

INDEPENDENT AUDITOR'S REPORT

**To the Members of M/s Strides Healthcare Private Limited
(Formerly known as Strides Actives Private Limited)**

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of M/s Strides Healthcare Private Limited (formerly known as Strides Actives 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.

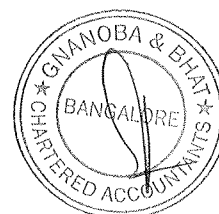
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

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.

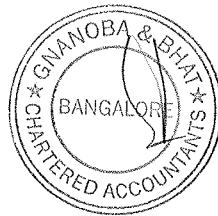
Report on Other Legal and Regulatory Requirements

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 did not have cash transactions during the year under review and therefore the requirements regarding disclosures as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 are not applicable.

Place: Bangalore
Date : May 10, 2017



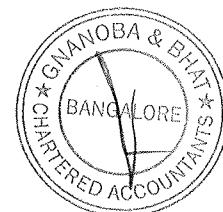
For GNANOBA & BHAT,
Chartered Accountants,
Firm Regn No. 000939S

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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 of the fixed Assets;
 - b) The Company did not have tangible fixed assets during the year and hence the requirements regarding physical verification of fixed assets are not applicable;
 - c) The company did not own any immovable properties during the year.
- (ii) The Company did not carry any inventories during the year and hence reporting under this clause is not applicable.
- (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) The company has not borrowed any funds from any financial institution or bank or Government or issued any debentures and hence reporting under this clause is not applicable.
- (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 10, 2017



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

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 Healthcare Private Limited (formerly known as Strides Actives Private Limited) ("the Company") 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 10, 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 HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
BALANCE SHEET AS AT MARCH 31, 2017


	Note No.	31-Mar-17	31-Mar-16	Amount in INR 1-Apr-15
A ASSETS				
I Non-current assets				
(a) Other Intangible assets	1	546,433,760	590,143,670	633,853,581
(b) Deferred tax assets (Net)	2	32,671,458	22,091,544	9,331,373
Total Non-current assets		579,105,218	612,235,214	643,184,954
II Current assets				
(a) Financial assets				
(i) Trade receivables	3	21,326,432	7,017,458	9,226,685
(ii) Cash and cash equivalents	4	3,513,860	4,407,015	856,674
(b) Current tax assets (Net)	5	2,411,633	2,387,691	1,047,937
(c) Other current assets	6	-	279,300	4,612,255
Total Current assets		27,251,925	14,091,464	15,743,551
Total Assets		606,357,143	626,326,678	658,928,505
B EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital		43,333,310	43,333,310	43,333,310
(b) Other equity		533,685,773	557,345,061	584,720,289
Total Equity		577,019,083	600,678,371	628,053,599
II Liabilities				
1 Non-current liabilities				
(a) Provisions	7	232,432	283,797	362,945
2 Current liabilities		232,432	283,797	362,945
(a) Financials Liabilities				
(i) Borrowings	8	19,830,130	19,830,130	25,522,904
(ii) Trade payables	9	168,887	445,820	1,045,006
(b) Other current liabilities	10	9,068,053	5,062,130	3,944,051
(c) Provisions	11	38,558	26,430	-
Total Equity and liabilities		29,105,628	25,364,510	30,511,961
		606,357,143	626,326,678	658,928,505

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

For and on behalf of Board of Directors

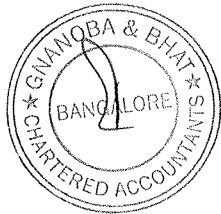
For **Gnanoba & Bhat**
Chartered Accountants
Firm Registration no. 800939S


R Umesh
Partner
Mem. No. 27892


Joe Thomas
Director
DIN: 00468077


Shriram Mohan Nayak
Director
DIN: 03509129

Place :Bangalore
Date: May 10, 2017



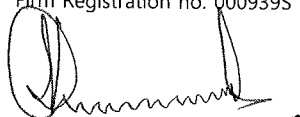
STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2017

