

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of M/s Strides Chemicals Private Limited  
(Formerly known as Perrigo API India Private Limited)**

**Report on the Ind AS financial statements**

We have audited the accompanying Ind AS financial statements of M/s Strides Chemicals Private Limited (formerly known as Perrigo API India Private Limited) ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, 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.

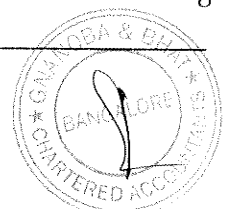
**Auditor's Responsibility**

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.

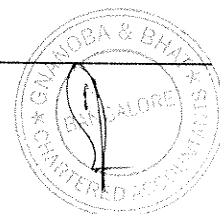
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### 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 31<sup>st</sup> March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

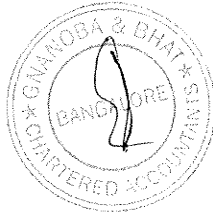
### Report on Other Legal and Regulatory Requirements

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 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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;

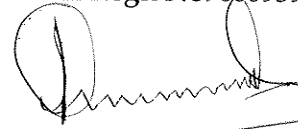


- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Bangalore  
Date : May 14, 2018



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 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) According to the information and explanations given to us, 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) To the best of our knowledge and as explained 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, Goods and Service 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 material undisputed amounts in respect of the above statutory dues, which were in arrears as at 31st March 2018, for a period more than six months from the date they became due.
  - b) According to the records of the company, the dues of income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

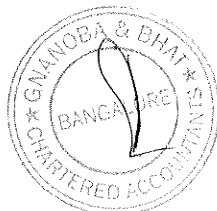


**GNANOBA & BHAT  
CHARTERED ACCOUNTANTS**

Name of the statue	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1994	Excise Duty	28,93,377/-	Year 2011-12 to 2015-16	Commissioner (Appeals)

- (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) According to the information and explanation given to us, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule-V to the Companies Act.
- (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 177 and 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 14, 2018



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

**R. UMESH**  
Partner  
M. No. 27892

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**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 Chemicals Private Limited (formerly known as Perrigo API India Private Limited) ("the Company") as on 31<sup>st</sup> March 2018 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.

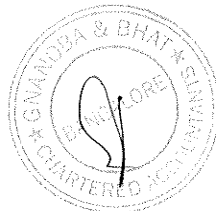
**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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, 2018, 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 14, 2018



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

R. UMESH  
Partner  
M. No. 27892

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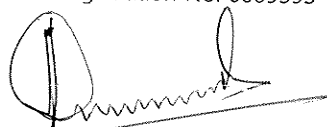
**STRIDES CHEMICALS PRIVATE LIMITED**  
(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)

BALANCE SHEET AS AT MARCH 31, 2018

	Note No.	INR in Million		
		31-Mar-18	31-Mar-17	01-Apr-16
<b>A ASSETS</b>				
<b>I Non-current assets</b>				
(a) Property, plant and equipment	3	730.99	387.97	571.83
(b) Capital work in progress		28.08	-	18.98
(c) Investment property		70.05	-	-
(d) Other Intangible assets	3	29.27	0.37	1.52
(e) Intangibles assets under development		44.35	-	-
(f) Financial assets				
(i) Other financial assets	4	10.66	10.40	10.23
(g) Other non-current assets	5	129.35	84.09	141.38
(h) Income tax assets (net)	6	24.56	24.56	22.40
<b>Total Non-current assets</b>		<b>1,067.31</b>	<b>507.39</b>	<b>766.34</b>
<b>II Current assets</b>				
(a) Inventories				
(b) Financial assets	7	138.86	79.46	243.31
(i) Trade receivables				
(ii) Cash and cash equivalents	8	77.01	14.46	184.16
(iii) Other balances with banks	9	61.55	325.84	273.69
(iv) Other financial assets	10	16.55	15.87	0.55
(c) Income tax assets (net)	11	56.45	4.78	3.01
(d) Other current assets	12	8.12	-	-
	13	87.87	20.83	14.89
		<b>446.41</b>	<b>461.24</b>	<b>719.61</b>
(e) Assets classified as held for sale	38	-	53.00	-
<b>Total Current assets</b>		<b>446.41</b>	<b>514.24</b>	<b>719.61</b>
<b>TOTAL ASSETS</b>		<b>1,513.72</b>	<b>1,021.63</b>	<b>1,485.95</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>I Equity</b>				
(a) Equity share capital	14	797.00	797.00	512.88
(b) Other equity	15	503.58	163.75	(1,658.51)
<b>Total Equity</b>		<b>1,300.58</b>	<b>960.75</b>	<b>(1,145.63)</b>
<b>II Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings				
(ii) Other financial liabilities	16	-	-	2,186.88
(b) Provisions	17	-	-	289.25
	18	4.89	-	0.62
		<b>4.89</b>	<b>-</b>	<b>2,476.75</b>
<b>III Current liabilities</b>				
(a) Financial liabilities				
(i) Trade payables	19	127.89	42.74	113.74
(ii) Other financial liabilities	20	65.16	0.29	8.83
(b) Other current liabilities	21	13.93	12.91	23.38
(c) Provisions	22	1.27	4.94	8.88
		<b>208.25</b>	<b>60.88</b>	<b>154.83</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,513.72</b>	<b>1,021.63</b>	<b>1,485.95</b>

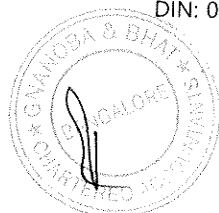
See accompanying notes forming part of the financial statements  
As per our report of even date attached

for **Gnanoba & Bhat**  
Chartered Accountants  
Firm Registration No. 000939S



**R Umesh**  
Partner  
Mem. No. 27892


Place :Bengaluru  
Date: May 14,2018

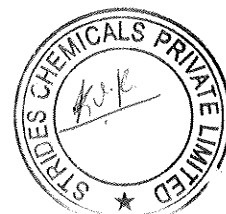


for and on behalf of Board of Directors

  
**Hemant Narayan Nikam**  
Director  
DIN: 07517849

  
**Venkata Seetharama Raju Pakalapati**  
Director  
DIN: 07500141

  
**K.V Radhakrishnan**  
Company Secretary  
Mem. No. A35149





**STRIDES CHEMICALS PRIVATE LIMITED**  
**(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE PERIOD ENDED MARCH 31, 2018**

	Note No.	INR in Million	
		31-Mar-18	31-Mar-17
<b>A. Continuing operations:</b>			
1 Revenue from operations	23	290.27	235.89
2 Other income	24	71.80	75.64
3 <b>Total revenue (1+2)</b>		<b>362.07</b>	<b>311.53</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	25	209.55	137.18
(b) (Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	26	(37.34)	67.27
(c) Employee benefits expenses	27	85.13	75.00
(d) Finance costs	28	2.23	20.11
(e) Depreciation and amortisation expense	3	45.54	52.56
(f) Other expenses	29	226.58	326.48
<b>Total</b>		<b>531.69</b>	<b>678.60</b>
5 <b>Profit before exceptional items and tax (3-4)</b>		<b>(169.62)</b>	<b>(367.07)</b>
6 Exceptional items gain / (loss) (net)	30	509.36	-
7 <b>Profit before tax (5+6)</b>		<b>339.74</b>	<b>(367.07)</b>
8 Tax expense			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
9 <b>Profit for the year from continuing operations (7-8)</b>		<b>339.74</b>	<b>(367.07)</b>
<b>B. Discontinued operations:</b>			
10 Profit /(loss) from discontinued operations	38	-	18.41
11 Gain/(loss) on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)		-	(76.84)
12 Tax expenses of discontinued operations		-	-
13 <b>Profit /(loss) after tax from discontinued operations</b>		<b>-</b>	<b>(58.43)</b>
<b>C Total Operations</b>			
14 <b>Profit /(loss) for the year (9+13)</b>		<b>339.74</b>	<b>(425.50)</b>
15 <b>Other comprehensive income</b>			
A) (i) Items that will not be reclassified to profit or loss		0.09	2.05
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>0.09</b>	<b>2.05</b>
16 <b>Total comprehensive Income for the year (14+15)</b>		<b>339.83</b>	<b>(423.45)</b>
17 <b>Earnings per equity share (of INR 10/- each) (from continuing operations)</b>	32		
- Basic		4.26	(6.02)
- Diluted		4.26	(6.02)
18 <b>Earnings per equity share (of INR 10/- each) (from discontinued operations)</b>			
- Basic		-	(0.96)
- Diluted		-	(0.96)
19 <b>Earnings per equity share (of INR 10/- each) (from total operations)</b>			
- Basic		4.26	(6.98)
- Diluted		4.26	(6.98)

