

# Amarnath Kamath & Associates Chartered Accountants

## Auditors' Report

The Board of Directors  
Strides Shasun Limited  
Bangalore

We have audited the attached Balance sheet of **Strides Pharma Global Pte Ltd** a subsidiary of **Strides Shasun Limited (SSL)**, as at March 31, 2017 and the related Statement of Profit and Loss for the year ended on that date, annexed thereto, together referred to as 'Financial Statements'.

These Financials Statements have been prepared by the management of SSL based on the Management reporting package of the Company prepared under International Financial Reporting Standards (IFRS).

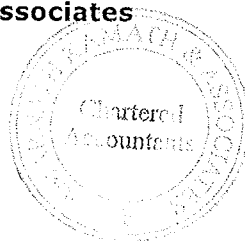
Based on our audit and according to the additional information and explanations furnished to us, we report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Financial Statements.
- These financial statements set out the information required in Schedule III of the Companies Act, 2013 for the purpose of consolidation of Group accounts.
- In our opinion, necessary adjustments have been made by the management of SSL to ensure that the Financial Statements:
  - Comply with the Accounting Standards referred to in section 133 of the Indian Companies Act, 2013 and
  - Are fit for consolidation into Strides Shasun Limited.

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

*V. Narayanan*

**V. Narayanan (Partner)  
M.No:219265  
Date: 10-05-2017  
Place: Bangalore**



**Strides Pharma Global Pte Limited**  
**BALANCE SHEET AS AT MARCH 31, 2017**

	Note No.	31-Mar-17	USD 31-Mar-16
<b>A ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, Plant and Equipment	1	477,498	5,824
(b) Capital Work in Progress		22,066,572	5,568,770
(c) Goodwill		49,500,959	49,500,959
(d) Other Intangible assets	1	63,256,289	30,126,216
(e) Financial assets			
(i) Investments		165,753,807	162,789,191
(f) Other Non-current assets	2	4,916,434	7,803,515
<b>Total Non-current assets</b>		<b>305,971,559</b>	<b>255,794,475</b>
<b>II Current assets</b>			
(a) Inventories	3	-	108,436.00
(b) Financial assets			
(i) Trade receivables	4	29,074,248	39,047,033
(ii) Cash and cash equivalents	5	8,246,653	7,922,445
(iii) Other financial assets	6	63,744,194	63,586,345
(b) Current tax assets (Net)	7	234,369	-
(c) Other current assets	8	8,121,376	1,792,814
<b>Total Current assets</b>		<b>109,420,840</b>	<b>112,457,073</b>
<b>Total Assets</b>		<b>415,392,400</b>	<b>368,251,548</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Share capital	9	113,442,177	394,500
(b) Other equity	10	121,189,321	192,473,702
<b>Total Equity</b>		<b>234,631,498</b>	<b>192,868,202</b>
<b>II Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financials Liabilities			
(i) Borrowings	11	155,061,542	150,000,620
		<b>155,061,542</b>	<b>150,000,620</b>
<b>2 Current liabilities</b>			
(a) Financials Liabilities			
(i) Trade payables	11	18,827,222	20,069,005
(ii) Other financial liabilities	12	6,170,560	4,013,791
(b) Other current liabilities	13	701,578	816,234
(c) Current tax liabilities	14	-	483,696
		<b>25,699,360</b>	<b>25,382,726</b>
<b>Total Equity and liabilities</b>		<b>415,392,400</b>	<b>368,251,548</b>

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For Amarnath Kamath & Associates

Chartered Accountants

Firm Registration no. 000099S

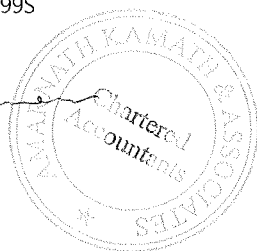
**V Narayanan**

Partner

Mem No. : 219265

Place : Bangalore

Date: May 10, 2017



**Strides Pharma Global Pte Limited**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE PERIOD ENDED MARCH 31, 2017**

