STRIDES PHARMA INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2019

STRIDES PHARMA INTERNATIONAL LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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STRIDES PHARMA INTERNATIONAL LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Krishnan Tirucherai Parthasarathy - appointed on 9 November 2018 Amit Gupta - appointed on 26 April 2018 Mohana Kumar Pillai - resigned on 9 November 2018 Yiannis Eliades Maria Stella Katsari Angeliki Eliades Sudhir Krishna Kanchan - resigned on 26 April 2018
Company Secretary:	Cypcosecretarial Limited
Independent Auditors:	Deloitte Limited Certified Public Accountants and Registered Auditors 24 Spyrou Kyprianou Avenue 1075 Nicosia Cyprus
Registered office:	3 Themistocles Dervis Julia House 1066, Nicosia Cyprus
Bankers:	Bank of Cyprus Public Company Ltd State Bank of India
Registration number:	HE258759

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Independent Auditor's Report

To the Members of Strides Pharma International Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company Strides Pharma International Limited (the "Company"), which are presented in pages 4 to 26 and comprise the statement of financial position as at 31 March 2019, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of parent company Strides Pharma International Limited as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the "International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants" (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 5 to the financial statements which indicates that the Company incurred a loss of US$5.220.810 thousand during the year from 1 April 2018 to 31 March 2019, and, as of that date the Company's current liabilities exceeded its current assets by US$1.620.331 thousand. As stated in note 5, these events or conditions, along with other matters as set forth in note 5, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Independent Auditor's Report (continued)

To the Members of Strides Pharma International Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 to 2018 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Maria Paschalis
Certified Public Accountant and Registered Auditor
for and on behalf of
Deloitte Limited
Certified Public Accountants and Registered Auditors

Nicosia, 20 December 2019

STRIDES PHARMA INTERNATIONAL LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	**01/04/2018-31/03/2019 US$**	01/04/2017-31/03/2018 US$
Revenue	9	**-**	3.282.275
Other operating income	10	**5.313**	-
Loss from investing activities	10	**(4.304.058)**	(100)
Administration expenses		**(2.197.337)**	(659.954)
Operating (loss)/profit	11	**(6.496.082)**	2.622.221
Net finance income/(cost)	12	**730.255**	(158.247)
(Loss)/profit before tax		**(5.765.827)**	2.463.974
Tax	13	**545.017**	(4.290)
(Loss)/profit for the year		**(5.220.810)**	2.459.684
Other comprehensive income		**-**	-
Total comprehensive (loss)/income for the year		**(5.220.810)**	2.459.684

The notes on pages 8 to 26 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2019

	Note	2019 US$	2018 US$
Assets			
Non-current assets			
Investments in subsidiaries	15	-	-
Trade and other receivables	16	**15.764.453**	-
		15.764.453	-
Current assets			
Trade and other receivables	16	**5.631.184**	32.772.981
Cash at bank	17	**563.722**	254.919
		6.194.906	33.027.900
TOTAL ASSETS		**21.959.359**	33.027.900
EQUITY AND LIABILITIES			
Equity			
Share capital	18	**438.000**	438.000
Retained earnings		**13.706.122**	18.926.932
Total equity		**14.144.122**	19.364.932
Current liabilities			
Trade and other payables	20	**4.248.673**	9.539.137
Current tax liabilities	21	**3.566.564**	4.123.831
		7.815.237	13.662.968
TOTAL EQUITY AND LIABILITIES		**21.959.359**	33.027.900

On 20 December 2019 the Board of Directors of Strides Pharma International Limited authorised these financial statements for issue.

