

FAGRIS MEDICA PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

	Note No.	31-Mar-19	Amount in INR 31-Mar-18
A ASSETS			
I Current assets			
(a) Financial assets			
(i) Trade receivables	3	15,925	9,897,763
(ii) Cash and cash equivalents	4	931,467	1,267,695
(iii) Other financial assets	5	254,894	240,232
(b) Other current assets	6	1,358,345	5,213,043
Total current assets		2,560,631	16,618,733
TOTAL ASSETS		2,560,631	16,618,733
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	7	10,400,000	10,400,000
(b) Other equity	8	(8,585,235)	(9,410,025)
Total equity		1,814,765	989,975
II Liabilities			
1 Current liabilities			
(a) Financials liabilities			
(i) Trade payables	9		
- Total outstanding dues of micro enterprises and small enterprises		-	
- Total outstanding dues of creditors other than micro enterprises and small enterprises		695,424	7,529,276
(ii) Other financial liabilities	10	10,320	8,059,360
(b) Current tax liabilities	11	40,122	40,122
		745,866	15,628,758
TOTAL EQUITY AND LIABILITIES		2,560,631	16,618,733

The accompanying notes are an integral part of the financial statements

FAGRIS MEDICA PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2019

	Note No.	31-Mar-19	Amount in INR 31-Mar-18
1 Revenue from operations	12	-	13,000,058
2 Other income	13	998,135	-
3 Total revenue (1+2)		998,135	13,000,058
4 Expenses			
(a) Cost of materials consumed	14	-	2,872,005
(b) Employee benefits expenses	15	-	345,527
(c) Finance costs	16	33,145	33,148
(e) Other expenses	17	140,200	9,710,687
Total		173,345	12,961,367
5 Profit before exceptional items and tax (3-4)		824,790	38,691
6 Exceptional items gain / (loss) (net)		-	-
7 Profit before tax (5+6)		824,790	38,691
8 Tax expense		-	-
9 Profit for the year (7-8)		824,790	38,691
10 Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss		-	19,431
(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		-	-
(ii) Income tax relating to items that may be reclassified to profit or loss		-	-
Total other comprehensive income		-	19,431
11 Total comprehensive income for the period (9+10)		824,790	58,122
12 Earnings per share (of Rs. 10/- each)			
- Basic		0.79	0.04
- Diluted		0.79	0.04

The accompanying notes are an integral part of the financial statements

FAGRIS MEDICA PRIVATE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Amount in INR	
	For the year ended 31-Mar-19	31-Mar-18
A. Cash flow from operating activities		
Net Profit/(loss) after tax	824,790	38,691
Adjustments for:		
-Provision for tax	-	-
-Depreciation and amortisation	-	-
-Finance costs	-	-
-Provision for gratuity & leave encashment	-	-
-Net unrealised exchange (gain) / loss	(657,257)	(505,661)
	<u>(657,257)</u>	<u>(505,661)</u>
Operating profit / (loss) before working capital changes	167,533	(466,970)
Changes in working capital:		
(Increase)/decrease in inventories	-	-
(Increase)/decrease in trade and other receivables	14,379,131	(12,289,451)
Increase/(decrease) in trade and other payables	(7,602,336)	5,643,981
Net change in working capital	6,776,795	(6,645,470)
Cash generated from operations	6,944,328	(7,112,440)
Net income tax (paid) / refunds	-	(249,768)
Net cash flow from / (used in) operating activities (A)	6,944,328	(7,362,208)
B. Cash flow from investing activities		
Proceed from sale of business	-	-
Net cash flow from / (used in) investing activities (B)	-	-
C. Cash flow from financing activities		
Advance from related parties	(7,280,556)	7,263,665
Proceeds from issue of share capital	-	-
Proceeds from short-term borrowings	-	-
Finance costs	-	-
Net cash flow from / (used in) financing activities (C)	(7,280,556)	7,263,665
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(336,228)	(98,543)
Cash and cash equivalents at the beginning of the year	1,267,695	1,366,238
Cash and cash equivalents at the end of the year	931,467	1,267,695
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 2)	931,467	1,267,695
Less: Bank balances not considered as Cash and cash equivalents as defined in IndAS 7 statement of cash flow.	-	-
Net Cash and cash equivalents as defined in IND AS 7 statement of cash flows included in Note 2	931,467	1,267,695
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 *	931,467	1,267,695
* Comprises:		
(a) Cash on hand	3,574	3,574
(b) Balances with banks - in current accounts	927,893	1,264,121
(c) Balances with banks - in fixed deposits	-	-