	Note No.	31-Mar-17	31-Mar-16
1 Revenue from operations	15	69,891,722	61,159,728
2 Other income	16	8,000,843	2,217,418
<b>3 Total revenue (1+2)</b>		<b>77,892,565</b>	<b>63,377,145</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	17	223,937	35,454,391
(b) Purchase of stock-in-trade		42,872,698	358,492
(c) (Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	18	-	298,440
(a) Employee benefits expenses	19	657,508	835,631
(b) Other expenses	20	15,190,391	5,244,494
<b>Total</b>		<b>58,944,533</b>	<b>42,191,448</b>
<b>5 Earning before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (3-4)</b>		<b>18,948,031</b>	<b>21,185,698</b>
6 Finance costs	21	10,546,160	5,327,208
7 Depreciation and amortisation expense	1	3,212,951	908,136
<b>8 Profit before exceptional items and tax (5-6-7)</b>		<b>5,188,920</b>	<b>14,950,353</b>
9 Exceptional items gain / (loss) (net)		(703,631)	1,515,186
<b>10 Profit before tax (8+9)</b>		<b>4,485,289</b>	<b>16,465,539</b>
11 Tax expense	22	(98,007)	483,696
<b>12 Profit for the year (10-11)</b>		<b>4,583,296</b>	<b>15,981,843</b>
<b>13 Other Comprehensive Income</b>			
A) (i) Items that will not be reclassified to profit or loss		-	-
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		-	-
<b>Total Other comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>14 Total Comprehensive Income for the period (12+13)</b>		<b>4,583,296</b>	<b>15,981,843</b>

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For Amarnath Kamath & Associates

Chartered Accountants

Firm Registration no. 000099S

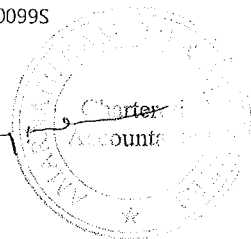
V. Narayanan

V Narayanan  
Partner

Mem No. : 219265

Place : Bangalore

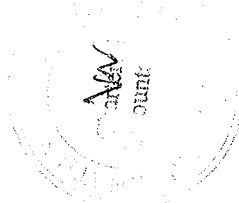
Date: May 10, 2017



Strides Pharma Global Pte Limited  
STATEMENT OF CHANGES IN EQUITY

9 Share capital

Particulars	USD	
	31-Mar-17	31-Mar-16
Authorised		
Total		
Issued, subscribed and fully paid-up		
Equity	394,500	394,500
Preference	113,047,677	-
Total	113,442,177	394,500



**Strides Pharma Global Pte Limited**  
**STATEMENT OF CHANGES IN EQUITY**

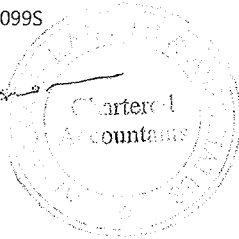
**10 Other equity**

Particulars	31-Mar-17	31-Mar-16
<b>Securities Premium Account</b>		
Opening Balance	-	-
Add : Premium on shares issued during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	21,403,085	5,421,242
Add: (Loss) for the year	4,583,296	15,981,843
<b>Closing balance</b>	<b>25,986,381</b>	<b>21,403,085</b>
<b>Share application monies pending allotment</b>		
Opening Balance	171,070,617	171,070,617
Add : Monies received during the year	-	-
Less : Share issued/money refunded during the year	75,867,677	-
<b>Closing balance</b>	<b>95,202,940</b>	<b>171,070,617</b>
<b>Other comprehensive income</b>		
<b>Actuarial gain/(loss) on defined benefit obligation</b>		
Opening Balance	-	-
Add/(less): Other comprehensive income for the year	-	-
Add/(less): Tax impact on the above	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>121,189,321</b>	<b>192,473,702</b>

