

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s Strides Emerging Markets Private Limited

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of M/s Strides Emerging Markets Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the relevant rules issued thereunder. This responsibility also includes 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

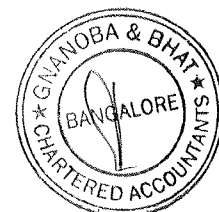
Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 Rules made thereunder.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

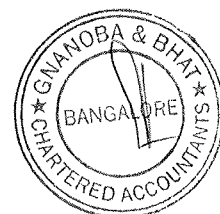
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

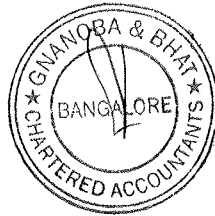
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the order.
 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 Balance Sheet, the Statement of Profit & Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the relevant rules issued thereunder;
 - e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, we give a separate report in the **Annexure-B**; and
-



- g. With respect to the other matters to be included in the Auditor's 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:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. (Refer Note 5 (ii) of the Ind AS financial statements).

Place: Bangalore
Date : May 12, 2017



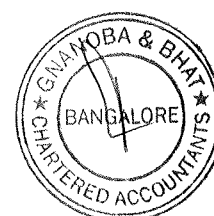
For GNANOBA & BHAT,
Chartered Accountants,
Firm Regn No. 000939S

A handwritten signature in black ink, appearing to read "R. Umesh", written over a horizontal line.

R. UMESH
Partner
M. No. 27892

**ANNEXURE-A TO AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 OF OUR
REPORT OF EVEN DATE**

- (i) In respect of its fixed assets:
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed Assets;
 - b) As explained to us, the fixed assets were physically verified during the year by the Management in line with an internal programme of verification. According to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the periodicity of verification is reasonable having regard to size of the Company and the nature of its assets;
 - c) According to the information and explanation given to us, the title deeds in respect to immovable properties are held in the name of Company.
- (ii) As explained to us, the inventories were physically verified by the Company during the year and in our opinion, the frequency of verification is reasonable. As explained to us, no material discrepancies were observed thereon.
- (iii) The Company has not granted loans to any parties listed in the register maintained under section 189 of the Companies Act, 2013 and hence clause (iii) of the Order clause is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions which come under the purview of Section 185 and 186 of the Companies Act, 2013 and hence clause (iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in terms of Chapter-V the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014 and hence reporting under this clause is not applicable.
- (vi) According to the information given to us, the Central Government has not specified the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013.
- (vii) According to the information and explanations given to us and on the basis of examination of the books and records as produced before us, in respect of statutory dues and other dues :
- a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Excise Duty, Custom Duty, Service Tax, Value Added Tax, Cess and other statutory dues with the appropriate authorities during the period wherever applicable. There were no undisputed amounts in respect of the above statutory dues, which were in arrears as at 31st March 2017, for a period more than six months from the date they became due.
 - b) There are no statutory dues which were not deposited on account of any dispute.



- (viii) According to the information and explanation given to us and based on our verification of the records and relevant documents, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer, further public offer or any term loans during the year and hence reporting under this clause is not applicable.
- (x) To the best of our knowledge and belief, according to the information and explanations given to us by the Management and the records produced before us, no frauds were noticed or reported during the year.
- (xi) No managerial remuneration was paid by the Company during the year and hence reporting under this clause is not applicable.
- (xii) The Company is not a Nidhi Company and hence this clause is not applicable.
- (xiii) In our opinion and according to the information and explanation given to us and based on our verification of the records and relevant documents, all transactions with related parties entered into by the Company are in compliance with section 188 of the Companies Act where applicable and the details of the same have been disclosed in the Ind AS financial statements etc as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under this clause is not applicable.
- (xv) According to the information and explanation given to us by the Management and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence this clause is not applicable.
- (xvi) In our opinion and according to the information and explanation given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Bangalore
Date : May 12, 2017



For GNANOBA & BHAT,
Chartered Accountants,
Firm Regn No. 000939S

A handwritten signature in black ink, appearing to read "R. Umesh".

R. UMESH
Partner
M. No. 27892

**ANNEXURE-B TO AUDITOR'S REPORT REFERRED TO IN PARAGRAPH F OF OUR
REPORT OF EVEN DATE**

**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 the financial reporting of M/s Strides Emerging Markets Private Limited as on 31st March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended as 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 (ICAI).

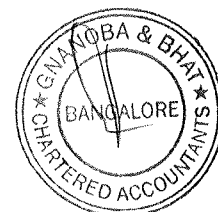
These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and 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.

Auditor's 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 and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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. Our audit of internal financial controls over financial reporting included 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 judgement, including the assessment of the risks of material misstatement of the Ind AS 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 receipt and expenditures of the company are being made only in accordance with authorisations of management and directors of the company.
- (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.

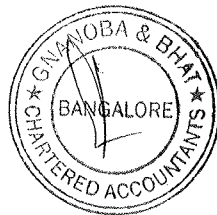
Inherent Limitations of Internal Financial Controls over Financial Reporting

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, 2017, 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.

Place: Bangalore
Date : May 12, 2017



For GNANOBA & BHAT,
Chartered Accountants,
Firm Regn No. 000939S

A handwritten signature in black ink, appearing to read "R. Umesh".