	Note No.	Period Ended 31-Mar-17	Period Ended 31-Mar-16	Amount in INR Period Ended 1-Apr-15
1 Revenue from operations	12	13,636,995	13,397,513	10,479,372
2 Other income	13	60,051	-	-
3 Total revenue (1+2)		13,697,046	13,397,513	10,479,372
4 Expenses				
(a) Employee benefits expenses	14	1,064,794	3,462,271	2,370,053
(b) Other expenses	15	1,400,866	4,248,920	4,338,604
Total		2,465,660	7,711,191	6,708,657
5 Earning before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (3-4)		11,231,386	5,686,322	3,770,715
6 Finance costs	16	1,784,712	2,283,335	1,841,349
7 Depreciation and amortisation expense	1	43,709,911	43,709,911	33,264,519
8 Profit before exceptional items and tax (5-6-7)		(34,263,237)	(40,306,924)	(31,335,153)
9 Exceptional items gain / (loss) (net)		-	-	-
10 Profit before tax (8+9)		(34,263,237)	(40,306,924)	(31,335,153)
11 Tax expense	17	(10,587,341)	(12,813,172)	(9,331,373)
12 Profit for the year (10-11)		(23,675,896)	(27,493,752)	(22,003,780)
13 Other Comprehensive Income				
A) (i) Items that will not be reclassified to profit or loss		24,035	171,526	-
A) (ii) Income tax relating to items that will not be reclassified to profit or loss		(7,427)	(53,002)	-
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		16,608	118,524	-
14 Total Comprehensive Income for the period (12+13)		(23,659,288)	(27,375,228)	(22,003,780)
15 Earnings per share (of Rs. 10/- each)				
- Basic		(5.46)	(6.34)	(10.06)
- Diluted		(5.46)	(6.34)	(10.06)

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

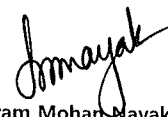


R Umesh
Partner
Mem. No. 27892

Place :Bangalore
Date: May 10, 2017




Joe Thomas
Director
DIN: 00468077



Shriram Mohan Nayak
Director
DIN: 03509129

STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2017

Amount in INR

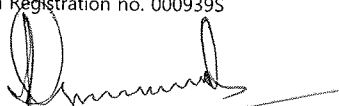
Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(34,263,237)		(40,306,924)
Depreciation and amortisation	43,709,910		43,709,911	
Finance costs	1,784,712		2,283,335	
Provision for gratuity & Leave Encashment	(15,202)		118,808	
		45,479,420		46,112,054
Operating profit / (loss) before working capital changes		11,216,183		5,805,130
<i>Changes in working capital:</i>				
Trade receivables	(14,308,974)		2,209,227	
Short-term loans and advances	105,420		(71,240)	
Other current assets	173,880		4,404,195	
<i>Adjustments for Increase / (decrease) in operating liabilities:</i>				
Trade payables	(276,933)		(599,186)	
Other current liabilities	4,005,923		(1,752,624)	
		(10,300,684)		4,190,372
Cash flow from extraordinary items		915,499		9,995,502
Cash generated from operations		915,499		9,995,502
Net income tax (paid) / refunds		(23,942)		(1,339,754)
Net cash flow from / (used in) operating activities (A)		891,557		8,655,748
B. Cash flow from investing activities				
Capital expenditure on fixed assets including capital advance	-		-	
Net cash flow from / (used in) investing activities (B)		-		-
C. Cash flow from financing activities				
Proceeds from issue of preference shares				
Borrowings / (Repayment) from / to Parent Company	-		(2,822,071)	
Proceeds from issue of share warrants				
Finance cost	(1,784,712)		(2,283,335)	
		(1,784,712)		(5,105,406)
Net cash flow from / (used in) financing activities (C)		(1,784,712)		(5,105,406)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(893,155)		3,550,341
Cash and cash equivalents at the beginning of the year		4,407,015		856,674
Cash and cash equivalents at the end of the year		3,513,860		4,407,015
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 4)		3,513,860		4,407,015
Less: Bank balances not considered as Cash and cash equivalents as defined in IndAS-7 Statement of Cash Flow		-		-
Cash and cash equivalents at the end of the year *		3,513,860		4,407,015
* Comprises:				
(a) Cash on hand		-		-
(b) Balances with banks - in current accounts		3,513,860		4,407,015
(c) Balances with banks - in Fixed Deposits		-		-
		3,513,860		4,407,015