See accompanying notes forming part of the financial statements

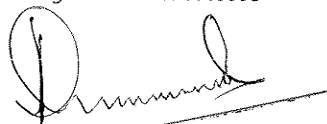
As per our report of even date attached

for and on behalf of Board of Directors

for Gnanoba & Bhat

Chartered Accountants

Firm Registration No. 0009395



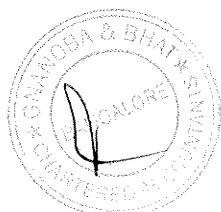
R Umesh

Partner

Mem. No. 27892

Place : Benqaluru

Date : May 14, 2018



Hemant Narayan Nikam

Director

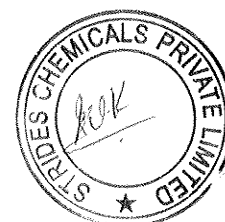
DIN: 07517849

Venkata Seetharama Raju Pakalapati

Director

DIN: 07500141

  
**K.V Radhakrishnan**  
 Company Secretary  
 Mem. No. A35149



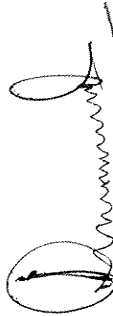
**STRIDES CHEMICALS PRIVATE LIMITED**  
(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)  
**STATEMENT OF CHANGES IN EQUITY**  
FOR THE YEARS ENDED MARCH 31, 2018 AND MARCH 31, 2017

A) Equity share capital	INR In Million
Particulars	
Balances as at April 1st, 2016	512.88
Changes in equity share capital during the year:	
- Issued pursuant to conversion of ECB	284.12
Balance as at March 31, 2017	797.00
Changes in equity share capital during the year	
Balance as at March 31, 2018	797.00

Particulars	Reserves and surplus				Items of other comprehensive income Re-measurement of the defined benefit liabilities / (assets)	Total
	Capital reserve	Securities premium	Retained earnings	comprehensive income		
Balances as at April 1st, 2016	535.02	1,932.38	(4,125.91)	-	-	(1,658.51)
Premium received on issue of shares	-	2,245.71	-	-	-	2,245.71
Profit/loss for the year	-	-	(425.50)	-	-	(425.50)
Other comprehensive income for the year (net of tax)	-	-	-	2.05	2.05	2.05
Balance as at March 31, 2017	535.02	4,178.09	(4,551.41)	2.05	2.05	163.75
Profit/loss for the year	-	-	339.74	-	-	339.74
Other comprehensive income for the year (net of tax)	-	-	-	0.09	0.09	0.09
Total comprehensive income	-	-	339.74	0.09	0.09	339.83
Balance as at March 31, 2018	535.02	4,178.09	(4,211.67)	2.14	2.14	503.58

See accompanying notes forming part of the financial statements  
As per our report of even date attached


for **Gnanoba & Bhat**  
Chartered Accountants  
Firm Registration No. 000939S




**R Umesh**  
Partner  
Mem. No. 27892  
Place: Bengaluru  
Date: May 14, 2018



for and on behalf of Board of Directors

  
**Hemant Narayan Nikam**  
Director  
DIN: 07517849

  
**Venkata Seetharama Raju Pakalapati**  
Director  
DIN: 07500141

  
**K-V Radhakrishnan**  
Company Secretary  
Mem. No. A35149

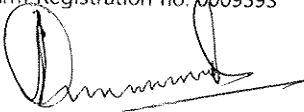


STRIDES CHEMICALS PRIVATE LIMITED  
(FORMERLY PERKIGO API INDIA PRIVATE LIMITED)  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED MARCH 31, 2018

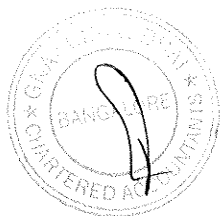
Particulars	INR in Million	
	For the period ended	
	31 March, 2018	31 March, 2017
<b>A. Cash flow from operating activities</b>		
Net profit / (loss) after tax	339.74	(425.50)
<b>Adjustments for:</b>		
- Depreciation and amortisation expenses	45.54	52.56
- Finance costs	-	17.88
- Rental income	(49.72)	(45.37)
- Interest income	(6.78)	(4.64)
- Provision for gratuity & Leave encashment	1.69	1.69
- Provision for doubtful debts	-	61.10
- Reversal of provision for impairment	(509.36)	-
- Net unrealised exchange (gain) / loss	0.11	35.47
<b>Operating profit / (loss) before working capital changes</b>	<b>(518.52)</b>	<b>118.69</b>
<b>Changes in working capital:</b>	<b>(178.78)</b>	<b>(306.81)</b>
(Increase)/decrease in inventories	(59.40)	163.85
(Increase)/decrease in trade and other receivables	(72.62)	174.72
Increase/(decrease) in trade and other payables	85.79	(85.02)
<b>Net change in working capital</b>	<b>(46.23)</b>	<b>253.55</b>
<b>Cash generated from operations</b>	<b>(225.01)</b>	<b>(53.26)</b>
Net income tax (paid) / refunds	(8.12)	(2.16)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(233.13)</b>	<b>(55.42)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets including capital advance	(87.82)	89.79
Investment in bank deposits (having original maturity more than 3 months)	(0.68)	(15.32)
Rental income from investment property	49.72	45.37
Interest Income received	7.62	5.61
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(31.16)</b>	<b>125.45</b>
<b>C. Cash flow from financing activities</b>		
Finance cost	-	(17.88)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>-</b>	<b>(17.88)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(264.29)</b>	<b>52.15</b>
Cash and cash equivalents at the beginning of the year	325.84	273.69
<b>Cash and cash equivalents at the end of the year</b>	<b>61.55</b>	<b>325.84</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 9)	61.55	325.84
Less: Bank balances not considered as Cash and cash equivalents as defined in IndAS 7 Statement of <i>Cash Flow</i> .	-	-
Net Cash and cash equivalents (as defined in IND AS 7 Statement of <i>Cash Flows</i> ) included in Note 9	61.55	325.84
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 *	61.55	325.84
* Comprises:		
(a) Cash on hand	-	-
(b) Balances with banks - in current accounts	61.55	325.84
(c) Balances with banks - in fixed deposits	-	-

See accompanying notes forming part of the financial statements  
As per our report of even date attached


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

  
R Umesh  
Partner  
Mem. No. 027892


Place :Bengaluru  
Date: May 14, 2018

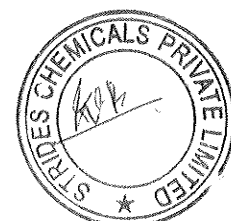


for and on behalf of Board of Directors

  
Hemant Narayan Nikam  
Director  
DIN: 07517849

  
Venkata Seetharama Raju Pakalapati  
Director  
DIN: 07500141

  
K V Radhakrishnan  
Company Secretary  
Mem. No. A35149



**STRIDES CHEMICALS PRIVATE LIMITED**  
**(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)**

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2018

**NOTE – 1**

**COMPANY INFORMATION**

Strides Chemicals Private Limited (formerly Perrigo API India Private Limited), a wholly owned subsidiary of Strides Shasun Limited, is engaged in the business of manufacturing of Active Pharmaceutical Ingredients (API's) having its manufacturing plant at Ambernath, Maharashtra, India and is registered as 100% EOU Unit under the Foreign Trade Policy.

**NOTE – 2**

**SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The Company is a wholly owned 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 43**.

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 indirect method, whereby net profits / (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated based on the available information.