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

V Narayanan  
Partner  
Mem No. : 219265

Place :Bangalore  
Date: May 10, 2017



Strides Pharma Global Pte Limited

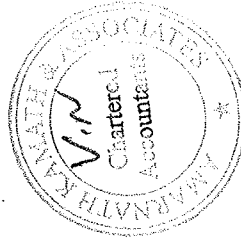
Note : 1

Property, plant and equipment as on 31st March 2017

Sl No	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on	Additions	Deletions	As on	Up to	For the	Deletions	Up to	As on	As on
		31.03.2016	During the year	During the year	31.03.2017	31.03.2016	Year	During the Year	31.03.2017	31.03.2017	31.03.2016
	<b>TANGIBLE ASSET</b>										
1	FURNITURE & FIXTURES	-	29,480.64	-	29,481	-	2,236.37	-	2,236	27,244	-
2	Office Equipments & Computers	6,830	251,393	-	258,222	1,005.86	37,864	-	38,870	219,352	5,824
3	Motor Vehicles	-	239,770	-	239,770	-	8,868	-	8,868	230,901	-
	<b>Total Tangible asset</b>	<b>6,830</b>	<b>520,643</b>	<b>-</b>	<b>527,472</b>	<b>1,006</b>	<b>48,968</b>	<b>-</b>	<b>49,974</b>	<b>477,498</b>	<b>5,824</b>
	<b>GRAND TOTAL</b>	<b>6,830</b>	<b>520,643</b>	<b>-</b>	<b>527,472</b>	<b>1,006</b>	<b>48,968</b>	<b>-</b>	<b>49,974</b>	<b>477,498</b>	<b>5,824</b>

Other intangibles as on 31st March 2017

Sl No	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on	Additions	Deletions	As on	Up to	For the	Deletions	Up to	As on	As on
		31.03.2016	During the year	During the year	31.03.2017	31.03.2016	Year	During the Year	31.03.2017	31.03.2017	31.03.2016
	<b>INTANGIBLE ASSETS</b>										
1	Registrations & Brands	31,033,479	36,293,106	-	67,326,585	907,263	3,163,869	-	4,071,132	63,255,454	30,126,216
2	Software Licences	-	950	-	950	-	114	-	114	836	-
	<b>Total Intangible asset</b>	<b>31,033,479</b>	<b>36,294,056</b>	<b>-</b>	<b>67,327,535</b>	<b>907,263</b>	<b>3,163,983</b>	<b>-</b>	<b>4,071,246</b>	<b>63,256,289</b>	<b>30,126,216</b>



Strides Pharma Global Pte Limited  
Notes forming part of the financial statements

Note

No.

2 Other non current assets		USD	
Particulars	31-Mar-17	31-Mar-16	
Prepaid Expenses	4,916,434	7,803,515	
<b>Total</b>	<b>4,916,434</b>	<b>7,803,515</b>	

12 Inventories		USD	
Particulars	31-Mar-17	31-Mar-16	
- Goods-in-transit	-	108,436	
<b>Total</b>	<b>-</b>	<b>108,436</b>	

4 Trade receivables		USD	
Particulars	31-Mar-17	31-Mar-16	
Unsecured, considered good			
Others			
- Unsecured considered good	29,074,248	39,047,033	
- Doubtful	-	-	
	29,074,248	39,047,033	
Less: Provision for doubtful trade receivables	-	-	
	29,074,248	39,047,033	
<b>Total</b>	<b>29,074,248</b>	<b>39,047,033</b>	
Note: Dues from Related Parties	-	15,684,898	

5 Cash and cash equivalents		USD	
Particulars	31-Mar-17	31-Mar-16	
Cash in hand	35	324	
Balance with banks in current account	6,213,155	2,529,720	
Deposit	2,033,463	5,392,401	
<b>Total</b>	<b>8,246,653</b>	<b>7,922,445</b>	

6 Other financial assets		USD	
Particulars	31-Mar-17	31-Mar-16	
Loans and advances to related party	60,695,323	63,383,889	
Loans and advances to fellow subsidiary	-	-	
Others	3,048,871	202,456	
<b>Total</b>	<b>63,744,194</b>	<b>63,586,345</b>	

7 Current tax assets (Net)		USD	
Particulars	31-Mar-17	31-Mar-16	
Advance Tax (net of provision for tax of Rs. Nil)	234,369	-	
<b>Total</b>	<b>234,369</b>	<b>-</b>	

8 Other current assets		USD	
Particulars	31-Mar-17	31-Mar-16	
Unsecured, considered good			
Advance to supplier	6,495,263	122,773	
Prepaid Expenses	1,276,120	1,652,663	
Balances with Government authorities:			
- others	349,993	17,378	
<b>Total</b>	<b>8,121,376</b>	<b>1,792,814</b>	

11 Borrowings		USD	
Particulars	31-Mar-17	31-Mar-16	
Term loan from banks	77,160,309	150,000,620	
Others	77,901,233	-	
<b>Total</b>	<b>155,061,542</b>	<b>150,000,620</b>	