In terms of our report attached

For **Gnanoba & Bhat**

Chartered Accountants

Firm Registration no. 000939S

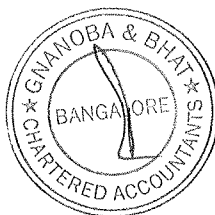


R Umesh
Partner

Mem. No. 27892

Place :Bangalore

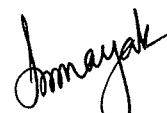
Date: May 10, 2017



For and on behalf of the Board



Joe Thomas
Director
DIN: 00468077



Shriram Mohan Nayak
Director
DIN: 03509129

STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
STATEMENT OF CHANGES IN EQUITY

(a) Share capital

Particulars	Amount in INR			
	31-Mar-17	31-Mar-16	1-Apr-15	
Authorised				
5,000,000 (Previous year 5,00,000) Equity shares of Rs. 10/- each with voting rights	50,000,000	50,000,000	50,000,000	50,000,000
Total	50,000,000	50,000,000	50,000,000	50,000,000
Issued, subscribed and fully paid-up				
4,333,331 (Previous year 4,333,331) Equity shares of Rs. 10/- each with voting rights	43,333,310	43,333,310	43,333,310	43,333,310
Total	43,333,310	43,333,310	43,333,310	43,333,310

(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	4,333,331	43,333,310	4,333,331	43,333,310	10,000	100,000
Opening balance	-	-	-	-	4,323,331	43,233,310
Issued during the year	4,333,331	43,333,310	4,333,331	43,333,310	4,333,331	43,333,310
Closing balance	4,333,331	43,333,310	4,333,331	43,333,310	4,333,331	43,333,310

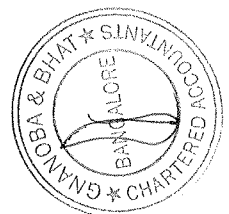
(c) **Detail of the rights, preferences and restrictions attaching to each class of shares outstanding Equity shares of Rs. 10/- each:**
The Company has only one class of equity shares, having a par value of Rs.10/-. The holder of equity shares is entitled to one vote per share. The Company declares 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) **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 Shasun Limited	3,206,665	74%	3,206,665	74%	3,206,665	74%
Bafna Pharmaceuticals Limited	1,126,666	26%	1,126,666	26%	1,126,666	26%
Total	4,333,331	100%	4,333,331	100%	4,333,331	100%

(e) **Shares allotted as fully paid up for consideration other than cash:**

Of the above, 11,26,666 equity shares were issued as fully paid up to Bafna Pharmaceuticals Limited pursuant to the Business Transfer Agreement between the companies for acquisition of specified business including intangible assets.



[Signature]

**STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
STATEMENT OF CHANGES IN EQUITY**

Other equity


Particulars	31-Mar-17	31-Mar-16	Amount in INR 01-Apr-15
Securities Premium Account			
Opening Balance	6067,66,535	6067,66,535	-
Add : Premium on shares issued during the year	-	-	6067,66,535
Closing balance	6067,66,535	6067,66,535	6067,66,535
Surplus in Statement of Profit and Loss			
Opening Balance	(495,39,998)	(220,46,246)	(42,466)
Add: (Loss) for the year	(236,75,896)	(274,93,752)	(220,03,780)
Closing balance	(732,15,894)	(495,39,998)	(220,46,246)
Other comprehensive income			
Actuarial gain/(loss) on defined benefit obligation			
Opening Balance	1,18,524	-	-
Add/(less): Other comprehensive income for the year	24,035	1,71,526	-
Add/(less): Tax impact on the above	(7,427)	(53,002)	-
Closing balance	1,35,132	1,18,524	-
Total	5336,85,773	5573,45,061	5847,20,289

In terms of our report attached

for Gnanoba & Bhat

Chartered Accountants

Firm Registration no. 000939S



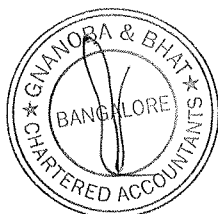
R Umesh

Partner

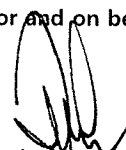
Mem. No. 027892

Place :Bangalore

Date: May 10, 2017



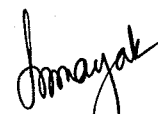
For and on behalf of the Board of Directors