R. UMESH
Partner
M. No. 27892

STRIDES EMERGING MARKETS PRIVATE LIMITED

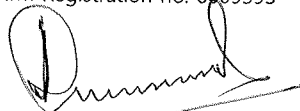
BALANCE SHEET AS AT MARCH 31, 2017

	Note No.	31-Mar-17	31-Mar-16	Rs. in Million 1-Apr-15
A ASSETS				
I Non-current assets				
(a) Property, Plant and Equipment	1	386.36	397.37	407.46
(b) Capital Work in Progress		0.78	-	-
(c) Other Intangible assets	1	0.34	0.45	0.14
(d) Other Non-current assets	2	6.58	4.60	7.21
Total Non-current assets		394.06	402.42	414.81
II Current assets				
(a) Inventories	3	52.11	79.93	44.63
(b) Financial assets				
(i) Trade receivables	4	39.54	86.69	25.76
(ii) Cash and cash equivalents	5	4.42	3.91	7.50
(c) Current tax assets (Net)	6	0.02	0.58	0.60
(d) Other current assets	7	22.53	44.50	26.10
Total Current assets		118.62	215.61	104.59
Total Assets		512.68	618.03	519.40
B EQUITY AND LIABILITIES				
I Equity				
(a) Equity Share capital		56.27	56.27	56.27
(b) Other equity		(19.07)	88.88	171.22
Total Equity		37.20	145.15	227.49
II Liabilities				
1 Non-current liabilities				
(a) Provisions	8	5.11	3.66	0.49
		5.11	3.66	0.49
2 Current liabilities				
(a) Financials Liabilities				
(i) Borrowings	9	104.69	89.69	-
(ii) Trade payables	10	123.32	94.29	60.51
(b) Other current liabilities	11	240.36	283.96	230.78
(c) Provisions	12	2.00	1.28	0.13
		470.37	469.22	291.42
Total Equity and liabilities		512.68	618.03	519.40

See accompanying notes forming part of the Financial Statements
In terms of our report attached

For and on behalf of Board of Directors

For **Gnanoba & Bhat**
Chartered Accountants
Firm Registration no. 0009395



R Umesh
Partner
Mem. No. 27892

Place :Bangalore
Date: May 12, 2017



Ramaraju PVS
Director
DIN: 07500141



Sudhir Krishna Kanchan
Director
DIN: 01606191

Rashmi B.V
Rashmi B.V

Company Secretary
Mem. No. A38729




STRIDES EMERGING MARKETS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED MARCH 31, 2017

	Note No.	Rs in Million		
		31-Mar-17	31-Mar-16	1-Apr-15
1 Revenue from operations (gross)	13	300.67	295.93	65.80
2 Other income	14	0.21	0.18	0.35
3 Total revenue (1+2)		300.88	296.11	66.15
4 Expenses				
(a) Cost of materials consumed	15	218.18	238.80	21.29
(b) Purchase of stock-in-trade	16	-	1.34	37.90
(c) (Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	17	15.46	(13.04)	(6.77)
(d) Employee benefits expenses	18	66.16	55.72	15.19
(e) Other expenses	19	70.74	66.10	35.78
Total		370.54	348.92	103.39
5 Earning before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (3-4)		(69.66)	(52.81)	(37.24)
6 Finance costs	20	12.76	6.28	0.85
7 Depreciation and amortisation expense	1	24.92	23.54	10.47
8 Profit before exceptional items and tax (5-6-7)		(107.34)	(82.63)	(48.56)
9 Exceptional items gain / (loss) (net)		-	-	-
10 Profit before tax (8+9)		(107.34)	(82.63)	(48.56)
11 Tax expense	21	(0.02)	-	-
12 Profit for the year (10-11)		(107.32)	(82.63)	(48.56)
13 Other Comprehensive Income				
A) (i) Items that will not be reclassified to profit or loss		(0.62)	0.28	-
A) (ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
B) (i) Items that may be reclassified to profit or loss		-	-	-
B) (ii) Income tax relating to items that may be reclassified to profit or loss		-	-	-
Total Other comprehensive Income		(0.62)	0.28	-
14 Total Comprehensive Income for the period (12+13)		(107.94)	(82.35)	(48.56)
15 Earnings per share (of Rs. 10/- each)				
- Basic		(19.07)	(14.69)	(8.63)
- Diluted		(19.07)	(14.69)	(8.63)

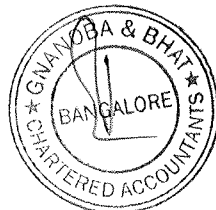
See accompanying notes forming part of the Financial Statements
In terms of our report attached

For **Gnanoba & Bhat**
Chartered Accountants
Firm Registration no. 000939S



R Umesh
Partner
Mem. No. 27892

Place :Bangalore
Date: May 12, 2017

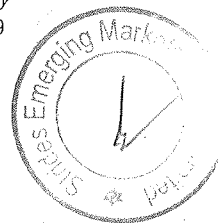


For and on behalf of Board of Directors


Ramaraju PVS
Director
DIN: 07500141


Sudhir Krishna Kanchan
Director
DIN: 01606191


Rashmi B.V.
Company Secretary
Mem. No. A38729



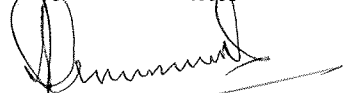
STRIDES EMERGING MARKETS PRIVATE LIMITED
Cash Flow Statement for the year ended 31st March 2017

	Rs In Million	
Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax		(82.33)
<i>Adjustments for:</i>		(107.34)
Depreciation and amortisation	24.92	23.54
Finance costs	12.76	6.28
Interest income	(0.19)	(0.18)
Gratuity and leave encashment provision	1.55	0.64
Net unrealised exchange (gain) / loss	-	5.44
Operating profit / (loss) before working capital changes	39.04	35.72
<i>Changes in working capital:</i>		(46.61)
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	27.82	(35.30)
Trade receivables	47.15	(77.63)
Other non-current assets	(1.98)	-
Other current assets	21.97	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Other current liabilities	(43.60)	22.83
Trade payables	29.03	-
	80.39	(90.09)
Cash flow from extraordinary items	12.09	(136.70)
Cash generated from operations	-	-
Net income tax (paid) / refunds	12.09	(136.70)
Net cash flow from / (used in) operating activities (A)	0.58	0.02
	12.67	(136.68)
B. Cash flow from investing activities		
Capital expenditure on fixed assets including capital advance	(14.58)	(18.48)
Interest received	-	-
- Others	0.19	0.18
Net cash flow from / (used in) investing activities (B)	(14.39)	(18.30)
	(14.39)	(18.30)
C. Cash flow from financing activities		
Proceeds from issue of preference shares	-	-
Borrowings / (Repayment) from / to Parent Company	-	67.98
Proceeds from issue of share warrants	-	89.69
Advance from Related parties	-	(6.28)
Net increase / (decrease) in working capital borrowings	15.00	-
Finance cost	(12.76)	-
Net cash flow from / (used in) financing activities (C)	2.24	151.39
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	2.24	151.39
Cash and cash equivalents at the beginning of the year	0.51	(3.59)
Cash and cash equivalents at the end of the year	3.91	7.50
Reconciliation of Cash and cash equivalents with the Balance Sheet:	4.42	3.91
Cash and cash equivalents as per Balance Sheet (Refer Note 5)	4.42	3.91
Less: Bank balances not considered as Cash and cash equivalents as defined in IndAS 7 Statement of Cash Flow.	-	-
Net Cash and cash equivalents (as defined in IND AS 7 Statement of Cash Flows) included in Note 5	4.42	3.91
Add: Current investments considered as part of Cash and cash equivalents (as defined in IND AS 7 Statement of Cash Flows)	-	-
Cash and cash equivalents at the end of the year *	4.42	3.91
* Comprises:		
(a) Cash on hand	0.04	0.05
(b) Balances with banks - in current accounts	2.03	1.68
(c) Balances with banks - in Fixed Deposits	2.35	2.18
	4.42	3.91