Angeliki Eliades
Director

Yiannis Eliades
Director

The notes on pages 8 to 26 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Note	Share capital US$	Retained earnings US$	Total US$
Balance at 1 April 2017		**438.000**	**24.676.293**	**25.114.293**
Total comprehensive profit for the year		-	2.459.684	2.459.684
Dividends	14	-	(7.656.240)	(7.656.240)
Merger reserve		-	(552.805)	(552.805)
Balance at 31 March 2018/ 1 April 2018		**438.000**	**18.926.932**	**19.364.932**
Net loss for the year		-	(5.220.810)	(5.220.810)
Balance at 31 March 2019		**438.000**	**13.706.122**	**14.144.122**

STRIDES PHARMA INTERNATIONAL LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

	Note	**01/04/2018-31/03/2019 US$**	01/04/2017-31/03/2018 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(5.765.827)**	2.463.974
Adjustments for:			
Impairment charge - investments in subsidiaries	15	**4.304.058**	100
Dividend income		**-**	(3.132.312)
Interest income	12	**(523.890)**	(236.926)
		(1.985.659)	(905.164)
Changes in working capital:			
Decrease in trade and other receivables		**7.597.176**	7.931.837
Decrease in trade and other payables		**(5.290.464)**	(7.548.948)
Cash generated from/(used in) operations		**321.053**	(522.275)
Dividends received		**-**	3.132.312
Tax paid		**(12.250)**	(70.999)
Net cash generated from operating activities		**308.803**	2.539.038
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from merger of subsidiary		**-**	292.195
Net cash generated from investing activities		**-**	292.195
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**-**	(3.144.840)
Net cash used in financing activities		**-**	(3.144.840)
Net increase/(decrease) in cash and cash equivalents		**308.803**	(313.607)
Cash and cash equivalents at beginning of the year		**254.919**	568.526
Cash and cash equivalents at end of the year	17	**563.722**	254.919

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. Incorporation and principal activities

Country of incorporation

Strides Pharma International Limited (the "Company") was incorporated in Cyprus on 3 December 2009 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Julia House, 3 Themistocles Dervis, 1066, Nicosia, Cyprus.

Principal activities

The principal activities of the Company continue to comprise the holding of investments and financing activities.

On 6 September 2017, the shareholders of the Company approved the merger of the Company with its subsidiary Strides Pharma Limited with effective date the Court decision date.

On 12 December 2017, the Nicosia District Court approved the application of the Company to merge with its subsidiary.

With the Company being the continuing and its subsidiary being the non-continuing company, the merger was completed on 12 December 2017 (effective date) and on the same date the subsidiary company, Strides Pharma Limited, was dissolved without liquidation.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the ultimate parent company, Strides Pharma Science Limited (formerly Strides Shasun Limited), publishes consolidated financial statements in accordance with Generally Accepted Accounting Principles in India and the Company does not intend to issue consolidated financial statements for the year ended 31 March 2019.

Since the 7th Directive of the European Union permits the preparation of consolidated financial statements in accordance with the Directive or in a manner equivalent to the Directive, and since the Cyprus Companies Law, Cap. 113, provides the aforementioned exemption, the provisions of International Accounting Standard 27 "Consolidated and separate financial statements" that require the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention

3. Functional and presentation currency

The financial statements are presented in United States Dollars (US$) which is the functional currency of the Company.

4. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 April 2018. This adoption did not have a material effect on the accounting policies of the Company, with the exception of the following:

- IFRS 9 "Financial Instruments"
- IFRS 15 "Revenue from contracts with customers"

As explained below, in accordance with the transition provisions of IFRS 9 and IFRS 15, the Company has elected the simplified approach for adoption of the standards. Accordingly, IFRS 9 and IFRS 15 were adopted without restating the comparative information. The comparative information is prepared in accordance with IAS 39 and IAS 18 and IAS 11, and any impact of adoption has been recognised in the opening retained earnings.

4. Adoption of new or revised standards and interpretations (continued)

There was no adjustment in opening retained earnings from the adoption of IFRS 9, however there was an impactfrom major changes in accounting policies as well as new disclosure requirements.

(i) IFRS 9 "Financial instruments"

IFRS 9 "Financial instruments" replaces the provisions of IAS 39 that relate to recognition and derecognition of financial instruments and classification and measurement of financial assets and financial liabilities. IFRS 9 further introduces new principles for hedge accounting and a new forward-looking impairment model for financial assets.

The new standard requires debt financial assets to be classified into two measurement categories: those to be measured subsequently at fair value (either through other comprehensive income (FVOCI) or through profit or loss (either FVTPL or FVPL) and those to be measured at amortized cost. The determination is made at initial recognition. For debt financial assets the classification depends on the entity's business model for managing its financial instruments and the contractual cash flows characteristics of the instruments. For equity financial assets it depends on the entity's intentions and designation.