Joe Thomas

Director

DIN: 00468077



Shriram Mohan Nayak

Director

DIN: 03509129

STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

Note 1 Other intangible assets - Registrations and Brands

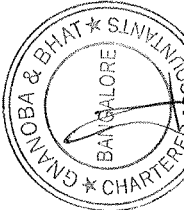
Particulars	Amount in INR		
	I GAAP	Adjustments	IND AS
Cost or deemed cost			
Balance as on 1st April 2015	667,118,100		667,118,100
Additions			
Deletions			
Balance as on 31 Mar 2016	667,118,100	-	667,118,100
Additions			
Deletions			
Balance as on 31 Mar 2017	667,118,100	-	667,118,100
Accumulated Depreciation/ Amortisation			
Balance as on 1st April 2015	33,264,519		33,264,519
Amortisation for the year	66,711,810	(23,001,899)	43,709,911
Disposals			-
Balance as on 31 Mar 2016	99,976,329	(23,001,899)	76,974,430
Amortisation for the year	43,709,911	-	43,709,911
Disposals			
Balance as on 31 Mar 2017	143,686,240	(23,001,899)	120,684,340
Carrying value As on 1st Apr 2015	633,853,581	-	633,853,581
Carrying value As on 31 Mar 2016	567,141,771	23,001,899	590,143,670
Carrying value As on 31 Mar 2017	523,431,860	23,001,899	546,433,760

Note: Intangible assets comprise product registrations and brands acquired under a business transfer and are recognised at the fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less amortisation and impairment losses.



STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

	Amount in INR				Amount in INR			
	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15		Recognised in other comprehensive	Recognised directly in equity	Reclassified from equity to profit or loss	Closing Balance
2 Deferred tax balances								
Particulars								
Deferred Tax Assets	100,060,208	69,166,896	50,493,805					
Deferred Tax Liabilities	(67,388,750)	(47,075,352)	(41,256,137)					
	32,671,458	22,091,544	9,237,668					
For the Year Ending 31 Mar 2017								
Opening Balance	(47,075,352)	(20,313,398)						(67,388,750)
Deferred tax (liabilities)/assets in relation to:								
Intangible assets	50,834	(18,960)		(7,427)				31,873
Provisions	56,150	6,939						55,662
Defined benefit obligation	221,991	(74,564)						147,427
Others (Preliminary expenses)	(46,746,377)	(20,399,984)		(7,427)				(67,153,788)
Tax losses	68,837,920	30,987,325						99,825,246
Others	68,837,920	30,987,325						99,825,246
Net Deferred tax Asset	22,091,544	10,587,341		(7,427)				32,671,458
For the Year Ending 31 Mar 2016								
Opening Balance	(41,256,137)	(5,819,215)						(47,075,352)
Deferred tax (liabilities)/assets in relation to:								
Intangible assets	(69,697)	120,530						50,834
Provisions	93,705	15,447		(53,002)				56,150
Defined benefit obligation		221,991						221,991
Others (Preliminary expenses)	(41,232,129)	(5,461,246)		(53,002)				(46,746,377)
Tax losses	50,563,502	18,274,418						68,837,920
	50,563,502	18,274,418						68,837,920
Net Deferred tax Asset	9,331,373	12,813,172		(53,002)				22,091,544



STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

Note
No.

3 Trade receivables		Amount in INR		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15	
Unsecured, considered good				
Outstanding for a period exceeding six months from the date they were due for payment				
- Unsecured considered good	-	-	-	
- Doubtful	-	-	-	
Others				
- Unsecured considered good	21,326,432	7,017,458	9,226,685	
- Doubtful	-	-	-	
	21,326,432	7,017,458	9,226,685	
Less: Provision for doubtful trade receivables	-	-	-	
	21,326,432	7,017,458	9,226,685	
Total	21,326,432	7,017,458	9,226,685	
Note: Dues from Related Parties	21,326,432	7,017,458	9,226,685	

4 Cash and cash equivalents		Amount in INR		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15	
Balance with banks in current account	3,513,860	4,407,015	856,674	
Total	3,513,860	4,407,015	856,674	