The accompanying notes are an integral part of the financial statements

FAGRIS MEDICA PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2019 AND MARCH 31, 2018

A) Equity share capital

Particulars	Amount in INR
Balance as at April 1, 2017	10,400,000
Changes in equity share capital during the year	-
Balance as at March 31, 2018	10,400,000
Changes in equity share capital during the year	-
Balance as at March 31, 2019	10,400,000

(B) Other equity

Amount in INR

Particulars	Reserves and surplus		Items of other comprehensive income	Total
	Capital reserve	Retained earnings	Re -measurement of the defined benefit liabilities / (assets)	
Balance as at April 1, 2017	29,266,229	(38,714,945)	(19,431)	(9,468,147)
Profit/(loss) for the year	-	38,691	-	38,691
Other comprehensive income for the year	-	-	19,431	19,431
Total comprehensive income	-	38,691	19,431	58,122
Balance as at March 31, 2018	29,266,229	(38,676,254)	-	(9,410,025)
Profit/(loss) for the year	-	824,790	-	824,790
Other comprehensive income for the year	-	-	-	-
Total comprehensive income	-	824,790	-	824,790
Balance as at March 31, 2019	29,266,229	(37,851,464)	-	(8,585,235)

The accompanying notes are an integral part of the financial statements

FAGRIS MEDICA PRIVATE LIMITED
Notes forming part of the financial statements

Note
No.

3 Trade receivables Amount in INR

Particulars	31-Mar-19	31-Mar-18
Unsecured		
Considered good	15,920	9,897,763
Considered doubtful	212,412	-
	228,332	9,897,763
Less: allowance for doubtful trade receivables	212,407	-
Total	15,925	9,897,763

4 Cash and cash equivalents Amount in INR

Particulars	31-Mar-19	31-Mar-18
Cash on hand	3,574	3,574
Balance with banks:		
- In current account	927,893	1,264,121
Total	931,467	1,267,695

5 Other financial assets Amount in INR

Particulars	31-Mar-19	31-Mar-18
Advance Tax (net of provision)	-	-
Advance to suppliers	-	-
Advances to related parties	254,894	240,232
Receivable from related parties	-	-
- CENVAT credit receivable	-	-
- VAT credit receivable	-	-
- Incentives receivables	-	-
- Service tax receivables	-	-
- GST receivables	-	-
- Gratuity claim receivables	-	-
Total	254,894	240,232

6 Other current assets Amount in INR

Particulars	31-Mar-19	31-Mar-18
Deposits	-	-
- VAT credit receivable	-	-
- Incentives receivables	-	265,969
- Service tax receivables	-	-
- GST receivables	1,358,345	4,947,074
Total	1,358,345	5,213,043

7 Equity share capital Amount in INR

Particulars	31-Mar-19	31-Mar-18
Authorised		
1,605,000 equity shares of Rs. 10/- each with voting rights (March 31, 2018 1,605,000 Equity shares of Rs. 10/-each)	16,050,000	16,050,000
6% 5,000 redeemable non cumulative preference shares of Rs.10/- each. (March 31, 2018 6% 5,000 redeemable non cumulative preference shares of Rs. 10/-each)	50,000	50,000
Total	16,100,000	16,100,000
Issued, subscribed and fully paid-up		
1,040,000 equity shares of Rs.10/- each with voting rights (March 31,2018 1,040,000 Equity shares of Rs. 10/-each)	10,400,000	10,400,000
Total	10,400,000	10,400,000