In terms of our report attached

for **Gnanoba & Bhat**
Chartered Accountants

Firm Registration no. 0009395



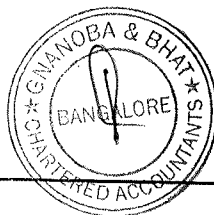
R Umesh

Partner

Mem. No. 027892

Place : Bangalore

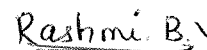
Date: May 12, 2017



For and on behalf of the Board of Directors


Ramaraja PVS
Director
DIN: 07500141


Sudhir Krishna Kanchan
Director
DIN: 01606191


Rashmi B.V

Company Secretary
Mem. No. A38729



STRIDES EMERGING MARKETS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY

Particulars	Rs. in Million			
	31-Mar-17	31-Mar-16	1-Apr-15	
(a) Share capital				
Authorised				
10,000,000 (Previous year 10,000,000) Equity shares of Rs. 10/- each with voting rights	100.00	100.00	100.00	100.00
Total	100.00	100.00	100.00	100.00
Issued, subscribed and fully paid-up				
5,626,562 (Previous Year 5,626,562) Equity shares of Rs.10/- each with voting rights	56.27	56.27	56.27	56.27
Total	56.27	56.27	56.27	56.27

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

Particulars	31-Mar-17		31-Mar-16		1-Apr-15	
	No. of Shares	Rs.	No. of Shares	Rs.	No. of Shares	Rs.
Equity share of Rs. 10/- each						
Opening balance	5,626,562	56,265,620	5,626,562	56,265,620	5,626,562	56,265,620
Issued during the year	-	-	-	-	-	-
Closing balance	5,626,562	56,265,620	5,626,562	56,265,620	5,626,562	56,265,620

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

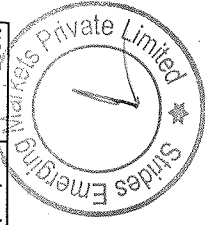
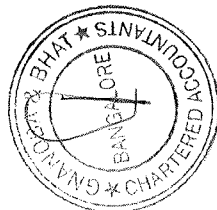
The Company has only one class of equity shares, having a par value of Rs.10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing 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.

(d) Shares held by Holding Company:

Particulars	31-Mar-17		31-Mar-16		1-Apr-15	
	No. of Shares	% Of shares	No. of Shares	% Of shares	No. of Shares	% Of shares
Strides Pharma (Cyprus) Ltd - Holding Company	5,626,562	100%	5,626,562	100%	5,626,552	100%
Total	5,626,562	100%	5,626,562	100%	5,626,552	100%

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

Particulars	31-Mar-17		31-Mar-16		1-Apr-15	
	No. of Shares	% Of shares	No. of Shares	% Of shares	No. of Shares	% Of shares
Strides Pharma (Cyprus) Ltd - Holding Company	5,626,562	100%	5,626,562	100%	5,626,552	100%
Total	5,626,562	100%	5,626,562	100%	5,626,552	100%

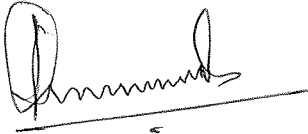


STRIDES EMERGING MARKETS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY

Other equity	Rs. In Million		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Securities Premium Account			
Opening Balance	210.62	210.62	210.62
Add : Premium on shares issued during the year	-	-	-
Closing balance	210.62	210.62	210.62
Surplus in Statement of Profit and Loss			
Opening Balance	(122.02)	(39.41)	9.17
Add: (Loss) for the year	(107.33)	(82.61)	(48.57)
Closing balance	(229.35)	(122.02)	(39.40)
Items of other comprehensive income			
Opening Balance	0.28	-	
Add/(Less) : other comprehensive income for the year	(0.62)	0.28	
Add / (Less): Tax impact on above	-	-	
Closing balance	(0.34)	0.28	-
Total	(19.07)	88.88	171.22

In terms of our report attached

for Gnanoba & Bhat
Chartered Accountants
Firm Registration no. 000939S



R Umesh
Partner
Mem. No. 027892

Place :Bangalore
Date: May 12, 2017

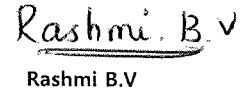
For and on behalf of the Board of Directors



Ramaraju PVS
Director
DIN: 07500141

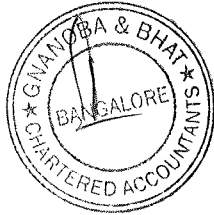


Sudhir Krishna Kanchan
Director
DIN: 01606191



Rashmi B.V

Rashmi B.V
Company Secretary
Mem. No. A38729



STRIDES EMERGING MARKETS PRIVATE LIMITED
Notes forming part of the financial statements

Note : 1
Property, Plant and Equipment (for 2016-17)

Sl No	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As on 01.04.2016	Additions during the period	Deletions during the period	As on 31.03.2017	For the period	Deletions during the period	Up to 31.03.2017	As on 31.03.2017	As on 31.03.2016
1	FREEHOLD LAND	49.05	-	-	49.05	-	-	-	49.05	49.05
2	BUILDING	148.22	1.64	-	149.85	7.22	4.97	12.19	137.67	141.00
3	FURNITURE & FIXTURES	8.03	0.35	-	8.38	1.15	0.83	1.98	6.40	6.88
4	OFFICE EQUIPMENT & COMPUTERS	6.83	0.10	-	6.94	3.16	2.22	5.38	1.56	3.67
5	PLANT & MACHINERY	219.14	11.72	-	230.85	22.38	16.80	39.17	191.68	196.76
	Total	431.27	13.80	-	445.07	33.90	24.81	58.71	386.36	397.37

