

ARROW PHARMA (PRIVATE) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

_____ *A.C.M. Ifhaam & Co.,* _____

_____ *Chartered Accountants.* _____

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARROW PHARMA (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Arrow Pharma (Private) Limited which comprise the statement of financial position as at 31st March, 2021 and the statement of Comprehensive Income, statement of changes in equity and statement of cash flows for the period 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 the Company as at 31st March, 2021 and of its financial performance and its cash flows for the period then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). 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 Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are 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 SLAuSs 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.



As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism 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 management.
- Conclude on the appropriateness of management's 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 fair presentation.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is [2269].

ACM 

Chartered Accountants

September 06, 2021

Colombo.

ARROW PHARMA (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31st March 2021

	<u>Notes</u>	<u>2021 Rs.</u>	<u>2020 Rs.</u>
Revenue		-	-
Cost of Sales		-	-
Gross Profit		-	-
Other Income	01	-	300,000
Administration Expenses	02	(119,550)	(117,400)
Profit / (Loss) Before Taxation		(119,550)	182,600
Income Tax Expense		-	-
Profit / (Loss) for the Year		(119,550)	182,600
Earning Profit / (Loss) Per Share	03	(120)	183



ARROW PHARMA (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31st March 2021

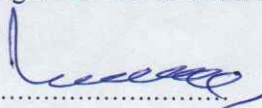
	Notes	2021 Rs.	2020 Rs.
ASSETS			
Current Assets			
Cash & Cash Equivalents	04	1,193,792	1,277,792
Total Current Assets		1,193,792	1,277,792
Total Assets		1,193,792	1,277,792
EQUITY AND LIABILITIES			
Capital & Reserves			
Stated Capital	05	100,000	100,000
Share Application	06	50,362,010	50,362,010
Retained Earnings		(49,587,118)	(49,467,568)
Share Holders' Fund		874,892	994,442
Current Liabilities			
Amount Due to Related Parties	07	187,450	187,450
Trade & Other Payables	08	131,450	95,900
Current Liabilities		318,900	283,350
Total Equity and Liabilities		1,193,792	1,277,792

I certify that the financial statements comply with the requirements of companies Act No. 07 of 2007



Accountant

The Board of Directors are responsible for the preparation & presentation of these financial statements.
 Signed for and on behalf of the Board by.



Director
 September 6, 2021



ARROW PHARMA (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY

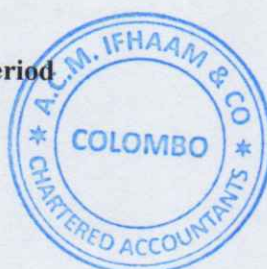
For the Year Ended 31st March 2021

	Stated Capital Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 01.04.2019	100,000	(49,650,168)	(4,965,168)
Net Profit / (Loss) for the Year	-	182,600	182,600
Balance as at 31.03.2020	100,000	(49,467,568)	(4,782,568)
Balance as at 01.04.2020	100,000	(49,467,568)	(49,367,568)
Net Profit / (Loss) for the Year	-	(119,550)	(119,550)
Balance as at 31.03.2021	100,000	(49,587,118)	(49,487,118)



ARROW PHARMA (PRIVATE) LIMITED**STATEMENT OF CASH FLOW**For the Year Ended 31st March 2021

	2021 Rs.	2020 Rs.
Cash Flows From Operating Activities		
Net Profit / (Loss) After Taxation	(119,550)	182,600
Adjustments	-	-
Operating Profit Before Working Capital Changes	<u>(119,550)</u>	<u>182,600</u>
Changes in Working Capital		
Increase / (Decrease) Trade & Other Payables	35,550	(4,500)
Operating Profit After Changes in Working Capital	<u>35,550</u>	<u>(4,500)</u>
Tax Paid	-	-
Net Cash Generated From Operating Activities	<u>(84,000)</u>	<u>178,100</u>
Cash Flows From Investing Activities	-	-
Net Cash Used in Investing Activities	<u>-</u>	<u>-</u>
Cash Flow From Financing Activities	-	-
Net Cash Used in Financing Activities	<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	<u>(84,000)</u>	<u>178,100</u>
Cash and Cash Equivalents At The Beginning Of The Year (Note A)	1,277,792	1,099,692
Cash and Cash Equivalents At The End Of The Year (Note B)	<u><u>1,193,792</u></u>	<u><u>1,277,792</u></u>
Note A		
Cash & Cash Equivalents at The Beginning of the Period		
Cash in Hand	-	-
Cash at Bank	1,277,792	1,099,692
	<u>1,277,792</u>	<u>1,099,692</u>
Note B		
Cash & Cash Equivalents at The End of the Period		
Cash in Hand	-	-
Cash at Bank	1,193,792	1,277,792
	<u>1,193,792</u>	<u>1,277,792</u>



ARROW PHARMA (PRIVATE) LIMITED

SIGNIFICANT ACCOUNTING POLICIES

For the Year Ended 31st March 2021

1. CORPORATE INFORMATION

1.1 Domicile and Legal Form

Arrow Pharma (Private) Limited is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No.9, 5/1, Station Road, Bambalapitiya, Colombo 04.

1.2 Principal Activities and Nature of Operations

The Company was set up to carry on the business as wholesale dealers, importer and exporter of pharmaceutical products and related goods and such other related pharmaceutical preparations for human consumption in Sri Lanka and to carry on the business of providing pharma related technical, and other allied services.

2. General Policies

2.1 Basis Of Preparation

The financial statements have been prepared on the historical cost basis. The financial statements are presented in Sri Lankan Rupees and all values are rounded to the nearest rupee.