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

Particulars	31-Mar-19		31-Mar-18	
	No. of Shares	Amount in INR	No. of Shares	Amount in INR
Equity share of Rs. 10/- each				
Opening balance	1,040,000	10,400,000	100,000	1,000,000
Issued during the year	-	-	940,000	9,400,000
Closing balance	1,040,000	10,400,000	1,040,000	10,400,000

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

The Company has only one class of equity shares, having a par value of Rs.10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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.

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

Particulars	31-Mar-19		31-Mar-18	
	No. of	% Of shares	No. of	% Of shares
Strides Pharma Science Limited	1,040,000	100%	1,040,000	100%
Total	1,040,000	100%	1,040,000	100%

FAGRIS MEDICA PRIVATE LIMITED
Notes forming part of the financial statements

Note
No.

8 Other equity	Amount in INR	
Particulars	31-Mar-19	31-Mar-18
Capital reserve		
Opening balance	29,266,229	29,266,229
Add : On tranfer of business	-	-
Closing balance	29,266,229	29,266,229
Surplus in statement of profit and loss		
Opening balance	(38,676,254)	(38,714,945)
Add: Profit /(loss) for the year	824,790	38,691
Closing balance	(37,851,464)	(38,676,254)
Items of other comprehensive income		
Opening balance	-	(19,431)
Add/(Less) : other comprehensive income for the year	-	19,431
Add /(Less): Tax impact on above	-	-
Closing balance	-	-
Total	(8,585,235)	(9,410,025)

9 Trade payables	Amount in INR	
Particulars	31-Mar-19	31-Mar-18
Trade payables:		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro and small enterprises	695,424	7,529,276
Total	695,424	7,529,276

10 Other financial liabilities	Amount in INR	
Particulars	31-Mar-19	31-Mar-18
Dues to related parties	-	7,280,556
Other payables:		
- Statutory remittances	10,320	778,804
Total	10,320	8,059,360

11 Current tax liabilities	Amount in INR	
Particulars	31-Mar-19	31-Mar-18
Provision for income tax	40,122	40,122
Total	40,122	40,122

FAGRIS MEDICA PRIVATE LIMITED
Notes forming part of the financial statements

Note
No.

12 Revenue from operations	Amount in INR	
Particulars	31-Mar-19	31-Mar-18
Sale of products	-	12,351,279
Other operating revenues	-	648,779
Total	-	13,000,058

Note: Other operating revenue comprises:	Amount in INR	
Particulars	31-Mar-19	31-Mar-18
Government incentive	-	348,779
Support service income	-	300,000
Total	-	648,779

13 Other income	Amount in INR	
Particulars	31-Mar-19	31-Mar-18
Net gain on foreign currency transactions	998,135	-
Total	998,135	-

14 Cost of materials consumed	Amount in INR	
Particulars	31-Mar-19	31-Mar-18
Opening stock	-	-
Add: Purchases	-	2,872,005
Add: Excise duty	-	-
Closing stock	-	-
Cost of materials consumed	-	2,872,005

15 Employee benefits expenses	Amount in INR	
Particulars	31-Mar-19	31-Mar-18
Salaries and wages	-	334,145
Staff welfare expenses	-	11,382
Total	-	345,527

16 Finance costs	Amount in INR	
Particulars	31-Mar-19	31-Mar-18
Interest expense on:		
- Delayed payment of income tax	-	6,503
Other finance costs	33,145	26,645
Total	33,145	33,148

FAGRIS MEDICA PRIVATE LIMITED
Notes forming part of the financial statements

Note
No.