Other Intangible assets (for 2016-17)

Sl No	Description	GROSS BLOCK			AMORTIZATION			NET BLOCK	
		As on 01.04.2016	Additions during the period	Deletions during the period	As on 31.03.2017	For the period	Deletions during the period	Up to 31.03.2017	As on 31.03.2017
1	SOFTWARE LICENCE	0.55	-	-	0.55	0.10	0.11	0.21	0.34
	Total	0.55	-	-	0.55	0.10	0.11	0.21	0.34
	Grand Total	431.82	13.80	-	445.63	34.00	24.92	58.92	386.70
	Previous Year	418.05	13.77	-	431.82	10.46	23.54	34.00	397.82

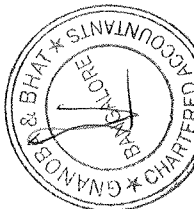
Note: All assets of the company have been charged to secure borrowings of the Company (See Note 9)

Property, Plant and Equipment (for 2015-16)

Sl No	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As on 01.04.2015	Additions during the period	Deletions during the period	As on 31.03.2016	For the period	Deletions during the period	Up to 31.03.2016	As on 31.03.2016
1	FREEHOLD LAND	48.18	0.87	-	49.05	-	-	-	49.05
2	BUILDING	146.87	1.35	-	148.22	4.94	4.94	7.22	141.00
3	FURNITURE & FIXTURES	8.03	-	-	8.03	0.35	0.81	1.15	6.88
4	OFFICE EQUIPMENT & COMPUTERS	6.60	0.23	-	6.83	0.98	2.18	3.16	3.67
5	PLANT & MACHINERY	208.21	10.92	-	219.14	6.84	15.54	22.38	196.76
	Total	417.90	13.37	-	431.27	10.44	23.46	33.90	397.37

Other Intangible assets (for 2015-16)

Sl No	Description	GROSS BLOCK			AMORTIZATION			NET BLOCK	
		As on 01.04.2015	Additions during the period	Deletions during the period	As on 31.03.2016	For the period	Deletions during the period	Up to 31.03.2016	As on 31.03.2016
1	SOFTWARE LICENCE	0.15	0.40	-	0.55	0.01	0.08	0.10	0.45
	Total	0.15	0.40	-	0.55	0.01	0.08	0.10	0.45



STRIDES EMERGING MARKETS PRIVATE LIMITED
Notes forming part of the financial statements

Note

No.

2 Other non current asstes

Particulars	31-Mar-17	31-Mar-16	Rs. In Million
			1-Apr-15
Unsecured, considered good:			
- Security deposits	3.80	2.36	2.46
- Others- Margin Money exceeding 12 months	-	-	0.84
- Capital advances	2.78	2.24	3.91
Total	6.58	4.60	7.21

3 Inventories

Particulars	31-Mar-17	31-Mar-16	Rs. In Million
			1-Apr-15
Raw materials (Includes goods-in-transit of Rs. 0.16 Mn (P.Y.- Rs. 1.24 Mn))	44.72	55.96	35.18
Work-in-progress	5.70	11.44	7.05
Finished goods (other than those acquired for trading)	1.28	11.00	2.35
Stores and spares	0.41	1.53	0.05
Total	52.11	79.93	44.63

Note: (i) Details of work-in-progress

Particulars	31-Mar-17	31-Mar-16	Rs. In Million
			1-Apr-15
Capsules	0.80	0.34	5.84
Tablets	4.89	11.10	1.21
Total	5.70	11.44	7.05

4 Trade receivables

Particulars	31-Mar-17	31-Mar-16	Rs. In Million
			1-Apr-15
Unsecured, considered good			
Outstanding for a period exceeding six months from the date they were due for payment			
- Unsecured considered good	3.62	2.57	8.48
- Doubtful	-	-	-
Less: Provision for doubtful trade receivables	3.62	2.57	8.48
	-	-	-
Others	3.62	2.57	8.48
- Unsecured considered good	35.92	84.12	17.28
- Doubtful	-	-	-
Less: Provision for doubtful trade receivables	35.92	84.12	17.28
Total	35.92	84.12	17.28
Note: Dues from Related Parties	39.54	86.69	25.76
	37.31	85.69	23.54

5 Cash and cash equivalents

Particulars	31-Mar-17	31-Mar-16	Rs. In Million
			1-Apr-15
Cash on hand	0.04	0.05	0.02
Balance with banks:			
- In current account	2.03	1.68	6.30
- In deposit account	2.35	2.18	1.18
Total	4.42	3.91	7.50
Of the above, the balances that meet the definition of cash and cash equivalents as per IND AS 7 'Statement of Cash Flows' is	4.42	3.91	7.50

Note: (i) Balances with banks in deposit account Rs. 3.35 Mn (Rs. 2.18 Mn as at 31st March, 2016 and Rs. 1.18 Mn as at 1st April, 2015) is held as Bank Guarantee for bonds furnished to EOU authorities.



STRIDES EMERGING MARKETS PRIVATE LIMITED
Notes forming part of the financial statements

Note
No.