2.1.1 Statement of Compliance

Arrow Pharma (Private) Limited have been prepared financial statements in accordance with Sri Lanka Accounting Standards (LKAS).

2.1.2 Going Concern

The Company has ceased its operations and continued to remain dormant to the date of this report.

2.2 Summary Of Significant Accounting Policies

2.2.1 Foreign Currency Translation

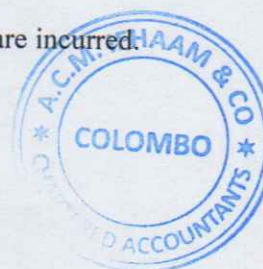
The Financial Statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.2.2 Taxation

The provision for income tax is based on this element of income and expenditure as reported in the financial statements & computed in accordance with the provision of the Inland Revenue Act No 24 of 2017.

2.2.3 Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred.



ARROW PHARMA (PRIVATE) LIMITED

SIGNIFICANT ACCOUNTING POLICIES

For the Year Ended 31st March 2021

2.2.4 Trade and Other Receivables

Trade receivables are stated at the amounts they are estimated to realize net of provisions for bad and doubtful receivables.

2.2.5 Inventories

There are no inventories in the company

2.2.6 Property, Plant and Equipment

(a) Cost/Valuation

Property Plant and Equipment is recorded at cost less accumulated depreciation and less any impairment in value.

The cost of Property, Plant and Equipment is the cost of purchase price after deducting discounts and rebates or cost of construction together with any directly attributable costs of bringing the asset to working condition for its intended use.

(b) Restoration Cost

Expenditure incurred on repairs or maintenance of Property, Plant and Equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance, is recognized as an expense when incurred.

(c) Depreciation

The provision for depreciation is calculated on the cost of all property, plant and equipment, except for Freehold land, in order to write off such amounts over the following estimated useful lives.

The Principal annual rates used are:

Office Equipment

Rate

20%

Depreciation of Assets begins when it is available for use. The asset's residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate at each financial year end.

2.2.7 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

ARROW PHARMA (PRIVATE) LIMITED

SIGNIFICANT ACCOUNTING POLICIES

For the Year Ended 31st March 2021

2.2.8 Retirement Benefit Obligation

(a) Retirement Benefit Plans - Gratuity

Gratuity is a Defined Benefit Plan. The Company is liable to pay gratuity in terms of relevant statute. Gratuity is provided for all employees based on a half-month's salary of the last month of the financial year for each completed year of service. The liability is not externally funded. This item is grouped under non-current liabilities and deferred income in the Statement of Financial Position.

(b) Defined Contribution Plans- Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective Statute & Regulations. The Company contributes 12 % and 3 % of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.2.9 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated cost incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific recognition criteria is applied before revenue is recognized.

(a) Sale of Goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, with the company retaining neither continuing managerial involvement to the degree usually associated with ownership, no effective control over the goods sold.

(b) Others

Other income is recognized on an accrual basis.

2.3 Expenditure Recognition

- a. Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to income in arriving at the Profit/ (Loss) for the year.
- b. For the purpose of presentation of Income Statement, the directors are of the opinion that function of expenses method present fairly the element of the enterprises performance and hence such presentation method is adopted.



ARROW PHARMA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March 2021

	2021 Rs.	2020 Rs.
01 Other Income		
Collection From Debtors Written-off	-	300,000
	<u>-</u>	<u>300,000</u>
02 Administration Expenses		
Audit Fee	66,000	66,000
Postage and Courier Charges	5,550	3,500
Professional Fee	48,000	31,900
Tax Computation Fee	-	16,000
	<u>119,550</u>	<u>117,400</u>
03 Earnings/(Loss) Per Share		
Earnings/(Loss) per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of shares in issue during the year		
Net Profit/(Loss) Attributable to Shareholders	(119,550)	182,600
Weighted average Number Of Ordinary Shares In Issue	1,000	1,000
Earnings/(Loss) Per Share (Rs.)	<u>(120)</u>	<u>183</u>



ARROW PHARMA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2021

	2021 Rs.	2020 Rs.
04 Cash & Cash Equivalents		
Cash in hand	-	-
Sampath Bank - C/A	1,193,792	1,277,792
	<u>1,193,792</u>	<u>1,277,792</u>
05 Stated Capital		
Issued & fully paid	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
06 Share Application		
Pending Allotment	50,362,010	50,362,010
	<u>50,362,010</u>	<u>50,362,010</u>
07 Amount Due to Related Parties		
Strides Pharma Science Limited	187,450	187,450
	<u>187,450</u>	<u>187,450</u>
08 Trade & Other Payable		
Audit Fee	66,000	66,000
Professional Fee	43,900	13,900
Tax Computation Fee	21,550	16,000
	<u>131,450</u>	<u>95,900</u>

09 Directors Interest in Contract

The Directors have no direct or indirect interest in any Contract or Proposed Contracts with the Company.

10 Contingent Liabilities

There were no material contingent liabilities existing at the balance sheet date as at 31.03.2021.

11 Capital Commitments

There were no material capital commitments outstanding at the balance sheet date as at 31.03.2021

12 Events after the Reporting Period

No events have occurred after the balance sheet date which would require adjustment to, or disclosure in the Financial Statements.

13 Related Party Transactions

There were no any related party transactions occurred during the year.

13.1 Related party Balances

Arrow Pharma Pte Ltd:

Equity Share Application Money Pending allotment

Strides Pharma Science Limited

<u>50,362,010</u>	<u>50,362,010</u>
<u>187,450</u>	<u>187,450</u>