**C. INVENTORIES**

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

Raw materials, packing materials and stores and spares: weighted average basis

Work-in progress: at material cost and an appropriate share of production overheads

Finished goods: material cost and an appropriate share of production overheads and excise duty, wherever applicable

Stock-in trade: weighted average basis

**D. (i) Property, plant and equipment**

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

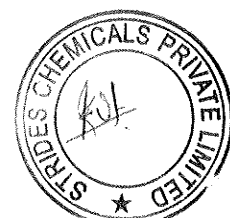
**(ii) Investment property**

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight line method over their estimated useful live of 30 years. The useful life has been determined based on technical evaluation performed by the management's expert.

**(iii) 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.



**STRIDES CHEMICALS PRIVATE LIMITED**  
**(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)**

**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2018**

**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	Factory Building	30 years
2	Building other than factory building	30 years
3	Plant & Machinery - General	20 years
4	Plant & Machinery - Laboratory Equipments	10 years
5	Furniture & Fixtures	10 years
6	Office Equipment	5 years
7	Computers and Accessories	3 years
8	Software	3 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.

Income from services is recognised as and when services are rendered, in accordance with terms of underlying contracts

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included in under the head "Other income" in the statement of profit and loss.

Rental income is recognised in the Statement of Profit and Loss on accrual basis based on the terms of the lease.

**H. TAXATION**

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

Minimum alternate tax (if any) 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.

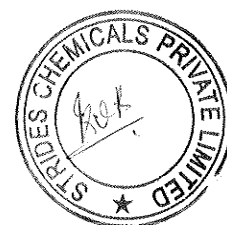
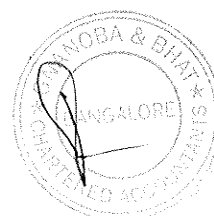
Deferred tax assets and liabilities (if any) are recognized for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per financial statements. Deferred tax assets and liabilities are measured as per the tax rates / laws 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.



**STRIDES CHEMICALS PRIVATE LIMITED**  
**(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)**

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2018

**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. LEASES**

**The Company as lessor:**

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**The Company as lessee:**

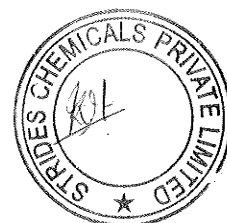
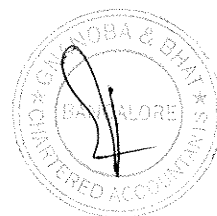
Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

**O. 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 scheme is funded with an insurance company in the form of qualifying insurance policy.

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.



**STRIDES CHEMICALS PRIVATE LIMITED**  
(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)  
Notes forming part of the financial statements

Note : 3  
Property, plant and equipment  
2017-18

Property, plant and equipment

Particulars	Gross block				Accumulated depreciation		INR in Million	
	As on 01.04.2017	Additions	Deletion	As on 31.03.2018	As on 01.04.2017	Depreciation for the year	Upto 31.03.2018	Net block As on 31.03.2018
Computers	0.15	14.10	-	14.25	-	0.13	0.13	14.12
Furniture & fixtures	3.38	0.15	-	3.53	-	0.53	0.53	3.00
Office equipments	1.17	0.86	-	2.03	-	0.83	0.83	1.20
Plant & machinery	479.00	18.15	-	497.15	-	28.74	28.74	468.41
Building	254.44	-	-	254.44	-	10.18	10.18	244.26
<b>Total</b>	<b>738.14</b>	<b>33.26</b>	<b>-</b>	<b>771.40</b>	<b>-</b>	<b>40.41</b>	<b>40.41</b>	<b>730.99</b>

Investment property

Particulars	Gross block				Accumulated depreciation		INR in Million	
	As on 01.04.2017	Additions	Deletion	As on 31.03.2018	As on 01.04.2017	Depreciation for the year	Upto 31.03.2018	Net block As on 31.03.2018
Investment property	72.97	-	-	72.97	-	2.92	2.92	70.05
<b>Total</b>	<b>72.97</b>	<b>-</b>	<b>-</b>	<b>72.97</b>	<b>-</b>	<b>2.92</b>	<b>2.92</b>	<b>70.05</b>

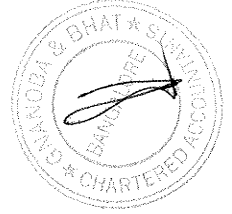
On acquisition of the entity by M/s Strides Shasun Limited, the management has assessed and fair valued the fixed assets of the company and accordingly reclassified the value of the property which has been rented out as "Investment property".

Intangible Assets

Particulars	Gross block				Accumulated amortisation		INR in Million	
	As on 01.04.2017	Additions	Deletion	As on 31.03.2018	As on 01.04.2017	Amortisation expense for the year	Upto 31.03.2018	Net block As on 31.03.2018
Software licence	0.37	8.83	-	9.20	-	2.20	2.20	7.00
Registration and brands	-	22.28	-	22.28	-	0.01	0.01	22.27
<b>Total</b>	<b>0.37</b>	<b>31.11</b>	<b>-</b>	<b>31.48</b>	<b>-</b>	<b>2.21</b>	<b>2.21</b>	<b>29.27</b>

\*The company fair valued the assets as on April 1 2017, accordingly the fair value of the assets have been taken as gross block for the current financial year. The impairment provision carried in the books has been reversed to an extent of INR 509.36 Mn as on April 1, 2017 and the balance impairment provision is written off against the individual assets.

Particulars	INR in Million			
	Gross block As on 01.04.2017	Accumulated depreciation As on 01.04.2017	Provision for impairment As on 01.04.2017	Reversal of Provision for impairment As on 01.04.2017
Total assets	2,643.02	490.82	1,756.00	509.36
				905.56
				396.20
				01.04.2017
				01.04.2017



**STRIDES CHEMICALS PRIVATE LIMITED**  
(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)  
Notes forming part of the financial statements

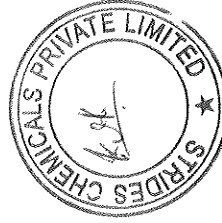
Note : 3  
Property, plant and equipment  
2016-17

Property, plant and equipment

Particulars	Gross block						Accumulated depreciation			INR in Million	
	As on 01.04.2016	Additions	Classified as held for sale	As on 31.03.2017	As on 01.04.2016	Depreciation for the year	Classified as held for sale	Upto 31.03.2017	Provision for impairment Upto 31.03.2017	As on 31.03.2017	Net block As on 31.03.2017
	Computers	14.77	-	7.81	6.96	8.95	3.94	6.08	6.81	-	0.15
Furniture & fixtures	32.31	-	12.74	19.57	14.13	2.82	5.65	11.30	-	8.27	
Office equipments	18.90	-	7.17	11.73	9.70	1.99	4.27	7.42	-	4.31	
Plant & machinery	1,967.29	19.93	221.66	1,765.56	409.66	59.23	103.07	365.82	1,218.84	180.90	
Building	819.41	-	-	819.41	82.41	5.50	-	87.91	537.16	194.34	
<b>Total</b>	<b>2,852.68</b>	<b>19.93</b>	<b>249.38</b>	<b>2,623.23</b>	<b>524.85</b>	<b>73.48</b>	<b>119.07</b>	<b>479.26</b>	<b>1,756.00</b>	<b>387.97</b>	

**Intangible Assets**

Particulars	Gross block			Accumulated amortisation			INR in Million				
	As on 01.04.2016	Additions	Classified as held for sale	As on 31.03.2017	As on 01.04.2016	Amortisation expense for the Year	Classified as held for sale	Upto 31.03.2017	Provision for impairment Upto 31.03.2017	As on 31.03.2017	Net block As on 31.03.2017
	Software licence	12.22	2.94	4.50	10.66	10.69	1.63	2.03	10.29	-	0.37





STRIDES CHEMICALS PRIVATE LIMITED  
(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)  
Notes forming part of the financial statements

Note

No.

