

STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
BALANCE SHEET AS AT MARCH 31, 2015

Amount in INR

	Particulars	Note No.	31-Mar-15	31-Mar-14
I.	Equity and Liabilities			
	(1) Shareholders' Funds			
	(a) Share Capital	3	43,333,310	100,000
	(b) Reserves and Surplus	4	584,720,289	(42,466)
			628,053,599	57,534
	(2) Current Liabilities			
	(a) Trade Payables	5	1,104,701	42,466
	(b) Other Current Liabilities	6	29,770,205	-
			30,874,906	42,466
	TOTAL		658,928,505	100,000
II.	Assets			
	(1) Non-Current Assets			
	(a) Fixed assets	7		
	(i) Intangible assets		633,853,581	-
	(ii) Intangibles under development		-	-
	(b) Deferred Tax Asset	8	9,331,373	-
			643,184,954	-
	(2) Current assets			
	(a) Trade Receivables	9	9,226,685	-
	(b) Cash and Cash Equivalents	10	856,674	100,000
	(c) Short-term Loans and Advances	11	1,255,997	-
	(d) Other Current Assets	12	4,404,195	-
			15,743,551	100,000
	TOTAL		658,928,505	100,000

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For Gnanoba & Bhat

Chartered Accountants

Firm Registration no. 0009395

R Umesh

Partner

Mem. No. 27892

Place :Bangalore

Date: 19.05.2015



For and on behalf of Board of Directors

Ravi Shankar C.

Ravi Shankar C.

Director
DIN 06944927

Subroto Banerjee

Subroto Banerjee

Director
DIN 06933525

STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)

Notes forming part of the financial statements

Note

No.

3 Share capital

Particulars	Amount in INR	
	31-Mar-15	31-Mar-14
Authorised 5,000,000 (Previous year 10,000) Equity shares of Rs. 10/- each with voting rights	50,000,000	100,000
Total	50,000,000	100,000
Issued, subscribed and fully paid-up 4,333,331 (Previous year 10,000) Equity shares of Rs. 10/- each with voting rights	43,333,310	100,000
Total	43,333,310	100,000

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

Particulars	31-Mar-15		31-Mar-14	
	No. of Shares	Rs. In Million	No. of Shares	Rs. In Million
Equity share of Rs. 10/- each				
Opening balance	10,000	100,000	-	-
Issued during the year	4,323,331	43,233,310	10,000	100,000
Closing balance	4,333,331	43,333,310	10,000	100,000

3(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. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all other parties concerned. The distribution will be in proportion to number of equity shares held by the shareholders.

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

Particulars	31-Mar-15		31-Mar-14	
	No. of Shares	%	No. of Shares	%
Strides Arcolab Limited	3,206,665	74.00%	4,000	40.00%
Bafna Pharmaceuticals Limited	1,126,666	26.00%	-	-
Arun Kumar	-	-	3,000	30.00%
Joe Thomas	-	-	3,000	30.00%



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STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

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4 Reserves and surplus

Particulars	Amount in INR	
	31-Mar-15	31-Mar-14
Securities Premium Account		
Opening Balance	-	-
Add : Premium on shares issued during the year	606,766,535	-
Closing balance	606,766,535	-
Surplus in Statement of Profit and Loss		
Opening Balance	(42,466)	-
Add: (Loss) for the year	(22,003,780)	(42,466)
Closing balance	(22,046,246)	(42,466)
Total	584,720,289	(42,466)

5 Trade payables

Particulars	Amount in INR	
	31-Mar-15	31-Mar-14
Other than acceptances	1,104,701	42,466
Total	1,104,701	42,466

6 Other current liabilities

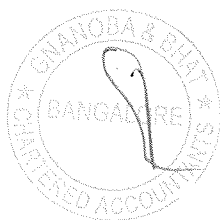
Particulars	Amount in INR	
	31-Mar-15	31-Mar-14
Payable to Strides Arcolab Limited	27,507,012	-
Other payables:		
- Statutory remittances	1,959,943	-
- Gratuity	303,250	-
Total	29,770,205	-