5 Current tax assets (Net)		Amount in INR		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15	
Advance Tax (net of provision for tax of Rs. Nil)	2,411,633	2,387,691	1,047,937	
Total	2,411,633	2,387,691	1,047,937	

6 Other current assets		Amount in INR		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15	
Unsecured, considered good				
Loans and advances to employees	-	105,420	162,084	
Loans and advances to Bafna Pharmaceuticals Limited	-	-	10,000	
Prepaid Expenses	-	-	35,976	
Balances with Government authorities:				
- Service tax credit receivable	-	173,880	-	
Others -				
- Amount receivable from Bafna Pharmaceuticals Limited	-	-	4,404,195	
Total	-	279,300	4,612,255	

7 Provisions (non-current)		Amount in INR		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15	
Provision for leave salary	56,877	105,476	59,695	
Provision for gratuity	175,555	178,321	303,250	
Total	232,432	283,797	362,945	

8 Borrowings		Amount in INR		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15	
Related Parties:				
Payable on Demand - Strides Shasun Limited	19,830,130	19,830,130	25,522,904	
Total	19,830,130	19,830,130	25,522,904	

Note: The above loan carried an interest of 9.00% p.a.

9 Trade payables		Amount in INR		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15	
Other than acceptances	168,887	445,820	1,045,006	
Total	168,887	445,820	1,045,006	



STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

Note
No.

10 Other current liabilities

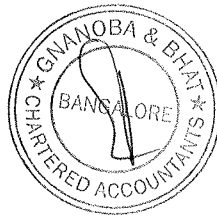
Amount in INR

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Payable on Demand - Strides Shasun Limited	8,356,984	4,854,811	1,984,108
Other payables:			
- Statutory remittances	711,069	207,319	1,959,943
Total	9,068,053	5,062,130	31,451,063

11 Provisions (current)

Amount in INR

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Provision for leave salary	33,978	23,036	-
Provision for gratuity	4,580	3,394	-
Total	38,558	26,430	-



STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

Note
No

12 Revenue from operations		Amount in INR		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15	
Royalty income	13,636,995	13,397,513	10,479,372	
Total	13,636,995	13,397,513	10,479,372	

13 Other income		Amount in INR		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15	
Interest income	60,051	-	-	
Total	60,051	-	-	

14 Employee benefit expenses		Amount in INR		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15	
Salaries and wages	992,471	3,295,498	2,180,037	
Contributions to provident and other funds	72,323	166,773	190,016	
Total	1,064,794	3,462,271	2,370,053	

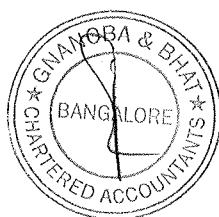
15 Other expenses		Amount in INR		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15	
Rent	254,415	504,514	359,552	
Rates & Taxes	-	121,537	1,179,500	
Repairs & Maintenance	-	-	300,000	
Printing & Stationery	-	7,725	1,400	
Conveyance & Travelling	39,611	225,013	83,866	
Communication expenses	-	3,642	-	
Support Service Charges	904,710	1,206,000	-	
Professional fees	71,330	1,980,490	2,284,286	
Payment to Auditors (see note below)	130,800	200,000	130,000	
Total	1,400,866	4,248,920	4,338,604	

Note: Payment to auditors comprises: #		Amount in INR		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15	
As auditors - Statutory audit fees	100,500	100,000	100,000	
- Tax Audit fees	30,300	30,000	30,000	
- For other matters	-	70,000	-	
Total	130,800	200,000	130,000	

excluding service tax

16 Finance cost		Amount in INR		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15	
Interest expenses	1,784,712	2,283,335	1,840,618	
Bank Charges & Commission	-	-	731	
Total	1,784,712	2,283,335	1,841,349	

17 Tax expense		Amount in INR		
Particulars	31-Mar-17	31-Mar-16	1-Apr-15	
Current tax	-	-	-	
Deferred tax	(10,587,341)	(12,813,172)	(9,331,373)	
Total	(10,587,341)	(12,813,172)	(9,331,373)	



Jan

STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

18. Employee benefit plans

18.1 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 Group 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	Amount in INR	
	As at 31st March 2017	As at 31st March 2016
Employers' Contribution to Provident Fund	72,323	109,715

18.2 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.