4 Other financial assets - non current

Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
Security deposits	10.66	10.40	10.23
<b>Total</b>	<b>10.66</b>	<b>10.40</b>	<b>10.23</b>

5 Other non current assets

Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
<b>Considered good:</b>			
- Capital advances	11.16	-	-
- Prepaid lease rentals	98.81	9.30	11.61
<b>Balances with govt authorities:</b>			
- VAT and CST receivables	19.38	61.42	116.19
- Excise and service tax	-	13.37	13.58
<b>Total</b>	<b>129.35</b>	<b>84.09</b>	<b>141.38</b>

6 Income tax assets (net) - non current

Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
Advance tax (net of provision)	24.56	24.56	22.40
<b>Total</b>	<b>24.56</b>	<b>24.56</b>	<b>22.40</b>

7 Inventories

Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
Raw materials	69.56	34.40	128.38
Work-in-progress	47.15	3.36	3.07
Finished goods (other than those acquired for trading)	22.15	35.65	104.13
Stores and spares	-	6.05	7.73
<b>Total</b>	<b>138.86</b>	<b>79.46</b>	<b>243.31</b>

8 Trade receivables

Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured, Considered good	77.01	14.46	184.16
<b>Total</b>	<b>77.01</b>	<b>14.46</b>	<b>184.16</b>
<b>Note:</b> Dues from related parties (refer note 36)	18.19	13.50	184.15

9 Cash and cash equivalents

Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
Cash on hand	-	-	0.01
Balance with banks:			
- In current account	61.55	325.84	73.68
- In deposit account	-	-	200.00
<b>Total</b>	<b>61.55</b>	<b>325.84</b>	<b>273.69</b>

10 Other balances with banks

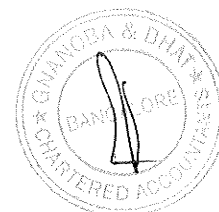
Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
Balance with banks:			
- In deposit account (maturity period is more than 3 months)	16.10	15.45	-
- Margin money deposits	0.45	0.42	0.55
<b>Total</b>	<b>16.55</b>	<b>15.87</b>	<b>0.55</b>

11 Other financial assets - current

Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
Receivable towards sale of business	53.00	-	-
Interest receivables	0.81	1.65	2.62
Gratuity receivable	0.59	2.98	0.25
Security deposit	2.05	0.15	0.14
<b>Total</b>	<b>56.45</b>	<b>4.78</b>	<b>3.01</b>

12 Income tax assets (net) - current

Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
Advance tax (net of provision)	8.12	-	-
<b>Total</b>	<b>8.12</b>	<b>-</b>	<b>-</b>



STRIDES CHEMICALS PRIVATE LIMITED  
(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)  
Notes forming part of the financial statements

Note

No.

13 Other current assets

Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured, considered good			
Advances to suppliers	5.08	11.03	3.85
Prepaid expenses	7.41	9.80	11.04
Balances with government authorities:			
- VAT credit receivable	1.77	-	-
- Service tax credit receivable	2.36	-	-
- Incentives receivables	21.48	-	-
- GST receivables	49.77	-	-
<b>Total</b>	<b>87.87</b>	<b>20.83</b>	<b>14.89</b>

16 Borrowings - non current

Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
External commercial borrowings (refer note below)	-	-	2,186.88
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,186.88</b>

External commercial borrowings in foreign currency is from Perrigo Netherlands BV, the earlier Holding Company which has since been converted into equity on 28th Nov 2016 after obtaining requisite regulatory approvals.

17 Other financial liabilities - non current

Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
Accrued interest on ECB payables after twelve months	-	-	289.25
<b>Total</b>	<b>-</b>	<b>-</b>	<b>289.25</b>

18 Provisions - non current

Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
Provision for employee benefits:			
- Gratuity (refer note 31)	2.48	-	0.62
- Compensated absence	2.41	-	-
<b>Total</b>	<b>4.89</b>	<b>-</b>	<b>0.62</b>

19 Trade payables

Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
Trade payables:			
- Other than acceptances	94.36	42.74	89.62
- Dues to related parties (refer note 35)	33.53	-	24.12
<b>Total</b>	<b>127.89</b>	<b>42.74</b>	<b>113.74</b>

Note: Based on the information available 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 2018.

20 Other financial liabilities - current

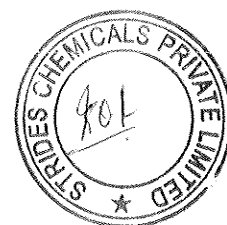
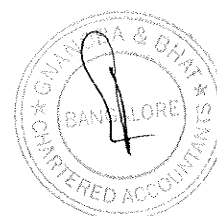
Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
Payable on purchase of fixed assets	65.16	0.29	8.83
<b>Total</b>	<b>65.16</b>	<b>0.29</b>	<b>8.83</b>

21 Other current liabilities

Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
Advance rentals	11.34	11.34	11.34
Other payables:			
- Statutory remittances	2.44	1.57	11.89
- Advances from customers	0.15	-	0.15
<b>Total</b>	<b>13.93</b>	<b>12.91</b>	<b>23.38</b>

22 Provisions - current

Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
Provision for employee benefits:			
- Gratuity (refer note 31)	-	0.78	1.00
- Compensated absences	1.27	4.16	7.88
<b>Total</b>	<b>1.27</b>	<b>4.94</b>	<b>8.88</b>



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Particulars	INR in Million		
	31-Mar-18	31-Mar-17	01-Apr-16
<b>Share capital</b>			
<b>Authorised</b>			
80,000,000 (31st March 2017: 80,000,000) Equity shares of INR 10/- each with voting rights	800.00	800.00	600.00
<b>Total</b>	<b>800.00</b>	<b>800.00</b>	<b>600.00</b>
<b>Issued, subscribed and fully paid-up</b>			
79,700,435 (31st March 2017: 79,700,435, 1st April 2016: 51,288,161) Equity shares of INR 10/- each with voting rights	797.00	797.00	512.88
<b>Total</b>	<b>797.00</b>	<b>797.00</b>	<b>512.88</b>

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

Particulars	31-Mar-18		31-Mar-17		1-Apr-16	
	No. of Shares	INR	No. of Shares	INR	No. of Shares	INR
Equity share of INR 10/- each						
Opening balance	7,97,00,435	79,70,04,350	5,12,88,161	51,28,81,610	5,12,88,161	51,28,81,610
Issued during the year	-	-	2,84,12,274	28,41,22,740	-	-
<b>Closing balance</b>	<b>7,97,00,435</b>	<b>79,70,04,350</b>	<b>7,97,00,435</b>	<b>79,70,04,350</b>	<b>5,12,88,161</b>	<b>51,28,81,610</b>

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

The Company has only one class of equity shares having a par value of INR 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 shares held by the holding company and fellow subsidiaries:

Particulars	31-Mar-18		31-Mar-17		1-Apr-16	
	No. of Shares	INR	No. of Shares	INR	No. of Shares	INR
Strides Shasun Limited - Holding company (w.e.f 6th April 2017)	7,97,00,435	79,70,04,350	-	-	-	-
Perrigo Netherlands BV, - Holding company (upto 5th April 2017)	-	-	7,20,07,228	72,00,72,280	4,35,94,954	43,59,49,540
Perrigo Israel Holdings II BV, - Fellow Subsidiary (upto 5th April 2017)	-	-	76,93,207	7,69,32,070	76,93,207	7,69,32,070
<b>Total</b>	<b>7,97,00,435</b>	<b>79,70,04,350</b>	<b>7,97,00,435</b>	<b>79,70,04,350</b>	<b>5,12,88,161</b>	<b>51,28,81,610</b>

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

Particulars	31-Mar-18		31-Mar-17		1-Apr-16	
	No. of Shares	% Of shares	No. of Shares	% Of shares	No. of Shares	% Of shares
Strides Shasun Limited - Holding company (w.e.f 6th April 2017)	7,97,00,435	100%	-	-	-	-
Perrigo Netherlands BV, - Holding company (upto 5th April 2017)	-	-	7,20,07,228	90%	4,35,94,954	85%
Perrigo Israel Holdings II BV, - Fellow Subsidiary (upto 5th April 2017)	-	-	76,93,207	10%	76,93,207	15%
<b>Total</b>	<b>7,97,00,435</b>	<b>100%</b>	<b>7,97,00,435</b>	<b>100%</b>	<b>5,12,88,161</b>	<b>100%</b>

(f) In order to improve the Net Worth of the Company, Perrigo Netherlands BV, converted the outstanding External Commercial Borrowings along with accrued interest aggregating to INR 2,529,828,877/- at a price of INR 89.04/- (Face value INR 10/-) as on 28th Nov 2016 after obtaining requisite regulatory approvals.