Note: (ii) Specialised Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

Particulars	Specified Bank	Other	Total
	Notes	Denomination	
	INR	INR	INR
Closing Cash on Hand as at 8th November, 2016	-	100,116	100,116
Transactions between 9th November 2016 and 30th December 2016	-	-	-
Add: Withdrawal from Bank accounts	-	130,000	130,000
Less: Paid for permitted transactions	-	(169,384)	(169,384)
Less: Deposited in bank accounts	-	-	-
Closing Cash on Hand as at 30th December, 2016	-	60,732	60,732

6 Current tax assets (Net)

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Advance tax (net of provision)	0.02	0.58	0.60
Total	0.02	0.58	0.60

7 Other current assets

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Unsecured, considered good			
Loans and advances to related parties	-	6.20	-
Loans and advances to employees	0.39	0.48	0.63
Loans and advances to suppliers	2.99	5.46	4.87
Prepaid expenses	0.43	1.56	0.44
Balances with government authorities:			
- CENVAT credit receivable	0.71	2.85	1.68
- VAT credit receivable	9.51	18.00	13.43
- Service tax credit receivable	8.46	9.95	2.28
- Incentives receivables	0.03	-	2.78
Total	22.53	44.50	26.10

8 Provisions (Non-current)

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Provision for employee benefits:			
- Gratuity	3.15	2.39	0.25
- Compensated absence	1.96	1.27	0.24
Total	5.11	3.66	0.49

9 Borrowings

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Secured loans repayable on demand from banks:			
- Working capital loans from Yes Bank Limited	104.69	89.69	-
- Short-term loans	-	-	-
Total	104.69	89.69	-

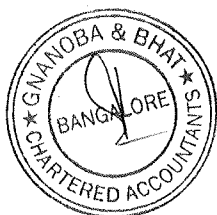
Details of Terms in respect of Cash Credit

Working capital loans from Yes Bank Limited consists of packing credit (foreign currency as well as INR), bill discounting facilities (Import and inland) and cash credit facilities.

Rate of Interest - 1.50% above the Bank's base rate which translates to 12.00% p.a.

Nature of Security - The said loan is secured by exclusive charge over entire moveable and immovable assets of the Company including current assets, both present and future.

Other Terms - The loan is further secured by the corporate guarantee of Strides Shasun Limited (Ultimate Holding Company).



STRIDES EMERGING MARKETS PRIVATE LIMITED
Notes forming part of the financial statements

Note
No.

10 Trade payables

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Trade payables:			
- Acceptance	-	-	-
- Other than acceptances (Refer note (i) below)	50.15	62.59	60.51
- Dues to Related Parties	73.17	31.70	-
Total	123.32	94.29	60.51

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

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
(i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year	-	-	0.06
(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	-	-	-

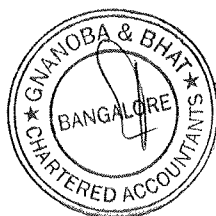
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

11 Other current liabilities

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Dues to Related Parties	237.51	276.94	206.44
Other payables:			
- Payables on purchase of fixed assets	0.46	0.17	6.54
Other payables:			
- Statutory remittances	1.45	2.30	1.30
- Advances from customers	0.03	0.03	-
- Advances received - Related Parties	0.91	4.52	16.50
Total	240.36	283.96	230.78

12 Provisions (Current)

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Provision for employee benefits:			
- Gratuity	0.40	0.40	-
- Compensated absences	1.60	0.88	0.13
Total	2.00	1.28	0.13



STRIDES EMERGING MARKETS PRIVATE LIMITED
Notes forming part of the financial statements

Note

No.

13 Revenue from operations

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Sale of products	300.41	294.48	17.35
Export of Capital Goods	-	1.10	47.79
Other operating revenues	0.26	0.35	0.66
Total	300.67	295.93	65.80

Note: (i) Sale of product comprises:

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Manufactured goods:			
- Tablets	280.36	267.53	16.77
- Capsules	9.96	6.72	-
- Sachets	-	-	-
- Others	10.10	20.23	-
Total manufactured goods sold	300.42	294.48	16.77
Traded goods:			
- Tablets	-	-	-
- Capsules	-	-	-
- Others	-	1.10	48.37
Total traded goods sold	-	1.10	48.37
Total sale of products (including excise duty)	300.42	295.58	65.14

Note (ii) Other operating revenue comprises:

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Export incentives	0.03	0.03	0.65
Sale of Scrap	0.23	0.32	0.01
Total other operating revenue	0.26	0.35	0.66

14 Other income

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Interest income	0.19	0.18	0.35
Profit on sale of asset	0.02	-	-
Total	0.21	0.18	0.35

15 Cost of materials consumed

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Opening stock	57.49	35.23	-
Add: Purchases	198.77	261.06	56.52
Add: Excise duty	6.64	-	-
Closing stock	44.72	57.49	35.23
Cost of materials consumed	218.18	238.80	21.29

Note (i) Cost of materials consumed comprises:

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Active pharmaceutical ingredients and other raw materials	191.46	213.72	18.91
Primary packing materials	14.12	15.39	1.57
Secondary packing materials	12.60	9.69	0.81
Total	218.18	238.80	21.29

16 Purchase of traded goods

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Traded goods	-	1.34	37.90
Total	-	1.34	37.90



STRIDES EMERGING MARKETS PRIVATE LIMITED
Notes forming part of the financial statements

Note
No.

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

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Inventories at the end of the year:			
- Finished goods	1.28	11.00	2.35
- Work-in-progress	5.70	11.44	7.05
	6.98	22.44	9.40
Inventories at the beginning of the year:			
- Finished goods	11.00	2.35	2.63
- Work-in-progress	11.44	7.05	-
	22.44	9.40	2.63
Net (increase) / decrease	15.46	(13.04)	(6.77)

18 Employee benefits expenses

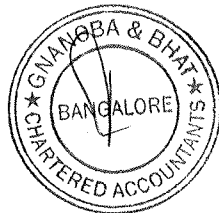
Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Salaries and wages	50.16	39.83	9.85
Contributions to provident and other funds	2.89	3.00	0.55
Gratuity	0.81	0.45	0.25
Staff welfare expenses	12.30	12.44	4.54
Total	66.16	55.72	15.19

19 Other expenses

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Subcontracting	-	0.03	0.47
Power and fuel	17.67	15.43	4.99
Water	-	-	0.04
Rent	1.76	0.79	0.68
Repairs and maintenance:			
- Buildings	0.38	0.11	0.29
- Machinery	5.27	3.75	1.07
- Others	0.61	0.46	1.17
Insurance	0.74	0.62	-
Rates and taxes	0.91	1.19	0.96
Communication	0.45	0.16	0.41
Travelling and conveyance	1.42	0.21	0.22
Printing and stationery	1.08	0.95	0.66
Freight and forwarding	3.07	5.74	10.49
Business promotion	0.04	0.55	0.04
Legal and professional	5.02	3.09	1.90
Payments to auditors (refer note)	0.54	0.52	0.61
Support Service Charges	9.68	9.60	-
Consumables	12.20	14.01	3.94
Net loss on foreign currency transactions	1.90	1.52	4.70
Security Charges	2.58	1.66	0.94
House Keeping Expenses	3.43	2.95	1.98
Miscellaneous expenses	1.99	2.76	0.22
Total	70.74	66.10	35.78