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

	Valuation as at	
	31-Mar-17	31-Mar-16
Discount rate(s)	7.50%	8.00%
Expected rate(s) of salary increase	First 5 years - 10% p.a Thereafter - 10% p.a.	First 5 years - 10% p.a Thereafter - 10% p.a.

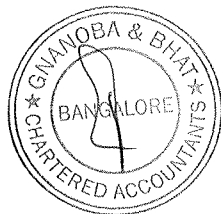
Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.

	Amount in INR	
	31-Mar-17	31-Mar-16
Service cost: •		
Current service cost	7,918	49,991
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	14,537	-
Components of defined benefit costs recognised in profit or loss	22,455	49,991

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	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	10,648	-
Actuarial (gains) / losses arising from experience adjustments	(34,683)	(171,526)
Others [describe]	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	(24,035)	(171,526)
Total	(1,580)	(121,535)

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.



STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

	Amount in INR	
	As at 31-Mar-17	As at 31-Mar-16
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	180,135	181,715
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	180,135	181,715

	Amount in INR	
	Year ended 31-Mar-17	Year ended 31-Mar-16
Movements in the present value of the defined benefit obligation are as follows.		
Opening defined benefit obligation	181,715	303,250
Current service cost	7,918	49,991
Interest cost	14,537	-
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	10,648	-
Actuarial gains and losses arising from experience adjustments	(34,683)	(171,526)
Others [describe]	-	-
Past service cost, including losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Others [describe]	-	-
Closing defined benefit obligation	180,135	181,715

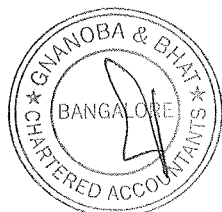
Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Defined Benefit Obligation	Amount in INR	
	01-Apr-16	to 31-Mar-17
Under Base Scenario	180,135	
Discount rate		
a. Discount rate - 100 basis points	204,553	
b. Discount rate + 100 basis points	159,734	
Salary increase rate		
a. Rate - 100 basis points	159,262	
b. Rate + 100 basis points	199,544	
Withdrawal Rate		
a. Rate - 100 basis points	185,505	
b. Rate + 100 basis points	175,449	

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.



STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

18.3 Actuarial Assumptions for Long-term Compensated Absence **Amount in INR**

Actuarial Assumptions	Year ended	
	31-Mar-17	31-Mar-16
Discount Rate	7.50%	0.00%
Salary escalation Rate	10.00%	0.00%
Attrition Rate	0.00%	0.00%
Charge In the Profit and Loss account - Rs.	56,877	-
Liability at the year end - Rs.	90,855	-

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.



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STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

Note

No.

19 **Earnings Per share**

Amount in INR

Particulars	31st March	31st March
	2017	2016
Net Profit after Tax	(23,675,896)	(27,493,752)
Weighted average number of equity shares (No.s)	4,333,331	4,333,331
Earnings/(Loss) per share	(5.46)	(6.34)
Nominal Value of Equity Shares	10.00	10.00

20 **Leases**

The Company had taken premises on lease basis as detailed below:

Amount in INR

Details of Leasing Arrangements	31st March	31st March
	2017	2016
Minimum lease payments debited to Rent account	254,415	504,514
Future Minimum lease Payments;		
- Not later than one year	252,000	126,000
- Later than one year and not later than 5 years	252,000	-
- Later than five years	-	-

21 **Related Party Transactions**

Party where the Control Exists	Name of Related Party
Holding Company	Strides Shasun Limited
Enterprise Exercising Control	Bafna Pharmaceuticals Limited

Amount in INR

SI No	Nature of Transaction		Holding Company	Enterprise Exercising Control
1	Loans & Advances - Granted / Repaid (net)	2017	-	-
		2016	(4,404,195)	-
2	Loans & Advances - Taken / Repaid (net)	2017	-	-
		2016	19,830,130	-
3	Royalty Income received / receivable	2017	13,636,995	-
		2016	13,397,513	-
4	Payment for services (including interest on loan)	2017	2,936,712	-
		2016	3,978,357	-
5	Reimbursement for Expenses incurred on behalf of	2017	27,771	-
		2016	-	-
6	Reimbursement for Expenses incurred by	2017	1,547,083	-
		2016	2,713,072	-

Related Party Transactions - (contd.)