In particular, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Lastly, assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

For investments in equity instruments that are not held for trading, the classification depends on whether the entity has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. If no such election has been made or the investments in equity instruments are held for trading they are required to be classified at fair value through profit or loss.

IFRS 9 also introduces a single impairment model applicable for debt instruments at amortised cost and fair value through other comprehensive income and removes the need for a triggering event to be necessary for recognition of impairment losses. The new impairment model under IFRS 9 requires the recognition of allowances for doubtful debts based on expected credit losses (ECL), rather than incurred credit losses as under IAS 39. The standard further introduces a simplified approach for calculating impairment on trade receivables as well as for calculating impairment on contract assets and lease receivables; which also fall within the scope of the impairment requirements of IFRS 9.

For financial liabilities, the standard retains most of the requirements of IAS 39. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to the entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

With the introduction of IFRS 9 "Financial Instruments", the IASB confirmed that gains or losses that result from modification of financial liabilities that do not result in derecognition shall be recognized in profit or loss.

IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the "hedge ratio" to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

The Company has adopted IFRS 9 with a date of transition of 1 April 2018, which resulted in changes in accounting policies for recognition, classification and measurement of financial assets and liabilities and impairment of financial assets.

The Company's new accounting policies following adoption of IFRS 9 at 1 April 2018 are set out in note 5.

4. Adoption of new or revised standards and interpretations (continued)

(i) IFRS 9 "Financial instruments" (continued)

Impact of adoption

In accordance with the transition provisions in IFRS 9, the Company has elected the simplified transition method for adopting the new standard. Accordingly, the effect of transition to IFRS 9 was recognised as at 1 April 2018 as an adjustment to the opening retained earnings (or other components of equity, as appropriate). In accordance with the transition method elected by the Company for implementation of IFRS 9 the comparatives have not been restated but are stated based on the previous policies which comply with IAS 39. Consequently, the revised requirements of IFRS 7 "Financial Instruments: Disclosures" have only been applied to the current period. The comparative period disclosures repeat those disclosures made in the prior year.

On 1 April 2018 for debt instruments held by the Company, management has assessed which business models apply to the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI test). In addition separate assessment for equity instruments held by the Company was performed, in respect of whether they are held for trading or not. As a result of both assessments Management has classified its debt and equity instruments into the appropriate IFRS 9 categories.

As a result of the adoption of IFRS 9 the Company revised its impairment methodology for each class of assets subject to the new impairment requirements. From 1 April 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI, cash and cash equivalents and bank deposits with original maturity over 3 months and loan commitments and financial guarantees. The impairment methodology applied depends on whether there has been a significant increase in credit risk and whether the debt instruments qualify as low credit risk and whether the debt investments qualify as low credit risk.

The Company has the following types of assets that are subject to IFRS 9's new expected credit loss model: trade receivables and cash and cash equivalents.

The Company has adopted the simplified expected credit loss model for its trade receivables, as required by IFRS 9, paragraph 5.5.15, and the general expected credit loss model for cash and cash equivalents.

- *Other financial instruments:*

For all other financial assets Management assessed that the Company's business model for managing the assets is "hold to collect" and these assets meet SPPI tests. As a result all other financial assets were classified as financial assets at amortised cost and reclassified from the category "loans and receivables" under IAS 39, which was "retired". Previously under IAS 39 these financial assets were also measured at amortised cost. Thus there were no impact of adoption of IFRS 9 as of 1 April 2018.

At 31 March 2018, all of the Company's financial liabilities were carried at amortised cost. Starting from 1 April 2018 the Company's financial liabilities continued to be classified at amortised cost.

5. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. Apart from the accounting policy changes resulting from the adoption of IFRS 9 and IFRS 15 effective from 1 April 2018, these policies have been consistently applied to all the years presented, unless otherwise stated. The principal accounting policies in respect of financial instruments and revenue recognition applied till 31 March 2018 are presented in note 25.