8 Deferred tax asset

Particulars	Amount in INR	
	31-Mar-15	31-Mar-14
Items constituting deferred tax liabilities		
- On difference between book balance and tax balance of fixed assets	41,256,137	-
	41,256,137	-
Items constituting deferred tax assets		
- Provision for bonus and leave encashment	24,008	-
- Unabsorbed depreciation	50,563,502	-
	50,587,510	-
Total	9,331,373	-

9 Trade receivables

Particulars	Amount in INR	
	31-Mar-15	31-Mar-14
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured considered good	-	-
Others		
- Unsecured considered good	9,226,685	-
- Doubtful	-	-
	9,226,685	-
Less: Provision for doubtful trade receivables	-	-
	9,226,685	-
Total	9,226,685	-



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10 Cash and cash equivalents

Amount in INR

Particulars	Amount in INR	
	31-Mar-15	31-Mar-14
Balance with banks in current account	856,674	100,000
Total	856,674	100,000

11 Short-term loans and advances

Particulars	Amount in INR	
	31-Mar-15	31-Mar-14
Unsecured, considered good		
Loans and advances to employees	162,084	-
Trade Advances	10,000	-
Prepaid Expenses	35,976	-
Advance Tax (net of provision for tax of Rs. Nil)	1,047,937	-
Total	1,255,997	-

12 Other Current Assets

Particulars	Amount in INR	
	31-Mar-15	31-Mar-14
Unsecured, considered good		
Others -		
- Amount receivable from Bafna Pharmaceuticals Limited	4,404,195	-
Total	4,404,195	-



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STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

Note 7 Fixed assets

Particulars	Gross block				Accumulated depreciation / amortisations			Net block	
	As at April 01, 2014	Additions	Deletions	As at March 31, 2015	As at March 31, 2014	Amortisation expense for the year	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
	Intangible assets: Owned Registrations & brands	-	667,118,100	-	667,118,100	-	33,264,519	633,853,581	633,853,581
Total	-	667,118,100	-	667,118,100	-	33,264,519	633,853,581	633,853,581	-



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STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Amount in INR

	Particulars	Note No.	For the year ended March 31, 2015	For the period ended March 31, 2014
I	Revenue from Operations	13	10,479,372	-
II	Total Revenue		10,479,372	-
III	Expenses			
	Employee Benefits Expense	14	2,370,053	-
	Other Expenses	15	4,338,604	42,466
	Finance costs	16	1,841,349	-
	Depreciation and amortisation expense	7	33,264,519	-
	Total		41,814,525	42,466
IV	Profit / (Loss) before taxes (II-III)		(31,335,153)	(42,466)
V	Tax Expense:			
	(1) Current tax		-	-
	(2) Deferred tax Liability / (Asset)	8	(9,331,373)	-
VI	Profit / (Loss) for the year after tax (IV-V)		(22,003,780)	(42,466)
VII	Earnings per Equity Share:			
	- Basic		(10.06)	(4.25)

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For Gnanoba & Bhat

Chartered Accountants

Firm Registration no. 000939S



R Umesh

Partner

Mem. No. 27892

Place :Bangalore

Date: 19.05.2015



For and on behalf of Board of Directors



Ravi Shankar C.

Director

DIN 06944927



Subroto Banerjee

Director

DIN 06933525

STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

Note

13 Revenue from Operations Amount in INR

Particulars	31-Mar-15	31-Mar-14
Royalty income	10,479,372	-
Total	10,479,372	-

14 Employee Benefit Expenses Amount in INR

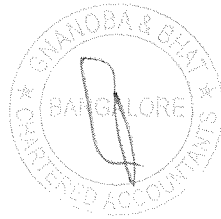
Particulars	31-Mar-15	31-Mar-14
Salaries and wages	2,180,037	-
Contributions to provident and other funds	190,016	-
Total	2,370,053	-