**STRIDES CHEMICALS PRIVATE LIMITED**  
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Notes forming part of the financial statements

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Other equity	INR in Million			
	31-Mar-18	31-Mar-17	01-Apr-16	
<b>Particulars</b>				
<b>Securities premium account</b>				
Opening balance	4,178.09	1,932.38	1,932.38	
Add : Premium on shares issued during the year	-	2,245.71	-	
<b>Closing balance</b>	<b>4,178.09</b>	<b>4,178.09</b>	<b>1,932.38</b>	
<b>Surplus in statement of profit and loss</b>				
Opening balance	(4,551.41)	(4,125.91)	(1,903.74)	
Add: (Loss) for the year	339.74	(425.50)	(2,222.17)	
<b>Closing balance</b>	<b>(4,211.67)</b>	<b>(4,551.41)</b>	<b>(4,125.91)</b>	
<b>Capital reserve</b>				
Opening balance	535.02	535.02	535.02	
Add : Amount transferred during the period	-	-	-	
<b>Closing balance</b>	<b>535.02</b>	<b>535.02</b>	<b>535.02</b>	
<b>Items of other comprehensive income</b>				
Opening balance	2.05	-	-	
Add/(Less) : other comprehensive income for the year	0.09	2.05	-	
Add / (Less): Tax impact on above	-	-	-	
<b>Closing balance</b>	<b>2.14</b>	<b>2.05</b>	<b>-</b>	
<b>Total</b>	<b>503.58</b>	<b>163.75</b>	<b>(1,658.51)</b>	

See accompanying notes forming part of the financial statements  
As per our report of even date attached


**for Gnanoba & Bhat**  
Chartered Accountants  
Firm Registration No. 0009395




**R Umresh**  
Partner  
Mem. No. 027892

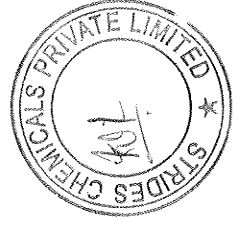
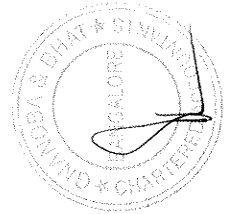
Place : Bengaluru  
Date: May 14, 2018

for and on behalf of Board of Directors

  
**Hemant Narayan Nikam**  
Director  
DIN: 07517849

  
**Venkata Seetharama Raju Pakalapati**  
Director  
DIN: 07500141

  
**K V Radhakrishnan**  
Company Secretary  
Mem. No. A35149



**STRIDES CHEMICALS PRIVATE LIMITED**  
**(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)**  
Notes forming part of the financial statements

Note

No.

**23 Revenue from operations**

INR in Million

Particulars	31-Mar-18	31-Mar-17
Sale of products	229.53	178.24
Other operating revenues (refer note below)	60.74	57.65
<b>Total</b>	<b>290.27</b>	<b>235.89</b>

**Note: Other operating revenue comprises:**

INR in Million

Particulars	31-Mar-18	31-Mar-17
Export incentives	21.48	-
Support service Income	37.60	52.78
Income from laboratory testing	-	2.23
Sale of raw materials	-	2.21
Sale of scrap	1.66	0.43
<b>Total</b>	<b>60.74</b>	<b>57.65</b>

**24 Other income**

INR in Million

Particulars	31-Mar-18	31-Mar-17
Interest income	6.78	4.64
Rental Income	49.72	45.37
Provisions / liabilities written back	15.30	1.11
Electricity duty refund	-	24.52
<b>Total</b>	<b>71.80</b>	<b>75.64</b>

**25 Cost of materials consumed**

INR in Million

Particulars	31-Mar-18	31-Mar-17
Opening stock	34.40	128.38
Add: Purchases	244.71	43.20
Less: Closing stock	69.56	34.40
<b>Cost of materials consumed</b>	<b>209.55</b>	<b>137.18</b>

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

INR in Million

Particulars	31-Mar-18	31-Mar-17
<b>Inventories at the end of the year:</b>		
- Finished goods	22.15	28.60
- Work-in-progress	47.15	3.36
	<b>69.30</b>	<b>31.96</b>
<b>Inventories at the beginning of the year:</b>		
- Finished goods	28.60	96.16
- Work-in-progress	3.36	3.07
	<b>31.96</b>	<b>99.23</b>
<b>Net (increase) / decrease</b>	<b>(37.34)</b>	<b>67.27</b>

**27 Employee benefits expenses**

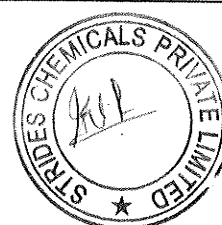
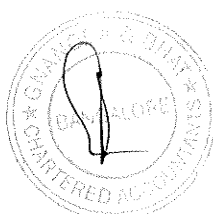
INR in Million

Particulars	31-Mar-18	31-Mar-17
Salaries and wages	72.51	56.36
Contributions to provident and other funds (refer note 31)	3.78	4.25
Gratuity (refer note 31)	1.69	1.69
Staff welfare expenses	7.15	12.70
<b>Total</b>	<b>85.13</b>	<b>75.00</b>

**28 Finance costs**

INR in Million

Particulars	31-Mar-18	31-Mar-17
Interest expense on:		
- Borrowings	-	17.88
- Delayed payment of income tax	0.14	-
- Delayed payment of indirect taxes	1.42	-
- Other finance costs	0.67	2.23
<b>Total</b>	<b>2.23</b>	<b>20.11</b>



**STRIDES CHEMICALS PRIVATE LIMITED**  
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**Notes forming part of the financial statements**

Note

No.

29 Other expenses

INR in Million

Particulars	31-Mar-18	31-Mar-17
Power and fuel	100.00	48.10
Water charges	3.26	3.28
Rent	7.82	19.50
Repairs and maintenance:		
- Buildings	21.38	10.39
- Machinery	20.78	10.91
- Others	1.62	11.13
Insurance	1.61	14.13
Rates and taxes	9.18	90.26
Communication	1.99	2.46
Travelling and conveyance	0.81	2.06
Printing and stationery	1.40	0.16
Freight and forwarding	0.08	8.93
Legal and professional	4.40	44.99
Payments to auditors (refer note below)	0.65	4.46
Consumables	34.12	4.80
Net loss on foreign currency transactions	2.89	40.83
Security charges	4.90	4.41
House keeping expenses	4.64	0.69
Donations	0.85	-
Sales commission	2.73	-
Miscellaneous expenses	1.47	4.99
<b>Total</b>	<b>226.58</b>	<b>326.48</b>

Note:

(i) Payments to the auditors comprises (net of Service Tax / GST input credit):

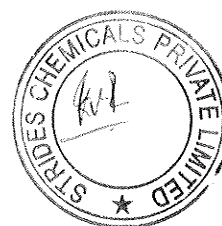
INR in Million

Particulars	31-Mar-18	31-Mar-17
Statutory audit fees	0.45	3.19
Tax audit fees	0.13	0.40
For certification and others	0.07	0.81
Reimbursement of out of pocket expenses	-	0.06
<b>Total</b>	<b>0.65</b>	<b>4.46</b>

30 Exceptional Items

INR in Million

Particulars	31-Mar-18	31-Mar-17
Reversal of provision for impairment (refer note 40)	509.36	-
<b>Total</b>	<b>509.36</b>	<b>-</b>



**STRIDES CHEMICALS PRIVATE LIMITED**  
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Notes forming part of the financial statements

(Amounts in INR millions unless otherwise stated)

**Note 31 : Employee benefit plans**

**31.1 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 statement of profit and loss-

Particulars	INR in Million	
	As at 31-Mar-18	As at 31-Mar-17
Employer's contribution to provident fund	3.56	5.95

**31.2 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 scheme is funded with an insurance company in the form of qualifying insurance policy.

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

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-18	31-Mar-17	1-Apr-16
Discount rate(s)	7.30%	6.70%	7.80%
Expected rate(s) of salary increase	7.50%	7.50%	7.50%

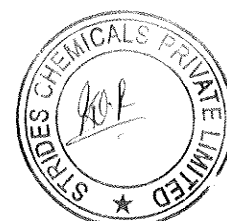
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows.