Going concern basis

The Company incurred a loss of US$5.220.810 and, as at that date its current liabilities exceeded its current assets by US$1.620.331. The Company is dependent upon the continuing financial support of its shareholder without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The shareholder has indicated its intention to continue providing such financial assistence for the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

5. Significant accounting policies (continued)

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by management.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

- **Rendering of services**

  Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

5. Significant accounting policies (continued)

Revenue recognition (continued)

- **Interest income**

  Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

- **Dividend income**

  Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US$), which is the Company's functional and presentation currency.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Income tax

The income tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which it is approved by the Company's shareholders.

Financial assets - Classification

From 1 April 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

5. Significant accounting policies (continued)

Financial assets - Classification (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There is one measurement category into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

Financial assets - impairment - credit loss allowance for ECL

From 1 April 2018, the Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets".

5. Significant accounting policies (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

Expected losses are recognized and measured according to one of two approaches: general approach or simplified approach.

For receivables from related parties the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial asset that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 7, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 7, Credit risk section.

Financial assets - Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (eg profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

5. Significant accounting policies (continued)

Financial assets - modification (continued)

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derivatives

Derivatives are initially recognised at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and any changes therein are generally recognised in profit or loss. Fair value is calculated using the current values, discounted cash flow analysis or option valuation methods. Derivatives are recorded as assets when their fair value is positive and as liabilities when their fair value is negative.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

5. Significant accounting policies (continued)

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

6. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

(i) Not adopted by the European Union

7. Financial risk management

Financial risk factors
The Company is exposed to interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

7.1 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest- bearing financial instruments was:

	2019 US$	2018 US$
Fixed rate instruments		
Financial assets	**15.560.750**	12.741.470
	15.560.750	12.741.470

Sensitivity analysis

Any increase/(decrease) in interest rates will have no effect on results and equity of the Company, because, all financial instruments are fixed rate.

7.2 Credit risk
Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets.

(i) Risk management

Banks and financial institutions, with credit ratings acceptable by the management are used.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:
- receivables from the related parties
- cash and cash equivalents

7. Financial risk management (continued)

7.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Receivables from related parties

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables from related parties as disclosed in note 22.2.

The restatement on transition to IFRS 9 as a result of applying the expected credit loss model was assessed by management as immaterial.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Previous accounting policy for impairment of receivables from related parties

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. A provision for impairment of trade receivables was established when there was objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments (more than 120 days overdue) were considered indicators that the trade receivable was impaired. The amount of the provision was the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate.

Bank group based on credit ratings by Moody's	No of banks	**2019 US$**	2018 US$
Caa1	1	**94**	993
Baa3	1	**563.628**	254.919
		563.722	255.912

7.3 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 March 2019	Carrying amounts US$	Contractual cash flows US$	3 months or less US$	3-12 months US$	1-2 years US$	2-5 years US$	More than 5 years US$
Other payables	149.462	149.462	149.462	-	-	-	-
Payables to related parties	3.980.228	3.980.228	3.980.228	-	-	-	-
	4.129.690	**4.129.690**	**4.129.690**	-	-	-	-

7. Financial risk management (continued)

7.3 Liquidity risk (continued)

31 March 2018	Carrying amounts US$	Contractual cash flows US$	3 months or less US$	3-12 months US$	1-2 years US$	2-5 years US$	More than 5 years US$
Trade and other payables	139.629	139.629	139.629	-	-	-	-
Payables to related parties	9.184.458	9.184.458	9.184.458	-	-	-	-
	9.324.087	9.324.087	9.324.087	-	-	-	-

7.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro, British Pound and Australian Dollar. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

8. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Going concern basis**

  The assessment of the Company for the appropriateness of the use of the going concern basis is disclosed in note 5.

- **Impairment of investment in subsidiary**

  The Company periodically evaluates the recoverability of investment in subsidiary whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiary may be impaired, the estimated future discounted cash flows associated with this subsidiary would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

8. Critical accounting estimates and judgments (continued)

- **Significant increase in credit risk (judgement)**

  As explained in note 5, ECL are measured as an allowance equal to 12 month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

- **Calculation of loss allowance (estimate)**

  When measuring ECL the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

  Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

  Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Fair value of investment property

- **Impairment of financial assets**

  The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 7, Credit risk section.