15 Other Expenses Amount in INR

Particulars	31-Mar-15	31-Mar-14
Rent	359,552	-
Rates & Taxes	1,179,500	-
Repairs & Maintenance	300,000	-
Printing & Stationery	1,400	-
Conveyance & Travelling	83,866	-
Professional fees	2,314,286	31,230
Payment to Auditors - For Statutory Audit	100,000	11,236
Total	4,338,604	42,466

16 Finance Cost Amount in INR

Particulars	31-Mar-15	31-Mar-14
Interest expenses	1,840,618	-
Bank Charges & Commission	731	-
Total	1,841,349	-



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STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes on Financial Statements for the year ended 31st March 2015

Note - 17

Defined Contribution Plans

a. Employer's contribution to provident fund

During the year, the company recognised the following amounts in the profit and loss account.

Particulars	Amt in Rs.	
	As at 31st March 2014	31st March 2014
Employers' Contribution to Provident Fund	175,453	-

b. Gratuity and Leave Encashment

During the year, a sum of Rs. Nil and Rs. 59,695/- have been recognised towards gratuity and leave encashment respectively in the profit and loss account for the year.

Note - 18

Earnings Per share

Particulars	Amt in Rs.	
	31st March 2015	31st March 2014
Net Profit after Tax	(22,003,780)	(42,466)
Weighted average number of equity shares (No.s)	2,186,346	10,000
Earnings/(Loss) per share	(10.06)	(4.25)
Nominal Value of Equity Shares	10.00	10.00

Note - 19

Leases

The Company had taken premises on lease basis as detailed below:

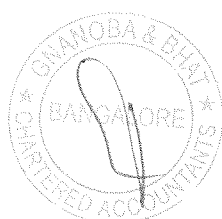
Details of Leasing Arrangements	Amt in Rs.	
	31st March 2015	31st March 2014
Minimum lease payments debited to Rent account	359,552	-
Future Minimum lease Payments;		
- Not later than one year	120,000	-
- Later than one year and not later than 5 years	-	-
- Later than five years	-	-

Note - 20

Related Party Transactions

Party where the Control Exists	Name of Related Party
Holding Company	Strides Arcolab Ltd
Associate	Bafna Pharmaceuticals Limited
Key Management Personnel – Director	Arun Kumar Pillai
Key Management Personnel – Director	Joe Thomas

Sl No	Nature of Transaction		Amt in Rs.	
			Holding Company	Associate
1	Investment in Equity	2015	31,966,650	11,266,660
		2014	100,000	-
2	Loans & Advances - Granted / Repaid (net)	2015	-	4,404,195
		2014	-	-
3	Loans & Advances - Taken / Repaid (net)	2015	40,820,005	-
		2014	-	-
4	Purchase / (Sale) of Business / Assets	2015	(16,155,026)	-
		2014	-	-
5	Royalty Income received / receivable	2015	10,479,372	-
		2014	-	-
6	Reimbursement for Expenses incurred by	2015	2,842,033	-
		2014	-	-



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		Amt in Rs.		
7	Balances Outstanding:			
	a) Receivable	2015	25,381,711	4,404,195
		2014	-	-
	b) Payable	2015	43,662,038	-
		2014	-	-

Note - 21

Based on the information with the Company, there are no suppliers who are registered as micro, small or medium enterprises under The Micro, Small and Medium Enterprises Act, 2006 as at 31st March 2015.

Note -22

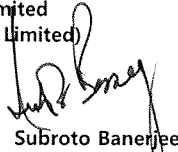
During the year, the Company acquired the business of the Pharmaceutical Brands division from Bafna Pharmaceuticals Limited (comprising the brands, trademarks, manufacturing, marketing and distribution network and infrastructure) as a going concern under a business transfer agreement with effect from 1st October 2014 for a consideration of Rs. 651.16 Mn which was discharged partly by issue of equity shares and partly by cash. Post acquisition, the sales and distribution business of the above Brands division comprising the employees, marketing infrastructure and current assets / liabilities was transferred to Strides Arcolab Limited as a going concern for a consideration of Rs. 16.15 Mn, thereby retaining only the brands in the Company. The Management is of the view that post transfer, there is no impairment in the value of the remaining assets held by the Company. Subsequently, the brands were out-licensed to Strides Arcolab Limited under an exclusive licensing and royalty agreement effective October 2014, consequent to which the Company receives royalty as per the terms of the agreement.