Note (i) Payments to the auditors comprises (net of service tax input credit):

Particulars	Rs. In Million		
	31-Mar-17	31-Mar-16	1-Apr-15
Statutory Audit Fee	0.35	0.35	0.30
For Taxation Matters	0.06	0.06	0.06
For Certification and Others	0.13	0.11	0.25
Total	0.54	0.52	0.61



STRIDES EMERGING MARKETS PRIVATE LIMITED
Notes forming part of the financial statements

Note
No.

20 Finance costs	Rs. In Million		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Interest expense on:			
- Borrowings	10.75	5.84	-
- Delayed payment of income tax	0.58	-	-
- Bank charges and commission	1.43	0.44	0.85
Total	12.76	6.28	0.85

21 Tax expenses	Rs. In Million		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Current tax expenses	-	-	-
Current tax expense relating to prior years	(0.02)	-	-
Deferred tax expenses	-	-	-
Less: MAT credit availed	-	-	-
Net tax expense	(0.02)	-	-

22 Details of consumption of imported and indigenous materials	Rs. In Million		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Imported	85.65	84.32	2.78
- Percentage to the total consumption	38%	35%	13%
Indigenous	141.35	154.48	18.52
- Percentage to the total consumption	62%	65%	87%
Total	227.00	238.80	21.29

23 Value of imports calculated on CIF basis	Rs. In Million		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Raw materials	78.97	96.22	8.13
Other goods	-	-	-
Total	78.97	96.22	8.13

24 Earnings in foreign currency	Rs. In Million		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15
FOB value of export of goods	1.16	1.10	47.79
Total	1.16	1.10	47.79



STRIDES EMERGING MARKETS PRIVATE LIMITED
Notes forming part of the financial statements

Deferred tax balances

Particulars	Rs. In Million		
	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Deferred Tax Assets	-	-	-
Deferred Tax Liabilities	-	-	-
	-	-	-

Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:			
-tax losses (revenue in nature)	57.75	40.61	-
-tax losses (capital in nature)	0.02	0.01	-
-unused tax credits (refer note below)	-	-	-
-deductible temporary differences - u/s 43B	2.51	0.69	-
	60.29	41.31	-

Note: Deferred tax asset has not been recognised on the grounds of prudence



STRIDES EMERGING MARKETS PRIVATE LIMITED
Notes forming part of the financial statements

(Amounts in INR millions unless otherwise stated)

25. Employee benefit plans

25.1 Defined contribution plans

The employees of the Company are members of a state-managed retirement benefit plan operated by the government. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit plan is to make the specified contributions.

During the year, the Company has recognized the following amount in the Profit and Loss Account-

Particulars	Rs in Million	
	As at 31-Mar-17	As at 31-Mar-16
Employers' Contribution to Provident Fund	2.89	2.53

25.2 Defined benefit plans

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service of 5 years are eligible for gratuity under this Act. The amount of gratuity payable on termination / retirement is the last drawn basic salary per month of the employee proportionate for a period of 15 days per completed year of service. The above liability is not funded.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2017 by Ms. Chitra Jayasimha, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	Valuation as at		
	31-Mar-17	31-Mar-16	1-Apr-15
Discount rate(s)	6.75%	8.00%	7.90%
Expected rate(s) of salary increase	10.00%	First 2 years - 5% p.a. Thereafter - 10% p.a.	10.00%

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.

	31-Mar-17	31-Mar-16
Service cost: •		
Current service cost	0.61	0.75
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	0.21	0.17
Components of defined benefit costs recognised in profit or loss	0.82	0.92
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-0.06	0.03
Actuarial (gains) / losses arising from changes in financial assumptions	0.38	-0.19
Actuarial (gains) / losses arising from experience adjustments	0.30	-0.06
Others [describe]	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	0.62	-0.28
Total	1.44	0.64



The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	As At 31-Mar-17	As At 31-Mar-16	As At 1-Apr-15
Present value of defined benefit obligation	3.55	2.79	0.25
Fair value of plan assets	-	-	-
Funded status	The defined benefit plan is not funded.		
Restrictions on asset recognised	-	-	-
Others (describe)	-	-	-
Net liability arising from defined benefit obligation	3.55	2.79	0.25

Movements in the present value of the defined benefit obligation are as follows.

	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening defined benefit obligation	2.79	0.25
Current service cost	0.61	0.75
Interest cost	0.21	0.17
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-0.06	-0.03
Actuarial gains and losses arising from changes in financial assumptions	0.38	-0.19
Actuarial gains and losses arising from experience adjustments	0.29	-0.06
Others (describe)	-	-
Past service cost, including losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	1.90
Exchange differences on foreign plans	-	-
Benefits paid	-0.67	-
Others (describe)	-	-
Closing defined benefit obligation	3.55	2.79

Defined Benefit Obligation

	01-Apr-16 to 31-Mar-17	01-Apr-15 to 31-Mar-16
Discount rate		
a. Discount rate - 50 basis points	2.87	3.66
b. Discount rate + 50 basis points	2.71	3.45
Salary increase rate		
a. Rate - 50 basis points	2.74	3.49
b. Rate + 50 basis points	2.84	3.62

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

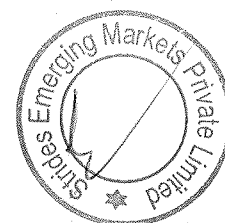
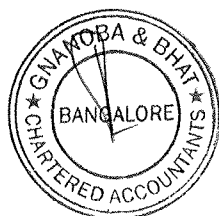
Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

25.3 Actuarial Assumptions for Long-term Compensated Absence

Actuarial Assumptions	Year ended 31-Mar-17	Year ended 31-Mar-16
Discount Rate	6.75%	7.75%
Salary escalation Rate	10.00%	First 2 years - 5% p.a. Thereafter - 10% p.a.
Attrition Rate	0.00%	0.00%
Charge In the Profit and Loss account - Rs.	1.23	0.41
Liability at the year end - Rs.	2.31	1.49

Note: The estimates and rate of escalation in salary considered in actuarial valuation take into consideration inflation, seniority, promotion and other relevant factors such as employment market conditions. These figure are as certified by an actuary.