9. Revenue

Analysis of revenue by category under revenue recognition guidance effective from 1 April 2018:

	01/04/2018-31/03/2019 US$	01/04/2017-31/03/2018 US$
Sales of marketing authorisations	-	149.963
Dividend income (Note 14)	-	3.132.312
	-	3.282.275

On 19 December 2017 the Company sold to a third party its marketing authorizations for US$149.693 (GBP110.000)

There is no material difference in the revenue recognition guidance effective prior to 1 April 2018.

10. Loss from investing activities

	01/04/2018-31/03/2019 US$	01/04/2017-31/03/2018 US$
Impairment charge - investments in subsidiaries (Note 15)	**(4.304.058)**	(100)
	(4.304.058)	(100)

11. Operating (loss)/profit

	01/04/2018-31/03/2019 US$	01/04/2017-31/03/2018 US$
Operating (loss)/profit is stated after charging the following items:		
Staff costs	**1.872**	-

12. Finance income/(costs)

	01/04/2018-31/03/2019 US$	01/04/2017-31/03/2018 US$
Interest income (Note 22.1)	**523.890**	236.926
Foreign exchange gains	**209.036**	-
Finance income	**732.926**	236.926
Foreign exchange losses	-	(176.876)
Sundry finance expenses	**(2.671)**	(218.297)
Finance costs	**(2.671)**	(395.173)
Net finance income/(cost)	**730.255**	(158.247)

13. Tax

	01/04/2018-31/03/2019 US$	01/04/2017-31/03/2018 US$
Corporation tax - current year	**54.983**	4.290
Corporation tax - prior years	**(600.000)**	-
(Credit)/charge for the year	**(545.017)**	4.290

The tax on the Company's results before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	01/04/2018-31/03/2019 US$	01/04/2017-31/03/2018 US$
(Loss)/profit before tax	**(5.765.827)**	2.463.974
Tax calculated at the applicable tax rates	**(720.728)**	307.997
Tax effect of expenses not deductible for tax purposes	**802.505**	210.005
Tax effect of allowances and income not subject to tax	**(26.794)**	(450.688)
Tax effect of tax losses brought forward	-	(63.024)
Prior year tax	**(600.000)**	-
Tax charge	**(545.017)**	4.290

The corporation tax rate is 12,5%.

14. Dividends

	01/04/2018-31/03/2019 US$	01/04/2017-31/03/2018 US$
Interim dividend paid	-	7.656.240
	-	7.656.240

During the prior year, the Board of Directors approved the payment of an interim dividend of US$7.656.240.

15. Investments in subsidiaries

	2019 US$	2018 US$
Balance at 1 April	-	51.383.062
Additions	**4.304.058**	-
Impairment charge (Note 10)	**(4.304.058)**	(100)
Transfer to merger reserve (Note 19)	-	(51.382.962)
Balance at 31 March	-	-

During the prior year, the Company merged its operations with its subsidiary company Strides Pharma Limited. On 6 September 2017 the Board of Directors of the Company approved the proposed merger and re-organisation plan under which Strides Pharma Limited transferred its total assets and liabilities to the Company and was dissolved without going into liquidation. All the necessary actions were taken, and on 12 December 2017 the merger was completed.

During 2018, the subsidiary company Strides Africa Limited was liquidated, and therefore its value was fully impaired.

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2019 Holding %	2018 Holding %
Strides CIS Limited	Cyprus	Marketing and sales of pharmaceutical products	100	-

On 2 May 2018, the Board of Directors approved the acquisition of Strides CIS Limited from Strides Pharma Global Pte Ltd for a consideration value of US$4.304.058, which was fully impaired during the year to reduce the value of the investment down to its recoverable amount.

16. Trade and other receivables

	2019 US$	2018 US$
Receivables from related companies (Note 22.2)	**21.256.632**	32.620.251
Other receivables	**139.005**	152.730
	21.395.637	32.772.981
Less non-current receivables	**(15.764.453)**	-
Current portion	**5.631.184**	32.772.981

No impairment losses were recognised on receivables from related parties for the year ended 31 March 2019 as the expected credit losses were assessed as immaterial.

