us and the verification conducted by us we opine that

- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b) The Fixed Assets have been physically verified by the management at reasonable intervals. During the course of such Physical verification, the management has found that there are no material discrepancies.
- c) The company does not hold any immovable property and hence the question of verifying title deeds does not arise.

**II. Inventory**

- a) The management has conducted physical verification of inventory at reasonable intervals.
- b) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

**III. Loans, Borrowings & Guarantees - Granted**

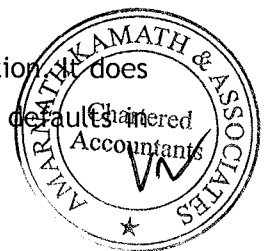
Based on the information provided to us and the verification conducted by us we opine that

- a) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act.
- b) The company has not given any guarantee for loans taken by others from Banks or Financial Institutions.

**IV. Loans, Borrowings & Guarantees - Obtained**

Based on the information provided to us and the verification conducted by us we opine that

- a. The Company has not obtained any Loan from Bank or Financial Institution. It does not have outstanding Debentures. Hence the question of reporting about default in repayment does not arise.



b. The company has obtained an unsecured loan from its holding company Strides Shasun Limited

In the meeting of Board of Directors, initially it was resolved to obtain a maximum of Rs.2,00,00,000/- from the holding company. As this money was insufficient, an additional Rs.2,00,00,000/- borrowing from the holding company was approved in the board meeting held on February 01,2016. Salient features of loan are as follows

- i. Maximum Permissible Borrowing : Maximum Rs.4,00,00,000/-
- ii. Rate of Interest : 9% per annum
- iii. outstanding as on 31<sup>st</sup> March, 2016 is Rs.2,79,10,000/-
- iv. Tenure : Till the repayment is done to the satisfaction of the lender

c. The Borrowings obtained by the company were used for the purpose for which they were obtained during the period

#### **V. Public Deposits**

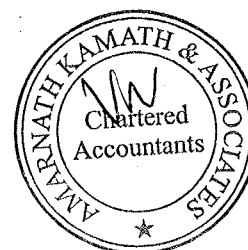
Based on the information provided to us and the verification conducted by us we opine that the company has not accepted deposits under sections 73 to 76 of the Act during the period.

#### **VI. Costing Records**

Based on the information provided to us The Maintenance of Cost Records under section 148(1) of the act is not prescribed for the company.

#### **VII. Statutory Matters**

- a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with appropriate authorities.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no instances of the company not depositing dues of any Taxes, Duties, Cess or other amounts due to disputes or other reason.
- c) The company has not declared any dividend since its incorporation. So there is no question in transferring of unclaimed dividend to Investors Education and Protection Fund in accordance with Companies Act 2013 and rules made there under.





**Amarnath Kamath & Associates**  
**Chartered Accountants**

**VIII. On the Networth of the Company**

- a) The Accumulated Loses of the company exceeds its paid up capital, resulting in a negative net worth.
- b) The company has incurred cash loss of Rs.2.88 Million during the current period as against the cash loss of Rs.4.18 Million during the last year
- c) Based on the information provided to us and the verification conducted by us we opine that as the company's management has undergone complete changes and reasonable Business Development Plans are being made the going concern is intact.

**IX. Frauds**

Based on the information provided to us and the verification conducted by us we opine that there is no instances of any Fraud or suspected fraud on or by the company is noticed or reported during the period

**X. Issue of Shares**

The company has not issued any shares during the year. Hence question of reporting whether shares are issued under IPO does not arise. Similarly reporting under Rule 3(xiv) of CARO 2016 does not arise.

**XI. Managerial Remuneration**

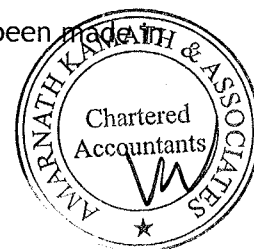
No directors have been paid any remuneration during the year and hence Rule 3(xi) of CARO 2016 does not arise.

**XII. Net Owned Funds to Deposits**

Since the company is not a Nidhi Company, Rule 3(xii) of CARO 2016 does not arise

**XIII. Related Party Transactions**

- a) The company has complied with section 188 requirements of the Act with regards to contracts, arrangements, agreements etc., with its related parties. The necessary disclosure as per AS -18 i.e., Related Party Disclosures has been made in the notes to the Financial Statements.