Amount in INR

	Balances Outstanding:			
7	a) Receivable	2017	21,326,432	-
		2016	7,017,458	-
	b) Payable - Loan	2017	19,830,130	-
		2016	19,830,130	-
	c) Payable - Advances	2017	8,356,984	-
		2016	4,854,811	-



[Signature]

**STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements**

**Note
No.**

- 22 Based on the information with the Company, there are no suppliers who are registered as micro, small or medium enterprises under The Micro, Small and Medium Enterprises Act, 2006 as at 31st March 2017.
- 23 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 Healthcare Private Limited**

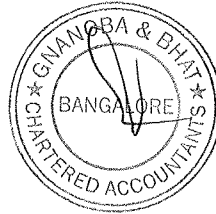


Joe Thomas
Director
DIN: 00468077



Shriram Mohan Nayak
Director
DIN: 03509129

Place : Bangalore
Date: May 10, 2017



STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)

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

NOTE – 24

COMPANY INFORMATION

Strides Healthcare Private Limited (Formerly Strides Actives Private Limited) is a pharmaceutical company which is headquartered in Bangalore, India. The Company is engaged in the marketing, selling, and distribution of pharmaceutical products. The Company owns intellectual property in respect of certain pharmaceutical products.

NOTE – 25

SIGNIFICANT ACCOUNTING POLICIES

A. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Company is a 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 26**.

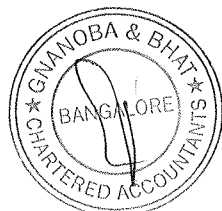
Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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. 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



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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.

D. DEPRECIATION

Consequent to the transition to Ind AS, intangible assets comprising Brands acquired in 2014, the cost whereof was hitherto amortised over a period of 10 years (being the maximum permissible period of amortization under the previous GAAP), have now been amortised over the estimated useful life of such assets of 15 years, under the Straight Line Method basis as prescribed under Schedule II of the Companies Act, 2013. The resultant excess charge of depreciation under the previous GAAP has been appropriately reclassified and adjusted to the opening balance of Retained Earnings.

E. REVENUE RECOGNITION

Revenue from royalty under manufacturing and licensing agreements with customers is recognized and accrued based on the terms of the agreements.

F. TAXATION

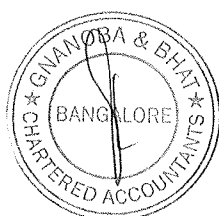
The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

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.

G. 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.



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H. 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.

I. CONTINGENCIES

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

J. 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.

K. 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 – 26

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. 25** 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



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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 26.1**, **Note 26.2** and **Note 26.3** hereto.