STRIDES EMERGING MARKETS PRIVATE LIMITED
Notes forming part of the financial statements

Note - 26

Earnings Per share

Particulars	31st March 2017	31st March 2016	1st April 2015
Net Profit after Tax	(107.32)	(82.63)	(48.56)
Weighted average number of equity shares (No.s)	5.63	5.63	5.63
Earnings/(Loss) per share	(19.07)	(14.69)	(8.63)
Nominal Value of Equity Shares	10.00	10.00	10.00

Note - 27

Related Party Disclosures

Party where the Control Exists	Name of Related Party
Holding Company	Strides Pharma (Cyprus) Limited
Ultimate Holding Company	Strides Shasun Limited
Fellow Subsidiary	Strides Vital Nigera Limited #
Fellow Subsidiary	African Pharmaceutical Development Company #
Fellow Subsidiary	Strides Pharmacare Company Limited #
Key Managerial Personnel - Company Secretary	Rashmi B.V (refer note. 9 below)
Enterprise owned / significantly influenced by KMP of the Ultimate Holding Company	Sequent Scientific Limited

upto 31.03.2017

Rs in Million

SI No	Nature of Transaction		Holding Company	Fellow Subsidiary	Ultimate Holding Company	
1	Loans & Advances - Taken / (Repaid) (net)	2017	-	-	0.75	
		2016	(11.97)	-	0.20	
2	Loans & Advances - Given/ (Repaid) (net)	2017	-	-	-	
		2016	-	(5.85)	-	
3	Sale of Goods	2017	-	1.16	299.90	
		2016	1.10	-	293.86	
4	Purchase of Goods / Asset	2017	-	-	25.88	
		2016	-	-	40.93	
5	Guarantee Commission / Support Service Charges / Quality Assurance Charges	2017	-	-	16.57	
		2016	-	-	13.60	
6	Reimbursement of Expenses incurred on behalf of	2017	0.12	-	-	
		2016	-	-	-	
7	Reimbursement for Expenses incurred by	2017	-	-	19.87	
		2016	-	-	4.78	
8	Purchase of Goods / Asset from an Enterprise owned / significantly influenced by KMP of the Ultimate Holding Company Rs. 0.04 Mn (P.Y. Nil)					
9	Managerial remuneration paid to Company Secretary (KMP) Rs. 0.84 million (P.Y. Rs. 0.47 Mn)					
10	Balances Outstanding:					
		a) Receivable	2017	-	3.63	33.68
			2016	-	2.57	83.13
		b) Payable	2017	30.53	0.91	280.36
2016	35.58		0.91	277.13		

Note - 28

Foreign Currency Exposure

Foreign Currency Exposure as at March 31, 2017 that have not been hedged by a derivative instrument or other wise:

Particulars	31st March 2017		31st March 2016	
	Rs in Million	Amt-Foreign Currency	Rs in Million	Amt-Foreign Currency
Receivables -USD	3.94	0.06	2.57	0.04
Receivables -EURO	0.20	0.00	-	-
Total	4.14	0.06	2.57	0.04
Payables- USD	37.09	0.57	59.08	0.92
Payables- EURO	0.91	0.01	0.91	0.01
Total	38.00	0.58	59.99	0.93

Note - 29

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

By Order of the Board of Directors
for Strides Emerging Markets Pvt Ltd


Ramaraju PVS
Director
DIN: 07500141


Sudhir Krishna Kanchar
Director
DIN: 01606191


Rashmi B.V
Company Secretary
Mem. No. A38729



Place :Bangalore
Date: May 12, 2017



STRIDES EMERGING MARKETS PRIVATE LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st MARCH, 2017

NOTE – 30

COMPANY INFORMATION

Strides Emerging Markets Private Limited is a pharmaceutical company which is headquartered in Bangalore, India. The Company manufactures and trades in pharmaceutical formulations for human consumption primarily in Africa, India and other emerging markets. The Company is registered as a 100% Export Oriented Undertaking under the Foreign Trade Policy.

NOTE – 31

SIGNIFICANT ACCOUNTING POLICIES

A. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Company is a wholly owned step-down subsidiary of Strides Shasun Limited, a listed company which is required to prepare its financial statements in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accordingly, these financial statements are also prepared in accordance with Ind AS under the historical cost convention on the accrual basis with revenues recognized and expenses accounted on their accrual, including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the year.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards'. The transition was carried out from accounting principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition are summarized in **Note 32**.

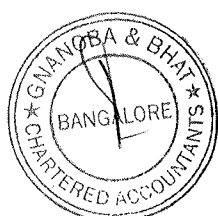
Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

B. CASH FLOW STATEMENTS

Cash flows are reported using the indirect method, whereby the 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.

C. INVENTORIES

Inventories are valued at lower of cost and net realisable value. Cost is determined on 'First In First Out' (FIFO) basis. The cost of goods comprises of the purchase cost, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses.



D. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipments are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenditure relating to the acquisition such as cost of installation / erection and interest up to the date of commissioning of the asset as applicable.

Capital Work-in-progress

Projects under which assets are not ready for its intended use and other Capital Work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributed finance costs.

E. INTANGIBLE ASSETS

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 duties and taxes (other than those refundable subsequently from the authorities), and directly attributable expenditure incurred for making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefit 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.

F. DEPRECIATION

Depreciation on Property, Plant and Equipments provided in the accounts on the basis of useful lives as assessed by the Management under the Straight Line Method basis as prescribed under Schedule II of the Companies Act, 2013. Accordingly, the life of the assets is determined as under.