Amarnath Kamath & Associates  
Chartered Accountants

- b) The company has not transacted with its directors. Hence reporting under Rule 3(xv) of CARO 2016 does not arise.

**XIV.NBFC Registration Requirement**

The company is not engaged in the business of NBFC and hence reporting under Rule 3(xvi) of CARO 2016 does not arise

For Amarnath Kamath & Associates,  
Chartered Accountants,  
FRN 000099S

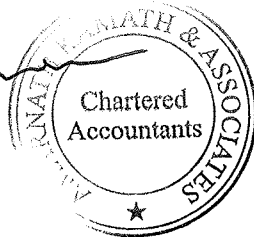
*V. Narayanan*

V Narayanan

Mem No. 219265

Place : Bangalore

Date : May 11<sup>th</sup>, 2016







Amarnath Kamath & Associates  
Chartered Accountants

**ANNEXURE- B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
STANDALONE FINANCIAL STATEMENTS OF FAGRIS MEDICA PRIVATE LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of FAGRIS MEDICA PRIVATE LIMITED, ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI. We have also carried out the responsibilities prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.





## Amarnath Kamath & Associates Chartered Accountants

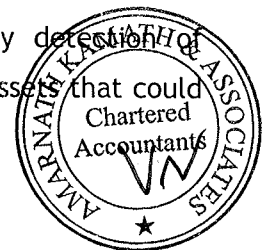
Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness by obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





**Amarnath Kamath & Associates**  
**Chartered Accountants**

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

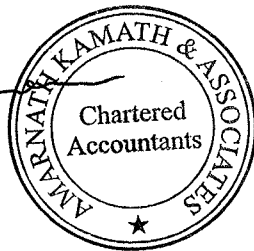
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016; based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.”.

**For Amarnath Kamath & Associates,**  
**Chartered Accountants,**  
**FRN 000099S**

*V. Narayan*  
**V Narayanan**



**Mem No. 219265**

**Place : Bangalore**

**Date : May 11<sup>th</sup>, 2016**

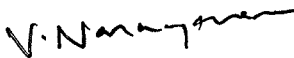
**FAGRIS MEDICA PRIVATE LIMITED  
BALANCE SHEET AS AT MARCH 31, 2016**

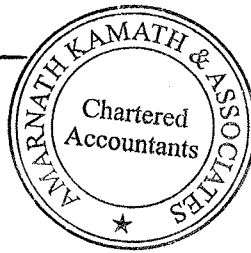
In Rupees

		Note No.	31-Mar-16	31-Mar-15
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	1,000,000	1,000,000
	(b) Reserves and surplus	4	(10,247,689)	(7,289,346)
			<b>(9,247,689)</b>	<b>(6,289,346)</b>
<b>2</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	27,910,000	10,185,996
	(b) Trade payables	6	28,590,422	3,237,837
	(c) Other current liabilities	7	8,209,799	3,603,939
	(d) Short-term provisions	8	14,890	14,890
			<b>64,725,111</b>	<b>17,042,662</b>
	<b>Total</b>		<b>55,477,422</b>	<b>10,753,316</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets	9	335,955	37,602
	- Tangible assets			
	(b) Long-term loans and advances	10	38,000	14,650
			<b>373,955</b>	<b>52,252</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	11	4,065,728	5,737,125
	(b) Trade receivables	12	42,663,285	2,298,387
	(c) Cash and cash equivalents	13	3,107,370	1,078,217
	(d) Short-term loans and advances	14	5,267,084	1,587,335
			<b>55,103,467</b>	<b>10,701,064</b>
	<b>Total</b>		<b>55,477,422</b>	<b>10,753,316</b>


See accompanying notes forming part of the Financial Statements


In terms of our report attached  
For Amarnath Kamath & Associates  
Chartered Accountants  
Firm Registration no. 000099S