11 Trade payables		USD	
Particulars	31-Mar-17	31-Mar-16	
Other than acceptances	18,827,222	20,069,005	
<b>Total</b>	<b>18,827,222</b>	<b>20,069,005</b>	

12 Other financial liabilities		Amount in INR	
Particulars	31-Mar-17	31-Mar-16	
Current maturities of long term debt	5,574,320	3,999,380	
Other financial liabilities	596,240	14,411	
<b>Total</b>	<b>6,170,560</b>	<b>4,013,791</b>	

13 Other current liabilities		USD	
Particulars	31-Mar-17	31-Mar-16	
Advance from customer	262,367	181,610	
Interest accrued but not due	370,752	634,624	
Other current liabilities	68,459	-	
- Gratuity	-	-	
<b>Total</b>	<b>701,578</b>	<b>816,234</b>	

14 Current tax liabilities		USD	
Particulars	31-Mar-17	31-Mar-16	
Current tax	-	483,696	
<b>Total</b>	<b>-</b>	<b>483,696</b>	



**Strides Pharma Global Pte Limited**  
Notes forming part of the financial statements

Note  
No

		USD	
		31-Mar-17	31-Mar-16
<b>15</b>	<b>Revenue from operations</b>		
	Particulars		
	Sale of product	66,203,882	60,493,138
	Sale of services	-	666,590
	Other operating income	3,687,840	-
	<b>Total</b>	<b>69,891,722</b>	<b>61,159,728</b>
<b>16</b>	<b>Other income</b>		
	Particulars		
	Exchange fluctuation gain (net)	3,186,884	2,197,484
	Interest Income	4,789,300	19,934
	Other Non Operating Income	24,659	-
	<b>Total</b>	<b>8,000,843</b>	<b>2,217,418</b>
<b>17</b>	<b>Cost of materials consumed</b>		
	Particulars		
	Opening stock	-	-
	Add: Purchases	223,937	35,454,391
	Add: Excise duty	-	-
	Closing stock	-	-
	<b>Total</b>	<b>223,937</b>	<b>35,454,391</b>
<b>18</b>	<b>(Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade</b>		
	Particulars		
	<b>Inventories at the end of the year:</b>		
	- Finished goods	-	108,436
	- Work-in-progress	-	-
	- Stock-in-trade	-	-
		-	108,436
	<b>Inventories at the beginning of the year:</b>		
	- Finished goods	-	406,876
	- Work-in-progress	-	-
	- Stock-in-trade	-	-
		-	406,876
	<b>Net (increase) / decrease</b>	<b>-</b>	<b>298,440</b>
<b>19</b>	<b>Employee benefit expenses</b>		
	Particulars		
	Salaries and wages	673,985	803,191
	Contributions to provident and other funds	7,684	2,679
	Staff welfare	(24,161)	29,761
	<b>Total</b>	<b>657,508</b>	<b>835,631</b>
<b>20</b>	<b>Other expenses</b>		
	Particulars		
	Power, fuel & water	125,149	598
	Consumables	90,341	208
	Research & Development	-	272,000
	Conversion & Processing charges	7,658,911	2,160,657
	Freight & forwarding	2,869,781	1,160,449
	Rent	12,176	70,565
	Rates & taxes	1,622	20,277
	Communication charges	14,530	9,890
	Repairs & maintenance		
	- Buildings	2,146	-
	- Machinery	3,237	2,097
	- Others	320	0
	Insurance	47,328	30,000
	Travelling & conveyance	157,026	90,704
	Advertisement & Selling expenses	21,235	1,437
	Commission on sales	80,326	-
	Legal and Professional fees	220,863	1,402,526
	Other expenses	628,765	22,355
	Provision for doubtful debts	-	732
	Exchange fluctuation Loss	3,256,636	-
	<b>Total</b>	<b>15,190,391</b>	<b>5,244,494</b>
<b>21</b>	<b>Finance cost</b>		
	Particulars		
	Interest expenses	10,405,856	5,271,778
	Bank Charges & Commission	140,304	55,430
	<b>Total</b>	<b>10,546,160</b>	<b>5,327,208</b>
<b>22</b>	<b>Tax expense</b>		
	Particulars		
	Current tax	(98,007)	483,696
	Deferred tax	-	-
	<b>Total</b>	<b>(98,007)</b>	<b>483,696</b>