The restatement on transition to IFRS 9 as a result of applying the expected credit risk model was assessed as immaterial and no adjustment was posted following the application of IFRS 9.

16. Trade and other receivables (continued)

The fair values of the receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note note 7 of the financial statements.

17. Cash at bank

Cash balances are analysed as follows:

	2019 US$	2018 US$
Cash at bank	**563.722**	254.919
	563.722	254.919

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 7 of the financial statements.

18. Share capital

	2019 Number of shares	**2019 US$**	2018 Number of shares	2018 US$
Authorised				
Ordinary shares of US$1 each	**500.000**	**500.000**	500.000	500.000
Issued and fully paid				
Balance at 1 April	**438.000**	**438.000**	438.000	438.000
Balance at 31 March	**438.000**	**438.000**	438.000	438.000

19. Effect of the merger of the Company with its subsidiary company

	Total US$
Available-for-sale financial assets	1
Receivables from related companies (Note 22.2)	25.594.363
Shareholders current account - debit balance (Note 22.4)	33.021.900
Other receivables	13.256
Refundable VAT	69.279
Cash and cash equivalents	292.194
Accruals	(15.000)
Other creditors	(245.724)
Payables to related companies (Note 22.3)	(5.435.581)
Tax liabilities (Note 21)	(2.464.531)
Less: Investments in subsidiaries transferred (Note 15)	(51.382.962)
Effect from merger with subsidiary company - Recognised in retained earnings	**(552.805)**

On 6 September 2017, the shareholders of the Company approved the merger of the Company with its subsidiary Strides Pharma Limited with effective date being the Court decision date.

On 12 December 2017, the Nicosia District Court approved the application of the Company to merge with its subsidiary.

The Company being the continuing and its subsidiary being the non-continuing company, the merger was completed on 12 December 2017 (effective date) and on the same date the subsidiary company, Strides Pharma Limited, was dissolved without liquidation.

As per the merger plan all the assets and liabilities owned by the subsidiary company were transferred to the Company during the year ended 31 March 2018.

20. Trade and other payables

	2019 US$	2018 US$
Shareholder's current account - credit balance (Note 22.4)	-	4.511.400
Accruals	**118.983**	215.050
Other creditors	**149.462**	139.629
Payables to related companies (Note 22.3)	**3.980.228**	4.673.058
	4.248.673	9.539.137

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

21. Current tax liabilities

	2019 US$	2018 US$
Corporation tax	**3.566.564**	4.123.831
	3.566.564	4.123.831

The above balance includes US$2.464.531 tax liability transferred from Strides Pharma Limited after its merger with the Company during the year ended 31 March 2018 (Note 19).

22. Related party transactions

The Company is controlled by Strides Pharma Science Limited (formerly Strides Shasun Limited), incorporated in India, which owns 100% of the Company's shares.

22. Related party transactions (continued)

The following transactions were carried out with related parties:

22.1 Income and expenses with related companies

	Nature of transactions	**01/04/2018-31/03/2019 US$**	01/04/2017-31/03/2018 US$
Strides Pharma Limited (Note 9)	Dividend income	**-**	3.132.312
Strides Pharma (Cyprus) Limited (Note 12)	Interest income	**47.333**	59.586
Strides Pharma Inc. (Note 12)	Interest income	**272.105**	177.340
Strides Pharma Science Limited (shareholder)	Guarantee fees	**1.922.803**	617.770
Strides Arcolab International Limited (Note 12)	Interest income	**204.452**	-
		2.446.693	3.987.008

22.2 Receivables from related companies (Note 16)

Name	Nature of transactions	**2019 US$**	2018 US$
Strides Pharma Asia Pte Ltd	Current a/c	**-**	15.101.944
Strides CIS Limited	Current a/c	**222.091**	213.781
Strides Pharma (Cyprus) Limited	Finance	**-**	4.024.080
Beltapharma S.P.A	Current a/c	**46.634**	573.161
Strides Pharma UK Limited	Current a/c	**339.116**	366.311
Strides Pharma Inc	Finance	**3.136.618**	8.717.390
Strides Pharma Global Pte Ltd	Current a/c	**-**	1.850.000
Strides Arcolab (Australia) Pty Ltd	Current a/c	**-**	547.864
Strides Arcolab International Limited	Current a/c	**1.215.720**	1.215.720
Strides Arcolab International Limited	Finance	**15.764.453**	-
Strides Pharma Global (UK) Limited	Current a/c	**532.000**	10.000
		21.256.632	32.620.251