  
**V Narayanan**  
Partner  
Mem No 219265



For and on behalf of Board of Directors

  
**Sinhue Noronha**  
Director  
DIN: 1075198

  
**Joe Thomas**  
Director  
DIN: 00468077

Place :Bangalore  
Date: 11 May 2016

**FAGRIS MEDICA PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

In Rupees

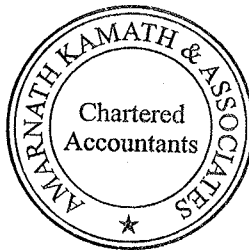
	Note No.	31-Mar-16	31-Mar-15
<b>1</b> Revenue from operations	<b>15</b>	49,970,185	7,297,038
Less: Excise duty		45,364	-
Revenue from operations (net)		<b>49,924,821</b>	<b>7,297,038</b>
<b>2</b> Other income	<b>16</b>	-	177,462
<b>3 Total revenue (1+2)</b>		<b>49,924,821</b>	<b>7,474,500</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	<b>17</b>	15,379,739	4,319,111
(b) (Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	<b>18</b>	1,650,550	(1,650,550)
(c) Employee benefits expenses	<b>19</b>	842,708	533,550
(d) Other expenses	<b>20</b>	33,533,795	7,893,945
<b>Total</b>		<b>51,406,792</b>	<b>11,096,056</b>
<b>5 Earning before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (3-4)</b>		<b>(1,481,971)</b>	<b>(3,621,556)</b>
<b>6</b> Finance costs	<b>21</b>	1,393,230	567,943
<b>7</b> Depreciation and amortisation expense	<b>9</b>	83,142	28,065
<b>8 Profit before exceptional items and taxes (5-6-7)</b>		<b>(2,958,343)</b>	<b>(4,217,564)</b>
<b>9</b> Tax expenses		-	12,473
<b>10 Profit for the year (8-9)</b>		<b>(2,958,343)</b>	<b>(4,230,037)</b>
<b>11 Earnings per share (of Rs. 10/- each)</b>			
- Basic		(29.58)	(42.30)
- Diluted		(29.58)	(42.30)

See accompanying notes forming part of the Financial Statements

In terms of our report attached  
For **Amarnath Kamath & Associates**  
Chartered Accountants  
Firm Registration no. 000099S

*V. Narayanan*

**V Narayanan**  
Partner  
Mem No 219265



Place :Bangalore  
Date: 11 May 2016

For and on behalf of Board of Directors

*Sinhue Noronha*

**Sinhue Noronha**  
Director  
DIN: 1075198

*Joe Thomas*

**Joe Thomas**  
Director  
DIN: 00468077

**FAGRIS MEDICA PRIVATE LIMITED**  
Cash Flow Statement for the year ended 31st March 2016

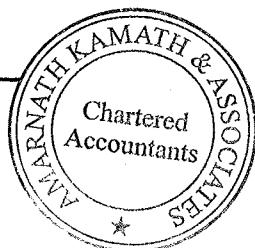
In Rupees

Particulars	31 March, 2016		31 March, 2015	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		(2,958,343)		(4,230,036)
<i>Adjustments for:</i>				
Depreciation and amortisation	83,142		28,065	
Miscellaneous expenditure written off	-		438,723	
(Profit) / loss on sale / write off of assets	-		93,745	
Finance costs	1,359,730		542,942	
Net unrealised exchange (gain) / loss	93,099		-	
		1,535,971		1,103,475
<b>Operating profit / (loss) before working capital changes</b>		<b>(1,422,372)</b>		<b>(3,126,561)</b>
<i>Changes in working capital:</i>				
(Increase)/decrease in inventories	1,671,397		(5,285,761)	
(Increase)/decrease in trade and other receivables	(44,161,096)		(323,281)	
Increase/(decrease) in trade and other payables	29,958,445		4,149,236	
		(12,531,254)		(1,459,806)
Net income tax (paid) / refunds		(13,953,626)		(4,586,367)
		-		(12,473)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(13,953,626)</b>		<b>(4,573,894)</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets including capital advance	(381,495)		(48,630)	
		(381,495)		(48,630)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(381,495)</b>		<b>(48,630)</b>
<b>C. Cash flow from financing activities</b>				
Advance from Related parties	17,724,004		6,155,938	
Finance cost	(1,359,730)		(542,942)	
		16,364,274		5,612,996
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>16,364,274</b>		<b>5,612,996</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>2,029,153</b>		<b>990,472</b>
Cash and cash equivalents at the beginning of the year		1,078,217		87,745
<b>Cash and cash equivalents at the end of the year</b>		<b>3,107,370</b>		<b>1,078,217</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet (Refer Note 13)		3,107,370		1,078,217
<b>Cash and cash equivalents at the end of the year *</b>		<b>3,107,370</b>		<b>1,078,217</b>
* Comprises:				
(a) Cash on hand		14,426		3,499
(b) Balances with banks - in current accounts		3,092,944		1,074,718
		<b>3,107,370</b>		<b>1,078,217</b>