	31-Mar-18	31-Mar-17
Service cost: •		
Current service cost	1.51	1.59
Past service cost and (gain)/loss from settlements	0.12	-
Net interest expense	0.06	0.20
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>1.69</b>	<b>1.79</b>
<b>Remeasurement of net defined liability:</b>		
Remeasurement return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	0.17	(0.25)
Actuarial (gains) / losses arising from changes in demographic assumptions	0.06	-
Actuarial (gains) / losses arising from changes in financial assumptions	(0.13)	-
Actuarial (gains) / losses arising from experience adjustments	(0.19)	(1.80)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(0.09)</b>	<b>(2.05)</b>
<b>Total</b>	<b>1.60</b>	<b>(0.26)</b>

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-18	As At 31-Mar-17	As At 1-Apr-16
Present value of defined benefit obligation	5.59	7.96	8.39
Fair value of plan assets	(3.11)	(6.99)	(6.77)
<b>Funded status</b>	<b>2.48</b>	<b>0.97</b>	<b>1.62</b>
Restrictions on asset recognised	-	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>2.48</b>	<b>0.97</b>	<b>1.62</b>



**STRIDES CHEMICALS PRIVATE LIMITED**  
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Movements in the present value of the defined benefit obligation are as follows.

	Year ended 31-Mar-18	Year ended 31-Mar-17
Opening defined benefit obligation	7.96	8.39
Current service cost	1.51	1.59
Past service cost	0.12	-
Interest cost	0.53	0.71
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	0.06	-
Actuarial gains and losses arising from changes in financial assumptions	(0.13)	-
Actuarial gains and losses arising from experience adjustments	(0.20)	(1.80)
Benefits paid	(4.26)	(0.93)
<b>Closing defined benefit obligation</b>	<b>5.59</b>	<b>7.96</b>

Movements in the fair value of the plan assets are as follows:

**Particulars**

	Year ended	
	31-Mar-18	31-Mar-17
Opening fair value of plan assets	6.99	6.77
Add/(Less) on account of acquisitions /Business transfers	-	-
Interest income	-	-
Remeasurement gain / (loss):		
Remeasurement return on plan assets (excluding amounts included in net interest expense)	0.46	0.51
Contributions from the employer	0.09	0.39
Actuarial Gain/(Loss) on plan assets	(0.17)	0.25
Benefits paid	(4.26)	(0.93)
<b>Closing fair value of plan assets</b>	<b>3.11</b>	<b>6.99</b>

**Defined benefit Obligation**

**Discount rate**

- a. Discount rate - 100 basis points  
b. Discount rate + 100 basis points

**Salary increase rate**

- a. Rate - 100 basis points  
b. Rate + 100 basis points

	01-Apr-17 to 31-Mar-18	01-Apr-16 to 31-Mar-17
	5.81	NA
	5.38	NA
	5.38	NA
	5.81	NA

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.

Expected future cash outflows towards the plan are as follows-

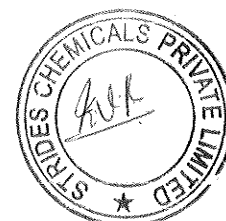
Financial Year	INR in Million
2018-19	1.36
2019-20	0.86
2020-21	0.98
2021-22	0.66
2022-23	0.60
2023-24 to 2028-29	1.99

**31.3 Actuarial assumptions for long-term compensated absence**

**Actuarial assumptions**

	Year ended 31-Mar-18	Year ended 31-Mar-17
Discount rate	7.30%	6.70%
Salary escalation rate	7.50%	7.50%
Attrition rate	0.00%	0.00%
Charge in the profit and loss account - INR in Million	(0.66)	0.12
Liability at the year end - INR in Million	3.68	4.16

**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 CHEMICALS PRIVATE LIMITED**  
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Notes forming part of the financial statements

Note: 32

**Earnings per share**

Particulars	For the year ended	
	31-Mar-18	31-Mar-17
<b>Basic earnings per share:</b>		
From continuing operations	4.26	(6.02)
From discontinued operations	-	(0.96)
<b>Total basic earnings per share (INR)</b>	<b>4.26</b>	<b>(6.98)</b>
<b>Diluted earnings per share:</b>		
From continuing operations	4.26	(6.02)
From discontinued operations	-	(0.96)
<b>Total diluted earnings per share (INR)</b>	<b>4.26</b>	<b>(6.98)</b>

**Earnings and weighted average number of equity shares used in computing basic and diluted earnings per share**

Particulars	INR in Million	
	31-Mar-18	31-Mar-17
<b>Profit attributable to the equity holders of the company</b>		
From continuing operations	339.74	(367.07)
From discontinued operations	-	(58.43)
<b>Total Operations</b>	<b>339.74</b>	<b>(425.50)</b>

**Weighted average number of shares used as the denominator**

Particulars	For the year ended	
	31-Mar-18	31-Mar-17
Weighted average number of equity shares used as denominator in calculating basic earnings per share	79.70	60.94
Weighted average number of equity shares used as denominator in calculating diluted earnings per share	79.70	60.94
Nominal value of equity shares (INR)	10	10

Note : 33

**Foreign currency exposure**

Foreign currency exposure as at March 31, 2018 that have not been hedged by a derivative instrument or other wise:

Particulars	31-Mar-18		31-Mar-17		01-Apr-16	
	Amt-Foreign Currency	INR in Million	Amt-Foreign Currency	INR in Million	Amt-Foreign Currency	INR in Million
Receivables/(payable) -USD	0.66	43.23	0.15	9.81	(35.31)	(2,340.10)
Receivables/(payable) -EURO	-	-	-	-	(0.01)	(0.23)
<b>Total</b>	<b>-</b>	<b>43.23</b>	<b>-</b>	<b>9.81</b>	<b>-</b>	<b>(2,340.33)</b>

Note : 34

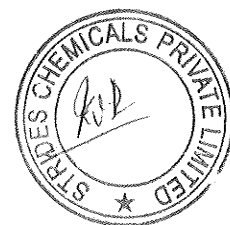
**Details of lease agreements**

**(i) When the company is lessee:**

Particulars	INR in Million	
	31-Mar-18	31-Mar-17
Minimum lease payments debited to rent account	7.82	19.59
Future minimum lease payments;		
-Not later than 1 year	5.97	5.82
-Later than 1 year and not later than 5 years	16.99	22.96
-Later than 5 years	-	-

**(ii) When the company is lessor:**

Particulars	INR in Million	
	31-Mar-18	31-Mar-17
Lease incomes recognised in the statement of profit and loss for the year	49.72	45.37
Future minimum lease income;		
-Not later than 1 year	-	34.03
-Later than 1 year and not later than 5 years	-	-
-Later than 5 years	-	-



**STRIDES CHEMICALS PRIVATE LIMITED**  
**(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)**  
**Notes forming part of the financial statements**

Note : 35

**Segment information**

The geographical Segments individually contributing 10 percent or more of the company's revenues and segment assets are shown in the table below. Segment revenue disclosed based on the geographical location of the customers. Segment assets has been disclosed based on the geographical location of the respective assets.