For and on behalf of the Board of Directors

Place : Bangalore

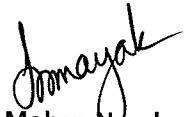
Date: May 10, 2017



Joe Thomas

Director

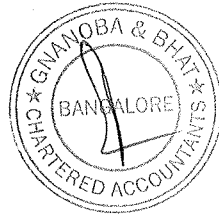
DIN: 00468077



Shriram Mohan Nayak

Director

DIN: 03509129



26.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

Amount in INR

Particulars	Note No.	Opening Balance Sheet as at 1 April, 2015			Balance Sheet as at 31 March, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
A ASSETS							
I Non-current assets							
(a) Other Intangible assets	A	633,853,581	-	633,853,581	567,141,771	23,001,899	590,143,670
(b) Deferred tax assets (Net)	B	9,331,373	-	9,331,373	29,242,390	(7,150,846)	22,091,544
Total Non-current assets		643,184,954	-	643,184,954	596,384,161	15,851,053	612,235,214
II Current assets							
(a) Financial assets							
(i) Trade receivables		9,226,685	-	9,226,685	7,017,458	-	7,017,458
(ii) Cash and cash equivalents		856,674	-	856,674	4,407,015	-	4,407,015
(b) Current tax assets (Net)		1,047,937	-	1,047,937	2,387,691	-	2,387,691
(c) Other current assets		4,612,255	-	4,612,255	279,300	-	279,300
Total Current assets		15,743,551	-	15,743,551	14,091,464	-	14,091,464
Total Assets		658,928,505	-	658,928,505	610,475,625	15,851,053	626,326,678
B EQUITY AND LIABILITIES							
1 Equity							
(a) Equity Share capital		43,333,310	-	43,333,310	43,333,310	-	43,333,310
(b) Other equity	C	584,720,289	-	584,720,289	541,330,892	16,014,169	557,345,061
Total Equity		628,053,599	-	628,053,599	584,664,202	16,014,169	600,678,371
II Liabilities							
1 Non-current liabilities							
(a) Provisions	D	303,250	-	303,250	450,307	(166,510)	283,797
Total Non-current liabilities		303,250	-	303,250	450,307	(166,510)	283,797
2 Current liabilities							
(a) Financials Liabilities							
(i) Borrowings		25,522,904	-	25,522,904	19,830,130	-	19,830,130
(ii) Trade payables		1,045,006	-	1,045,006	445,820	-	445,820
(b) Other current liabilities		3,944,051	-	3,944,051	5,062,130	-	5,062,130
(c) Provisions	D	59,695	-	59,695	23,036	3,394	26,430
Total Current liabilities		30,571,656	-	30,571,656	25,361,116	3,394	25,364,510
Total Equity and liabilities		658,928,505	-	658,928,505	610,475,625	15,851,053	626,326,678

Note A: Other Intangible assets

Consequent to the transition to Ind AS, cost of such assets has been amortised over the estimated useful life of such assets as determined by valuation viz. 15 years under the Straight Line Method basis as prescribed under Schedule II of the Companies Act, 2013 (against the maximum of 10 years as permitted under the erstwhile accounting standards).

Note B: Deferred tax assets

Deferred Tax impact on change in useful life of intangible assets as stated in Note A above and deferred tax on unamortised negative past service cost arising on modification of the gratuity plan in an earlier period is adjusted to retained earnings

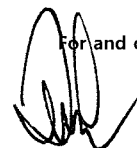
Note C: Other equity

As per Ind-AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP

Note D: 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

For and on behalf of the Board

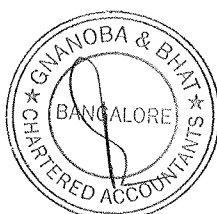


Joe Thomas
Director
DIN: 00468077



Shriram Mohan Nayak
Director
DIN: 03509129

Place : Bangalore
Date : May 10, 2017



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

Amount in INR

Particulars	Note No.	Year ended March 31 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS
1 Revenue from operations		13,397,513	-	13,397,513
2 Other income		-	-	-
3 Total revenue (1+2)		13,397,513	-	13,397,513
4 Expenses				
(a) Employee benefits expenses	D	3,453,861	8,410	3,462,271
(b) Other expenses		4,248,920	-	4,248,920
Total		7,702,781	8,410	7,711,191
5 Earning before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (3-4)		5,694,732	(8,410)	5,686,322
6 Finance costs		2,283,335	-	2,283,335
7 Depreciation and amortisation expense	A	66,711,810	(23,001,899)	43,709,911
8 Profit before exceptional items and tax (5-6-7)		(63,300,414)	22,993,489	(40,306,924)
9 Exceptional items gain / (loss) (net)		-	-	-
10 Profit before tax (8+9)		(63,300,414)	22,993,489	(40,306,924)
11 Tax expense	E	(19,911,017)	7,097,845	(12,813,172)
12 Profit for the year (10-11)		(43,389,397)	15,895,644	(27,493,752)
13 Other Comprehensive Income				
A) (i) Items that will not be reclassified to profit or loss	D	-	171,526	171,526
A) (ii) Income tax relating to items that will not be reclassified to profit or loss	D	-	(53,002)	(53,002)
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		-	118,524	118,524
14 Total Comprehensive Income for the period (12+13)		(43,389,397)	16,014,169	(27,375,228)


Note E: Tax Expense

Deferred Tax impact on change in useful life of intangible assets to 15 years from 10 years.

26.3 Cash flow statement

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

For and on behalf of the Board


Joe Thomas
Director
DIN: 00468077


Shriram Mohan Nayak
Director
DIN: 03509129

Place : Bangalore
Date: May 10, 2017