As per our report of even date

**For Amarnath Kamath & Associates**  
Chartered Accountants  
Firm Registration no. 000099S

**V. Narayanan**  
Partner  
Mem No 219265



**For and on behalf of the Board of Directors**

**Sinhue Noronha**  
Director  
DIN 1075198

**Joe Thomas**  
Director  
DIN 00468077

Place :Bangalore  
Date: 11 May 2016

**FAGRIS MEDICA PRIVATE LIMITED**

**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2016**

**NOTE No-1**

**COMPANY INFORMATION**

Fagris Medica Private Limited is a pharmaceutical company having registered office in Mumbai, India. The company is engaged in business of manufacturing, marketing and commercializing OTC products in CIS countries.

**NOTE No-2**

**SIGNIFICANT ACCOUNTING POLICIES:**

**A. Basis for preparation of Financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

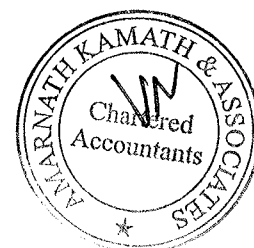
**B. Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**C. Inventories**

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Cost is determined as follows:

Raw materials, packing materials and consumables	weighted average basis
Work in progress	at material cost and an appropriate share of production overheads
Finished Goods	material cost and an appropriate share of production overheads and excise duty, wherever applicable
Stock in trade	weighted average basis



**D. Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**E. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities are segregated based on the available information.

**F. Depreciation and amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act.

**G. Revenue recognition**

**(a) Sale of goods:** Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer as per the terms of the arrangements with buyer. Sales include excise duty but exclude sales tax and value added tax.

**(b) Export incentives** are accrued for based on fulfillment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under Duty Entitlement Pass Book Schemes, Focus Market Schemes, and Market-Linked Focus

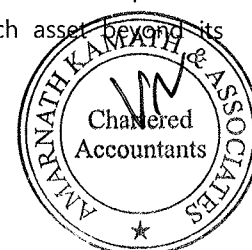
**(c) Other income**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established. Product Schemes wherever applicable.

**H. Fixed Assets**

Tangible fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.





Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

**Capital work-in-progress:**

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

**I. Foreign currency transactions and translations**

**Initial recognition**

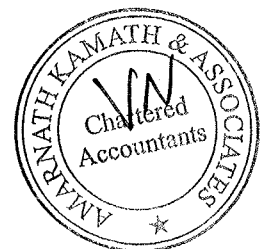
Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

**Measurement at the balance sheet date**

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

**Treatment of exchange differences**

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.



#### **J. Employee Benefits**

- i. The Company is not registered under the Provident Fund Act as the number of employees is below the threshold limit prescribed under the said statute.
- ii. Gratuity liability is a defined benefit obligation and is provided based on the amount determined as actually due and at the end of the fiscal year using. The liability is not funded.
- iii. Provision for Leave Encashment has been made based on the amount determined as actually due and at the end of the fiscal year using. The liability is not funded.

#### **K. Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### **L. Earnings Per Share**

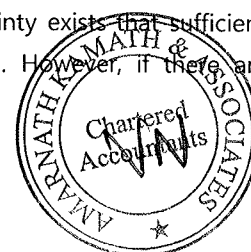
Earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to dilutive potential equity shares, by the weighted average number of equity shares considered for deriving the basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share and are deemed to be converted at the beginning of the period, unless they have been issued at a later date.

#### **M. Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are



unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

#### **N. Impairment of Assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

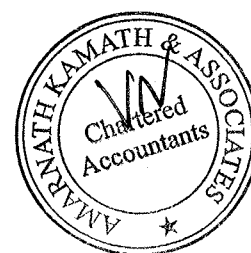
If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

#### **O. Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.



**FAGRIS MEDICA PRIVATE LIMITED**

**Notes forming part of the financial statements**

Note

No.