17 Other expenses	Amount in INR	
Particulars	31-Mar-19	31-Mar-18
Subcontracting	-	6,216
Rent	-	399,075
Power charges	-	13,175
Water charges	-	660
Rates and taxes	-	1,436,007
Communication	-	70,425
Travelling and conveyance	-	61,194
Printing and stationery	-	13,687
Freight and forwarding	-	3,019,581
Business promotion	-	1,375,648
Legal and professional	50,200	336,608
Payments to auditors	30,000	200,000
Testing and analysis expenses	-	1,408,390
Support Service charges	60,000	226,125
Net loss on foreign currency transactions	-	198,781
Miscellaneous expenses	-	945,115
Total	140,200	9,710,687

(i) Payments to the statutory auditors of the company comprises (net of GST Credit) for: Amount in INR

Particulars	31-Mar-19	31-Mar-18
Statutory audit fee	30,000	200,000
Tax audit fee	-	-
For certification and others	-	-
Total	30,000	200,000

Note 18**Related party disclosures**

Related party classification	Name of related party
Holding company	Strides Pharma Science Limited
Fellow subsidiary	Strides Pharma (Cyprus) Limited

Related party transactions during the year ended March 31, 2019

Nature of transactions	Holding company		Fellow subsidiary	
	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18
a) Advances - taken / repaid (net)		(3,734,720)	-	-
b) Sale of goods	-	-	-	1,789,111
c) Support service income	-	300,000	-	-
d) Support service charges	60,000	225,000	-	-
e) Reimbursement of expenses incurred by	41,864	3,781,206	-	-
f) Reimbursement of expenses incurred on behalf of	-	826,000	-	-
g) Interest expenses	-	-	-	-
h) Rental expenses	-	60,000	-	-
i) Issue of share capital	-	-	-	-
j) Consideration for sale of business	-	-	-	-

Related party balances as at March 31st,2019

Nature of Transactions	Holding company		Fellow subsidiary	
	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18
a) Advances receivables /(payables)	(1,220,415)	(3,069,507)	-	235,935
b) Trade receivables	961,000	1,042,000	-	4,073,812
c) Trade payables	(70,800)	4,724,372	(211,457)	-

Note 19

1,789,111.4

Earnings per share

Particulars	31-Mar-19	31-Mar-18
Net profit after tax (In INR)	824,790	38,691
Weighted average number of equity shares (No.s)	1,040,000	1,040,000
Earnings/(loss) per share (In INR)	0.79	0.04
Nominal value of equity shares (In INR)	10	10

Note 20**Foreign currency exposure**

Foreign currency exposure that have not been hedged by a derivative instrument or otherwise:

Particulars	31-Mar-19		31-Mar-18	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR
Receivables			268,729	17,507,667
Payables			-	-
Total	-	-	268,729	17,507,667

Note 21

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

FAGRIS MEDICA PRIVATE LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st MARCH 2019

Note No.-1

COMPANY INFORMATION

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

Note No.-2

SIGNIFICANT ACCOUNTING POLICIES:

A. Basis for preparation of Financial statements

The Company is a wholly owned subsidiary of Strides Pharma Science Limited (formerly known as 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.

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 and cash equivalents

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

C. Cash flow statement

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

D. Revenue recognition

(a) Sale of goods: Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer as per the terms of the arrangements with buyer.

(b) Export incentives are accrued for based on fulfillment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include

estimated realizable values/benefits from special import licenses and benefits under Duty Entitlement Pass Book Schemes, Focus Market Schemes, and Market-Linked Focus scheme.

(c) Other income

Support service income is accounted on accrual basis.

E. Foreign currency transactions and translations

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.

F. Leases

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

G. Earnings Per Share

Earnings per share is computed by dividing the profit / (loss) after tax 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 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 later.

H. Taxes on income

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

Minimum alternate tax paid (if any) in accordance with the tax laws, which gives future economic benefits 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. Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their

present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized in the financial statements.