All amounts receivable from related companies, except the balances mentioned below, are current accounts without interest charge and repayment date. The current account balances with Beltapharma S.P.A., Strides Pharma Global (UK) Limited, Strides Pharma Global Pte Ltd, Strides Acrolab (Australia) Pty Limited and Strides Arcolab International Limited were transferred on 12 December 2017 as part of the Merger (Note 19). During the year, the receivable balance from Strides Acrolab (Australia) Pty Limited and Strides Pharma Global Pte was repaid in full.

On 23 January 2019, the principal amount of the loans receivable from Strides Pharma Inc. was repaid in full, leaving the outstanding interest accrued of US$3.136.618. The interest income recognised for the period ended 31 March 2019 amounts to US$272.105.

On 29 June 2018 the balance receivable from Strides Pharma (Cyprus) Limited as at that date of US$4.117.213 was assigned to Strides Pharma Global Pte. Limited. The interest income recognised for the year ended 31 March 2019 amounts to US$47.333. The assignment consideration was settled against an equivalent amount towards Strides Pharma Global Pte Ltd following the acquisition of Strides CIS Limited.

During the year, the amount receivable from Strides Pharma Asia Pte Limited was repaid in full.

On 31 March 2018, part of the receivable balance from Beltapharma S.p.A of US$522.000 was assigned to Strides Pharma Global (UK) Limited.

On 25 January 2019, the Company (lender) entered into a loan facility agreement with Strides Arcolab International Limited (borrower) for the total amount US$20.000.000. The loan bears interest of 6,5% per annum and is repayable by 25 January 2024. As at 31 March 2019, the borrower utilized US$15.560.000 out of the total facility amount. During the year, interest income of US$204.452 was recognized in the statement of profit or loss.

22. Related party transactions (continued)

22.3 Payables to related companies (Note 20)

Name	Nature of transactions	2019 US$	2018 US$
Strides Pharma (Cyprus) Limited	Current a/c	**45.800**	-
Strides Pharma Global Pte Ltd	Current a/c	**50.000**	-
SVADS Holding SA	Current a/c	**3.884.428**	4.673.058
		3.980.228	4.673.058

All amounts payables to related companies are current accounts without interest charge and repayment date.

The balance with SVADS Holding SA was transferred to the Company due to the merger (note 19).

22.4 Shareholders' current accounts - credit balances (Note 20)

	2019 US$	2018 US$
Strides Pharma Science Limited	-	4.511.400
	-	4.511.400

The shareholders' current accounts were interest free, and had no specified repayment date.

23. Contingent liabilities

The below contingent liabilities were transferred to the Company from Strides Pharma Limited due to the merger (Note 19).

On 24 January 2012 Strides Pharma Limited sold its share in Ascent Pharmahealth Limited to a third party called Watson Pharmaceuticals Inc. For the sale, various warranties and guarantees were given to the other party. Strides Pharma Science Limited (formerly Strides Shasun Limited) has agreed to guarantee these obligations of Strides Pharma Limited under the sale agreement.

During the year ended 31 March 2016 the Company sold 3 of its subsidiaries to Strides Arcolab International Limited and Strides Pharma Global Pte Ltd, which are all related parties. As per the sale agreements the Company indemnified the other parties against all losses or liabilities arising from or in relation to any encumbrance over the shares and any default, breach or inaccuracy of any representations and warranties contained in the agreements.

24. Commitments

The Company had no capital or other commitments as at 31 March 2019.

25. Accounting policies up to 31 March 2018

Accounting policies applicable to the comparative period ended 31 March 2018 that were amended by IFRS 9 and IFRS 15, are as follows.

Revenue recognition

Revenues earned by the Company are recognised on the following bases:

- **Rendering of services**

  Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

25. Accounting policies up to 31 March 2018 (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Receivables from related parties

Receivables from related parties are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

26. Events after the reporting period

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 2 and 3