**3 Share capital**

Particulars	31-Mar-16	31-Mar-15
<b>Authorised</b>		
105,000 (Previous year 105,000) Equity shares of Rs. 10/- each with voting rights	1,050,000	1,050,000
6% 5,000 (Previous year 5,000) Redeemable non cumulative Preference Shares of Rs.10/- each.	50,000	50,000
<b>Total</b>	<b>1,100,000</b>	<b>1,100,000</b>
<b>Issued, subscribed and fully paid-up</b>		
100,000 (Previous Year 100,000) Equity shares of Rs.10/- each with voting rights	1,000,000	1,000,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>

**3(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	31-Mar-16		31-Mar-15	
	No. of Shares	Rs. In Million	No. of Shares	Rs. In Million
Equity share of Rs. 10/- each				
Opening balance	100,000	1,000,000	100,000	1,000,000
Issued/ called-up equity share capital during the period	-	-	-	-
<b>Closing balance</b>	<b>100,000</b>	<b>1,000,000</b>	<b>100,000</b>	<b>1,000,000</b>

**3(b) Detail of the rights, preferences and restrictions attaching to each class of shares outstanding Equity shares of Rs. 10/- each:**

The Company has only one class of equity shares, having a par value of Rs.10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all other parties concerned. The distribution will be in proportion to number of equity shares held by the shareholders.

**3(c) Shares held by Holding Company:**

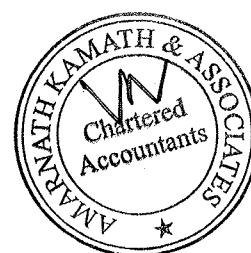
Particulars	31-Mar-16		31-Mar-15	
	No. of Shares	%	No. of Shares	%
Strides Shasun Ltd ( Holding Company)	90,000	90.00%	90,000	90.00%

**3(d) Details of equity shares held by each shareholder holding more than 5% of shares:**

Particulars	31-Mar-16		31-Mar-15	
	No. of Shares	%	No. of Shares	%
Strides Shasun Ltd (Holding Company)	90,000	90.00%	90,000	90.00%
Rohini Mariam Alexander	10,000	10.00%	10,000	10.00%

**4 Reserves and surplus**

Particulars	31-Mar-16	31-Mar-15
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	(7,289,346)	(3,059,310)
Less: Loss for the year	(2,958,343)	(4,230,036)
<b>Closing balance</b>	<b>(10,247,689)</b>	<b>(7,289,346)</b>
<b>Total</b>	<b>(10,247,689)</b>	<b>(7,289,346)</b>



**FAGRIS MEDICA PRIVATE LIMITED**

**Notes forming part of the financial statements**

Note

No.

**5 Short Term borrowings**

Particulars	31-Mar-16	31-Mar-15
<b>Related Parties :</b>		
Unsecured Loans	27,910,000	10,185,996
<b>Total</b>	<b>27,910,000</b>	<b>10,185,996</b>

The company has obtained unsecured loan from holding Company Strides Shasun Ltd, Carries an interest of 9% Per annum.

**6 Trade payables**

Particulars	31-Mar-16	31-Mar-15
Trade payables:		
- Acceptance	-	-
- Other than acceptances	28,590,422	3,237,837
<b>Total</b>	<b>28,590,422</b>	<b>3,237,837</b>

Note:

**(i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	31-Mar-16	31-Mar-15
(i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any suppliers as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

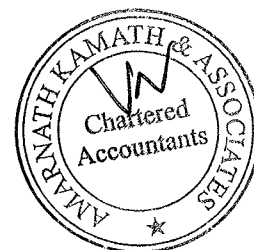
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**7 Other current liabilities**

Particulars	31-Mar-16	31-Mar-15
Dues to Related Parties	7,947,117	488,624
Other payables:		
- Statutory remittances	262,682	83,134
- Advances from Customers	-	3,032,181
<b>Total</b>	<b>8,209,799</b>	<b>3,603,939</b>

**8 Short-term provisions**

Particulars	31-Mar-16	31-Mar-15
<b>Provision - Others:</b>		
- Provision for income tax	14,890	14,890
<b>Total</b>	<b>14,890</b>	<b>14,890</b>





FAGRIS MEDICA PRIVATE LIMITED

Notes forming part of the financial statements

Note

No.