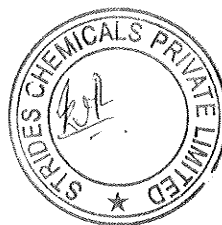
**Information regarding geographical revenue is as follows:** INR in Million

Geography	For the year ended	
	31-Mar-18	31-Mar-17
Europe	80.87	101.41
North America	26.67	53.90
India	182.74	58.28
Israel	-	141.15
Others	-	22.30
<b>Total</b>	<b>290.27</b>	<b>377.04</b>

*Note: Figures for year ended 31 March, 2017 includes revenue from discontinued operations*

**Information regarding geographical assets is as follows:** INR in Million

Assets	As at		
	31-Mar-18	31-Mar-17	01-Apr-16
Europe	34.02	0.67	3.40
North America	17.59	-	-
India	1,462.11	1,020.96	1,420.07
Israel	-	-	62.48
<b>Total</b>	<b>1,513.72</b>	<b>1,021.63</b>	<b>1,485.95</b>



**STRIDES CHEMICALS PRIVATE LIMITED**  
**(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)**  
Notes forming part of the financial statements

Note : 36

List of related parties

Relationship	Name of related party
Holding company	Strides Shasun Limited (w.e.f. April 6th, 2017)
Ultimate holding company	Perrigo Netherlands BV (Netherlands)*
Fellow subsidiaries	Perrigo Company Plc. (Ireland)* Perrigo API Limited (Israel)* Perrigo Laboratories India Private Limited (India)* Wraiton Laboratories Limited (UK)* Perrigo Pharmaceuticals International (Ireland)*
Key management personnel	Mr. Hemant Nikam - Director & Site Head (w.e.f. Jun 14, 2016) Dr. Shireesh Ambhalkar - Director & Chief Executive officer (upto Jun 28, 2016)
Enterprises owned or significantly influenced by KMP of the holding company	Solara Active Pharma Sciences Limited

\* upto 5th April, 2017

Related party transactions during the year ended March 31, 2018

Nature of transaction	INR in Million											
	Holding company		Fellow subsidiary		Enterprises owned or significantly influenced by KMP of the holding		KMP/ Relative of KMP		Ultimate holding company		Enterprises owned or significantly influenced by KMP of the holding	
	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17
a) Sale of goods	96.07	-	-	177.18	-	0.53	-	-	-	-	-	-
b) Income from R&D services	-	-	-	141.15	-	-	-	-	-	-	-	-
c) Support service income	-	-	-	52.78	-	-	-	-	-	-	-	-
d) Rental income	-	-	-	45.37	-	-	-	-	-	-	-	-
e) Income from sample analysis	-	-	-	2.23	-	-	-	-	-	-	-	-
f) Reimbursement of expenses incurred on behalf of	-	-	-	2.21	-	-	-	-	-	-	-	-
g) Reimbursement of expenses incurred by	2.85	-	-	-	-	-	-	-	-	-	-	-
h) Interest expenses	-	17.88	-	-	-	-	-	-	-	-	-	-
i) Issue of shares on conversion of ECB	-	2,529.83	-	-	-	-	-	-	-	-	-	-
j) Purchases of assets	27.44	-	-	-	-	-	-	-	-	-	-	-
k) Purchases of intellectual property rights	42.79	-	-	-	-	-	-	-	-	-	-	-
l) Purchases of goods	22.31	-	-	-	-	-	-	-	-	-	-	-
m) Remuneration paid to : (refer note (i) below)	-	-	-	-	-	-	-	-	6.43	-	-	6.82
Mr. Hemant Nikam	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Shireesh Ambhalkar	-	-	-	-	-	-	-	-	-	-	-	5.34

(Note (i) : The compensation excludes gratuity & compensated absences which cannot be separately identified from the composite amount advised by the actuary.

Related party balances as at March 31, 2018

Nature of balances	INR in Million											
	Holding company			Fellow subsidiary			Ultimate holding company			Enterprises owned or significantly influenced by KMP of the holding		
	as at 31-Mar-18	as at 31-Mar-17	as at 01-Apr-16	as at 31-Mar-18	as at 31-Mar-17	as at 01-Apr-16	as at 31-Mar-18	as at 31-Mar-17	as at 01-Apr-16	as at 31-Mar-18	as at 31-Mar-17	as at 01-Apr-16
a) Rent received in advance	-	-	-	-	11.34	11.76	-	-	-	-	-	-
b) Loans & advances	-	-	-	-	1.53	-	-	-	-	-	-	-
c) Trade receivables	10.77	-	-	-	13.50	184.15	-	-	-	7.42	-	-
d) Trade payables	21.97	-	-	-	-	23.30	-	-	0.82	11.56	-	-
e) Interest payables	-	-	289.25	-	-	-	-	-	-	-	-	-
f) Loan payables	-	-	2,186.88	-	-	-	-	-	-	-	-	-
g) Payables on purchase of fixed assets	65.16	-	-	-	-	-	-	-	8.14	-	-	-
h) Corporate guarantees given to bankers on behalf of company	-	-	-	-	-	-	-	-	800.00	-	-	-



**STRIDES CHEMICALS PRIVATE LIMITED**  
(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)  
Notes forming part of the financial statements

Note 37:

Deferred tax balances

Particulars	INR in Million		
	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Deferred tax assets	-	-	-
Deferred tax liabilities	-	-	-

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

Particulars	INR in Million		
	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
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)	842.01	1,129.26	1,014.32
-tax losses (capital in nature)	13.52	-	-
-unused tax credits (refer note below)	-	-	-
-deductible temporary differences - u/s 43B	1.90	1.53	2.94
	<b>857.44</b>	<b>1,130.79</b>	<b>1,017.25</b>

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

Note 38:

Discontinued Operations

The combined results of the discontinued operations included in the profit for the year are set out below.

Particulars	INR in Million	
	For the year ended	
	31-Mar-18	31-Mar-17
Revenue	-	141.15
<b>Total Revenue</b>	-	<b>141.15</b>
Employee benefit expenses	-	26.17
Depreciation and amortisation expense	-	22.54
Other expenses	-	74.03
<b>Total Expenses</b>	-	<b>122.74</b>
Profit /(loss) from discontinued operations before tax (A)	-	18.41
Tax expenses of discontinued operations (B)	-	-
Profit /(loss) from discontinued operations after tax (A-B)	-	<b>18.41</b>

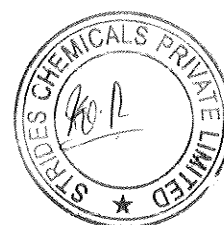
The details of the assets and liabilities pertaining to the discontinued operations included in the financials;

Particulars	INR in Million	
	As at	
	31-Mar-17	
Non current assets	132.79	
Current assets	0.91	
<b>Total assets (A)</b>	<b>133.70</b>	
Non current liabilities	-	
Current liabilities	3.86	
<b>Total Liabilities (B)</b>	<b>3.86</b>	
<b>Net assets (A-B)</b>	<b>129.84</b>	
Less: Sale consideration	53.00	
<b>Loss accounted in the statement of profit and loss</b>	<b>76.84</b>	

Note:

During the previous year, the company has entered into the Business Transfer Agreement to sell the Research & Development Business (R&D division) of the Company with effect from April 1, 2017 for a consideration of INR 53 Million. The company has disclosed the assets pertaining to R&D division as "held for sale" in previous year.

In the financial statements of previous year, the company had reported a loss of INR 175.06 Million under the head discontinued operations arising on account of restatement of R&D assets to be sold at estimated sale value. The company has inadvertently included the written down value of the building owned by the Company (which is leased out to Perrigo Laboratories Pvt Ltd, erstwhile fellow subsidiary) and trade receivables from Perrigo Laboratories Pvt Ltd, while computing the above loss. During the current year, the company has reinstated the financials statements of the previous year to rectify the above error. The impact in the opening equity of the company is INR 98.22 Million, being loss reported on account of transfer of building and trade receivables in the financial statements of previous year.



**STRIDES CHEMICALS PRIVATE LIMITED**  
**(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)**  
**Notes forming part of the financial statements**

39. The Board of directors of the Strides Shasun Limited (holding company) in their meeting held on April 24, 2018 has provided their approval to transfer 100% equity interest in the company to Solara Active Pharma Sciences Limited subject to Shareholders & other requisite approvals for an aggregate consideration of INR 1,310 Million.

40. During the financial year 2015-16 , the erstwhile management of the company tested relevant underlying assets of this cash generating unit for impairment and recognised an impairment provision of INR 1,756 Million in the books based on the estimates.

During the current year, pursuant to the acquisition of the company's shares by Strides Shasun Limited, the Company has fair valued its assets to INR 905.56 Million. The company has reversed the provision for impairment created in the earlier years to the extent of INR 509.36 Million under the head "Exceptional items" in statement of profit and loss based on comparison of fair value and book value of assets. (refer note 3)

**41. Contingent liabilities:**

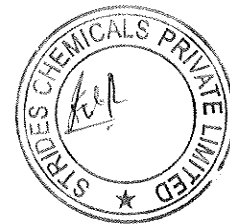
Particulars	INR in Million	
	As at 31-Mar-18	As at 31-Mar-17
Claims against the company not acknowledged as debts	2.89	2.89

42. The Company has regrouped and reclassified previous years' figures, where necessary to conform to current year figures.