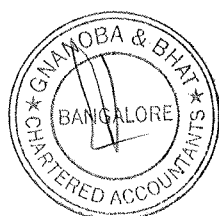
Sl. No.	Asset	Life as Assets (in years)
1	Computers and Accessories	3 years
2	Furniture & Fixtures	10 years
3	Plant & Machinery	15 years
4	Electrical Installations	10 years
5	Dies and Punches	4 years
6	Office Equipment	5 years
7	Factory Building	30 years
8	Software	5 years

G. REVENUE RECOGNITION

Revenue from sales is recognized on transfer of significant risks and rewards to the purchaser, which generally coincides with the delivery of the goods in terms of the arrangement with the purchaser. Sales include excise duty (where applicable) and are stated net of discounts, other taxes and sales returns.

H. TAXATION

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.



Minimum alternate tax paid in accordance with the tax laws, which gives future economic benefits in the nature of adjustments to the future income tax liability is considered an asset if there is convincing evidence that the Company will pay normal tax in future.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per financial statements. Deferred tax assets and liabilities are measured as per the tax rates / laws that have been enacted or substantively enacted by the Balance Sheet Date.

I. FOREIGN CURRENCY TRANSACTIONS:

Transactions denominated in Foreign Currencies are recorded using the exchange rates prevailing on the date of transaction. The difference if any, on actual payment/ realization is charged off to revenue. Amount receivable / payable as at the close of the year is accounted at the prevailing rates and the difference if any, on receipt / while making actual payment due to fluctuation in the rate of exchange is charged to revenue in that year.

J. PROVISIONS:

A provision is recognized when the enterprise has a present obligation as a result of past event(s) which may result in a probable outflow of resources to settle the obligation and in respect of which a reasonable estimate can be made. Provisions are not discounted to their present value and are determined on the basis of the best estimate of the resources 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.

K. IMPAIRMENT OF ASSETS

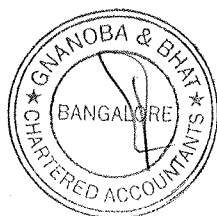
An asset is treated as impaired if the current carrying cost of the same exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in the prior accounting periods is reversed if there is any change in the estimate of recoverable amount. The recoverable amount is the greater of the net selling price or the value in use.

L. CONTINGENCIES

Contingent liabilities are not recognized and are shown by way of notes to the financial statements.

M. 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.



N. EMPLOYEE BENEFITS

- i. Retirement benefits in the form of Provident Fund and Pension Schemes are charged on an accrual basis to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the Regional Provident Fund Commissioner.
- ii. Gratuity liability is a defined benefit obligation and is provided based on an actuarial valuation using the Projected Unit Credit Method, with the actuarial valuation being carried out at each balance sheet date. The liability is not funded.
- iii. Provision for Leave Encashment has been made based on an actuarial valuation carried out at each balance sheet date. The liability is not funded.

NOTE – 32

FIRST TIME ADOPTION OF IND AS

These financial statements are the first financial statements of the Company under Ind AS. The accounting policies set out in **Note. 31** have been applied in preparing these financial statements for the year ended 31st March, 2017, the comparative information presented in these financial statements for the year ended 31st March, 2016 and in the preparation of an opening Ind AS balance sheet as at 1st April, 2015 (i.e. the Company's date of transition). In preparing the opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in the financial statements prepared in accordance with the accounting standards notified Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act. An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in **Note 32.1, Note 32.2 and Note 32.3** hereto.

For and on behalf of the Board

Place : Bangalore

Date: May 12, 2017



Ramaraju PVS

Director

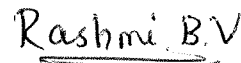
DIN: 07500141



Sudhir Krishna Kanchan

Director

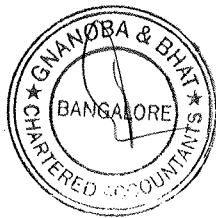
DIN: 01606191



Rashmi B.V

Company Secretary

Mem. No. A38729



32.1 Balance Sheet

There were no significant reconciliation items between balance sheet prepared under Indian GAAP and those prepared under Ind AS.

32.2 Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

		Rs. in Million		
		Year ended March 31 2016		
Particulars	Note No.	IGAAP	Effects of transition to Ind AS	Ind AS
1	Revenue from operations (gross)	295.93	-	295.93
2	Other income	0.18	-	0.18
3	Total revenue (1+2)	296.11	-	296.11
4	Expenses			
	(a) Cost of materials consumed	238.80	-	238.80
	(b) Purchase of stock-in-trade	1.34	-	1.34
	(c) (Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	(13.04)	-	(13.04)
	(d) Employee benefits expenses	55.44	0.28	55.72
	(e) Other expenses	66.10	-	66.10
	Total	348.64	0.28	348.92
5	Earning before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (3-4)	(52.53)	(0.28)	(52.81)
6	Finance costs	6.28	-	6.28
7	Depreciation and amortisation expense	23.54	-	23.54
8	Profit before exceptional items and tax (5-6-7)	(82.35)	(0.28)	(82.63)
9	Exceptional items gain / (loss) (net)	-	-	-
10	Profit before tax (8+9)	(82.35)	(0.28)	(82.63)
11	Tax expense	-	-	-
12	Profit for the year (10-11)	(82.35)	(0.28)	(82.63)
13	Other Comprehensive Income			
	A) (i) Items that will not be reclassified to profit or loss	-	0.28	0.28
	A) (ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
	B) (i) Items that may be reclassified to profit or loss	-	-	-
	B) (ii) Income tax relating to items that may be reclassified to profit or loss	-	-	-
	Total Other comprehensive Income	-	0.28	0.28
14	Total Comprehensive Income for the period (12+13)	(82.35)	-	(82.35)

Note A: Employee benefits expenses

Adjustments reflect unamortised negative past service cost arising on modification of the gratuity plan in an earlier period. Ind AS 19 requires such gains and losses to be adjusted to retained earnings

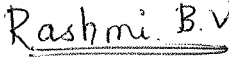
32.3 Cash flow statement

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

By Order of the Board of Directors
for Strides Emerging Markets Pvt Ltd


Ramaraju PVS
Director
DIN: 07500141


Sudhir Krishna Kanchan
Director
DIN: 01606191


Rashmi B.V
Company Secretary
Mem. No. A38729

Place :Bangalore
Date: May 12, 2017