10 Long-term loans and advances

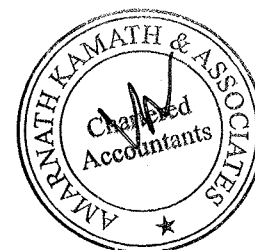
Particulars	31-Mar-16	31-Mar-15
<b>Unsecured, considered good:</b>		
- Security deposits	38,000	14,650
<b>Total</b>	<b>38,000</b>	<b>14,650</b>

11 Inventories

Particulars	31-Mar-16	31-Mar-15
Raw materials	4,065,728	4,086,575
Finished goods (other than those acquired for trading)	-	1,650,550
<b>Total</b>	<b>4,065,728</b>	<b>5,737,125</b>

12 Trade receivables

Particulars	31-Mar-16	31-Mar-15
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured considered good	-	-
- Doubtful	-	-
Less: Provision for doubtful trade receivables	-	-
Others		
- Unsecured considered good	42,663,285	2,298,387
- Doubtful	-	-
Less: Provision for doubtful trade receivables	-	-
<b>Total</b>	<b>42,663,285</b>	<b>2,298,387</b>



**FAGRIS MEDICA PRIVATE LIMITED**

Notes forming part of the financial statements

Note

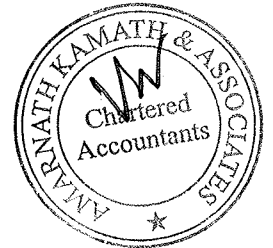
No.

**13 Cash and cash equivalents**

Particulars	31-Mar-16	31-Mar-15
Cash on hand	14,426	3,499
Balance with banks:	-	-
- In current account	3,092,944	1,074,718
<b>Total</b>	<b>3,107,370</b>	<b>1,078,217</b>
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 'Cash Flow Statements' is	3,107,370	1,078,217

**14 Short-term loans and advances**

Particulars	31-Mar-16	31-Mar-15
<b>Unsecured, considered good</b>		
Loans and advances to suppliers	433,752	-
Balances with government authorities:	-	-
- CENVAT credit receivable	2,007,368	849,126
- VAT credit receivable	1,169,017	738,209
- Service tax credit receivable	759,154	-
- Incentives receivables	897,793	-
<b>Total</b>	<b>5,267,084</b>	<b>1,587,335</b>





FAGRIS MEDICA PRIVATE LIMITED  
Notes forming part of the financial statements

Note  
No.

15 Revenue from operations

Particulars	31-Mar-16	31-Mar-15
Sale of products	48,260,236	7,235,256
Other operating revenues	1,709,949	61,782
<b>Total</b>	<b>49,970,185</b>	<b>7,297,038</b>
Less: Excise duty	45,364	-
<b>Total</b>	<b>49,924,821</b>	<b>7,297,038</b>

Note:

(i) Other operating revenue comprises:

Particulars	31-Mar-16	31-Mar-15
Export incentives	1,709,949	61,782
<b>Total other operating revenue</b>	<b>1,709,949</b>	<b>61,782</b>

16 Other income

Particulars	31-Mar-16	31-Mar-15
Exchange fluctuation gain ( net)	-	177,462
<b>Total</b>	<b>-</b>	<b>177,462</b>

17 Cost of materials consumed

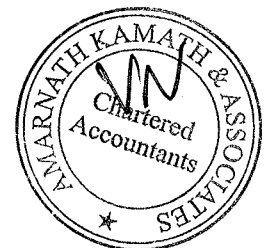
Particulars	31-Mar-16	31-Mar-15
Opening stock	4,086,575	451,364
Add: Purchases	15,358,892	7,954,322
Closing stock	4,065,728	4,086,575
<b>Cost of materials consumed</b>	<b>15,379,739</b>	<b>4,319,111</b>

18 (Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	31-Mar-16	31-Mar-15
<b>Inventories at the end of the year:</b>		
- Finished goods	-	1,650,550
	-	<b>1,650,550</b>
<b>Inventories at the beginning of the year:</b>		
- Finished goods	1,650,550	-
	<b>1,650,550</b>	-
<b>Net (increase) / decrease</b>	<b>1,650,550</b>	<b>(1,650,550)</b>

19 Employee benefits expenses

Particulars	31-Mar-16	31-Mar-15
Salaries and wages	833,108	523,444
Staff welfare expenses	9,600	10,106
<b>Total</b>	<b>842,708</b>	<b>533,550</b>



**FAGRIS MEDICA PRIVATE LIMITED**  
Notes forming part of the financial statements

Note

No.