**NOTE - 43**

**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. 2** have been applied in preparing these financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet as at 1st April, 2016 (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 under 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 43.1** and **Note 43.2** hereto.



**STRIDES CHEMICALS PRIVATE LIMITED**  
(FORMERLY PERRIGO API INDIA PRIVATE LIMITED)  
Notes forming part of the financial statements

43.1 Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS

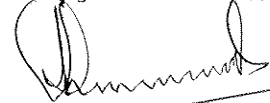
INR in Million

Particulars	Note No.	Balance Sheet as at March 31, 2017			Balance Sheet as at April 1, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
<b>A ASSETS</b>							
<b>I Non-current assets</b>							
(a) Property, plant and equipment	Refer note 38 & C	297.37	90.60	387.97	571.83	-	571.83
(b) Capital work in progress		-	-	-	18.98	-	18.98
(c) Investment property		-	-	-	-	-	-
(d) Other Intangible assets		0.37	-	0.37	1.52	-	1.52
(e) Intangibles assets under development		-	-	-	-	-	-
(f) Financial assets							
(i) Other financial assets		10.40	-	10.40	10.23	-	10.23
(g) Other non-current assets		84.09	-	84.09	141.38	-	141.38
(h) Income tax assets (net)		24.56	-	24.56	22.40	-	22.40
<b>Total non-current assets</b>		<b>416.79</b>	<b>90.60</b>	<b>507.39</b>	<b>766.34</b>	<b>-</b>	<b>766.34</b>
<b>II Current assets</b>							
(a) Inventories		79.46	-	79.46	243.31	-	243.31
(b) Financial assets							
(i) Trade receivables	Refer note 38	6.84	7.62	14.46	184.16	-	184.16
(ii) Cash and cash equivalents		325.84	-	325.84	273.69	-	273.69
(iii) Other bank balances		15.87	-	15.87	0.55	-	0.55
(iv) Other financial assets	B & C	3.09	1.69	4.78	2.76	0.25	3.01
(c) Current tax assets (Net)		-	-	-	-	-	-
(d) Other current assets		20.83	-	20.83	14.89	-	14.89
<b>Total current assets</b>		<b>451.93</b>	<b>9.31</b>	<b>461.24</b>	<b>719.36</b>	<b>0.25</b>	<b>719.61</b>
(e) Assets classified as held for sale		53.00	-	53.00	-	-	-
<b>Total current assets</b>		<b>504.93</b>	<b>9.31</b>	<b>514.24</b>	<b>719.36</b>	<b>0.25</b>	<b>719.61</b>
<b>TOTAL ASSETS</b>		<b>921.72</b>	<b>99.91</b>	<b>1,021.63</b>	<b>1,485.70</b>	<b>0.25</b>	<b>1,485.95</b>
<b>B EQUITY AND LIABILITIES</b>							
<b>I Equity</b>							
(a) Equity share capital		797.00	-	797.00	512.88	-	512.88
(b) Other equity	A & B	63.84	99.91	163.75	(1,658.76)	0.25	(1,658.51)
<b>Total Equity</b>		<b>860.84</b>	<b>99.91</b>	<b>960.75</b>	<b>(1,145.88)</b>	<b>0.25</b>	<b>(1,145.63)</b>
<b>II Liabilities</b>							
<b>1 Non-current liabilities</b>							
(a) Financials liabilities							
(i) Borrowings		-	-	-	2,186.88	-	2,186.88
(ii) Other financial liabilities		-	-	-	289.25	-	289.25
(b) Provisions		-	-	-	0.62	-	0.62
<b>2 Current liabilities</b>					<b>2,476.75</b>	<b>-</b>	<b>2,476.75</b>
(a) Financials liabilities							
(i) Trade payables		42.74	-	42.74	113.74	-	113.74
(ii) Other financial liabilities		0.29	-	0.29	8.83	-	8.83
(b) Other current liabilities		12.91	-	12.91	23.38	-	23.38
(c) Provisions		4.94	-	4.94	8.88	-	8.88
<b>Total Equity and Liabilities</b>		<b>60.88</b>	<b>-</b>	<b>60.88</b>	<b>154.83</b>	<b>-</b>	<b>154.83</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>921.72</b>	<b>99.91</b>	<b>1,021.63</b>	<b>1,485.70</b>	<b>0.25</b>	<b>1,485.95</b>

**Note A: 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.

for **Gnanoba & Bhat**  
Chartered Accountants  
Firm Registration No. 000939S

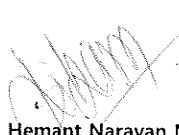


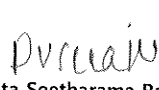
**R Umesh**  
Partner  
Mem. No. 27892




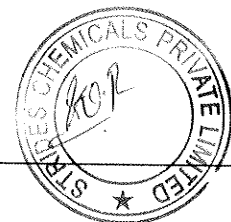
Place :Bengaluru  
Date: May 14,2018

for and on behalf of Board of Directors

  
**Hemant Narayan Nikam**  
Director  
DIN: 07517849

  
**Venkata Seetharama Raju Pakalapati**  
Director  
DIN: 07500141

  
**K-V Radhakrishnan**  
Company Secretary  
Mem. No. A35149



**STRIDES CHEMICALS PRIVATE LIMITED**  
(FORMERLY FERRIGO API INDIA PRIVATE LIMITED)  
Notes forming part of the financial statements

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

Particulars	Note No.	INR in Million		
		Year ended March 31 2017		
		IGAAP	Effects of transition to Ind-AS	Ind AS
<b>A. Continuing operations:</b>				
1 Revenue from operations		377.04	(141.15)	235.89
2 Other income		75.64	-	75.64
3 Total revenue (1+2)		452.68	(141.15)	311.53
<b>4 Expenses</b>				
(a) Cost of materials consumed		137.18	-	137.18
(b) (Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade		67.27	-	67.27
(c) Employee benefits expenses	B & C	100.55	(25.55)	75.00
(d) Finance costs		20.11	-	20.11
(e) Depreciation and amortisation expenses	D	75.20	(22.64)	52.56
(f) Other expenses	D	400.40	(73.92)	326.48
Total		800.71	(122.11)	678.60
5 Profit before exceptional items and tax (3-4)		(348.03)	(19.04)	(367.07)
6 Exceptional items gain / (loss) (net)	Refer note 38	(175.06)	175.06	-
7 Profit before tax (5+6)		(523.09)	156.02	(367.07)
8 Tax expense		-	-	-
(a) Current tax		-	-	-
(d) Deferred tax		-	-	-
9 Profit for the year from continuing operations (7-8)		(523.09)	156.02	(367.07)
<b>B Discontinued operations:</b>				
10 Profit /(loss) from discontinued operations	Refer note 38	-	18.41	18.41
Gain/(loss) on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)		-	(76.84)	(76.84)
12 Tax expenses of discontinued operations		-	-	-
13 Profit /(loss) after tax from discontinued operations		-	(58.43)	(58.43)
C Total operations		(523.09)	97.59	(425.50)
14 Profit /(loss) for the year (9+13)		-	-	-
15 Other comprehensive Income				
A) (i) Items that will not be reclassified to profit or loss	B	-	2.05	2.05
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		-	2.05	2.05
16 Total comprehensive Income for the period (14+15)		(523.09)	99.64	(423.45)

**Note B: 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.

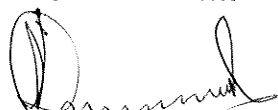
**Note C: Employee benefits expenses**


Adjustments reflect rectification of gratuity payments to employees which are otherwise reimbursable by Gratuity Trust inadvertently expensed.

**Note D: Amortisation of leasehold land**

Adjustments reflect reclassification of fair value of leasehold land as non-current asset and its consequent amortisation.

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

  
R Umesh  
Partner  
Mem No 27892

  
Hemant Narayan Nikam  
Director  
DIN: 07517849

for and on behalf of Board of Directors

  
Venkata Seetharama Raju Pakalapati  
Director  
DIN: 07500141

  
K.V Radhakrishnan  
Company Secretary  
Mem. No. A35149

Place :Bengaluru  
Date: May 14,2018