**20 Other expenses**

Particulars	31-Mar-16	31-Mar-15
Subcontracting	1,263,196	1,218,673
Power and fuel	34,935	18,618
Rent	237,200	121,400
Repairs and maintenance:		
- Machinery	87,166	158,881
- Others	55,698	92,301
Insurance	9,052	7,619
Rates and taxes	614,820	542,433
Communication	135,506	58,661
Travelling and conveyance	264,289	431,533
Printing and stationery	20,813	149,245
Freight and forwarding	1,851,167	1,342,006
Business promotion	23,291,490	36,000
Legal and professional	2,514,401	2,708,947
Payments to auditors (-Refer Note (i) below)	200,000	95,618
Consumables	1,672,169	-
Support Service charges	1,200,000	-
Net loss on foreign currency transactions	16,798	-
Assets written off	-	93,745
Bad debts written off	-	353,866
Miscellaneous expenses	65,095	464,399
<b>Total</b>	<b>33,533,795</b>	<b>7,893,945</b>

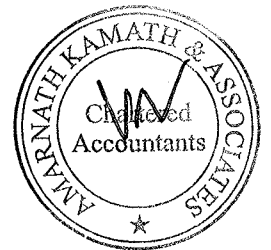
Note:

(i) Payments to the auditors comprises (excluding service tax):

Particulars	31-Mar-16	31-Mar-15
Statutory Audit Fee	200,000	95,618
<b>Total</b>	<b>200,000</b>	<b>95,618</b>

**21 Finance costs**

Particulars	31-Mar-16	31-Mar-15
Interest expense on:		
- Borrowings	1,359,730	542,942
Bank charges and commission	33,500	25,001
<b>Total</b>	<b>1,393,230</b>	<b>567,943</b>



**Note No- 22****Expenditure in foreign currency**

- a) CIF value of Imports - NIL  
 b) Expenditure in foreign currency RINR 23,282,505 (USD 351,381) paid towards advertisement and business promotion expenditure.

**Note No- 23****Earnings in foreign currency**

S.No	Particulars	31-Mar-16	31-Mar-15
1	FOB value of export of goods	37,105,867	7,235,256
	<b>Total</b>	<b>37,105,867</b>	<b>7,235,256</b>

**Note No- 24****Related Party Disclosures**

Party where the Control Exists	Name of Related Party
Holding Company	Strides Shasun Limited (Formerly Strides Arcolab Limited)
Fellow subsidiary	Strides CIS Limited

**Holding Company**

SI No	Nature of Transaction		Holding Company	Fellow Subsidiary
<b>A</b>	<b>Transactions during the year:</b>			
	a) Loans & Advances - Taken / Repaid (net)	2016	22,400,000	-
		2015	10,010,000	-
	b) Sale of Goods	2016	1,574,967	-
		2015	-	-
	c) Support Service Charges ( excl. Service tax)	2016	1,200,000	-
		2015	-	-
	d) Reimbursed of Expenses incurred by	2016	92,626	23,282,505
		2015	237	-
	e) Interest Expenses	2016	1,359,730	-
		2015	542,915	-
<b>B</b>	<b>Balances Outstanding:</b>			
	a) Loan	2016	27,910,000	-
		2015	10,185,996	-
	b) Advances	2016	7,947,117	-
		2015	3,520,805	-
	c) Payables	2016	1,254,000	23,282,505
		2015	-	-

**Note - 25****Earnings Per share**

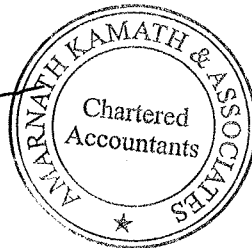
Particulars	31st March 2016	31st March 2015
Net Profit after Tax ( In Rupees)	(2,958,343)	(4,230,037)
Weighted average number of equity shares (No.s)	100,000	100,000
Earnings/(Loss) per share ( In Rupees)	(29.58)	(42.30)
Nominal Value of Equity Shares ( In Rupees)	10.00	10.00

**Note - 26**

Previous year figures have been regrouped and reclassified where necessary to conform to current year figures.

For **Amarnath Kamath & Associates**  
 Chartered Accountants  
 Firm Registration no. 0000995

**V Narayanan**  
 Partner  
 Mem No 219265



For and on behalf of Board of Directors

**Sinhue Noronha**  
 Director  
 DIN: 1075198

**Joe Thomas**  
 Director  
 DIN: 00468077

Place :Bangalore  
 Date: 11 May 2016