By Order of the Board of Directors

for Strides Healthcare Private Limited
(formerly Strides Actives Private Limited)



Ravi Shankar C.
Director
DIN 06944927



Subroto Banerjee
Director
DIN 06933525



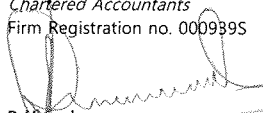
Place : Bangalore
Date : 19.05.2015

STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(31,335,153)	(42,466)
<i>Adjustments for:</i>		
Depreciation and amortisation	33,264,519	-
Expense on employee stock option scheme		-
Finance costs	1,841,349	-
Provision for gratuity & Leave Encashment	-	-
Net unrealised exchange (gain) / loss	-	-
	<u>35,105,868</u>	-
Operating profit / (loss) before working capital changes	3,770,715	(42,466)
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	(9,226,685)	-
Short-term loans and advances	(1,255,997)	-
Long-term loans and advances	-	-
Other current assets	(4,404,195)	-
Other non-current assets	-	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	1,062,235	-
Other current liabilities	2,263,193	-
Other long-term liabilities	-	-
Short-term provisions	-	-
Long-term provisions	-	-
	<u>(11,561,449)</u>	-
Cash flow from extraordinary items	<u>(7,790,734)</u>	(42,466)
Cash generated from operations	<u>(7,790,734)</u>	(42,466)
Net income tax (paid) / refunds	-	-
Net cash flow from / (used in) operating activities (A)	<u>(7,790,734)</u>	(42,466)
B. Cash flow from investing activities		
Capital expenditure on fixed assets including capital advance	(498,118,200)	-
Investment in Non-current investments	-	-
	<u>(498,118,200)</u>	-
Net cash flow from / (used in) investing activities (B)	<u>(498,118,200)</u>	-
C. Cash flow from financing activities		
Proceeds from issue of preference shares		
Borrowings / (Repayment) from / to Parent Company	27,507,012	
Proceeds from issue of share warrants		
Proceeds from Issue of Share Capital	480,999,945	100,000
Proceeds of long-term borrowings	-	-
other Income		
Finance cost	(1,841,349)	-
Dividends paid		
Tax on dividend		
	<u>506,665,608</u>	100,000
Net cash flow from / (used in) financing activities (C)	<u>506,665,608</u>	100,000
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	756,674	57,534
Cash and cash equivalents at the beginning of the year	100,000	-
Cash and cash equivalents at the end of the year	<u>856,674</u>	<u>57,534</u>
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 7)	856,674	100,000
Less: Bank balances not considered as Cash and cash equivalents as defined in AS	-	-
Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i>) included	856,674	100,000
Add: Current investments considered as part of Cash and cash equivalents (as	-	-
defined in AS 3 <i>Cash Flow Statements</i>) (Refer Note (iii) to Note 16 Current		
Cash and cash equivalents at the end of the year *	856,674	100,000
* Comprises:		
(a) Cash on hand	-	-
(b) Balances with banks - in current accounts	856,674	100,000
(c) Balances with banks - in Fixed Deposits	-	-
	<u>856,674</u>	<u>100,000</u>

As per our report of even date

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


R Umesh
Partner
Mem. No. 027892

Place :Bangalore
Date: 19-05-2015



For and on behalf of the Board


Ravi Shankar C.
Director
DIN 06944927


Subroto Banerjee
Director
DIN 06933525

STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)

DISCLOSURES AS PER ACCOUNTING STANDARDS

NOTE – 1

COMPANY INFORMATION

Strides Actives Private Limited is a pharmaceutical company which is headquartered in Bangalore, India. The Company trades in pharmaceutical formulations for human consumption in India. The Company is yet to commence its trading activity.

During the year, the Company has acquired the Brands Division of Bafna Pharmaceuticals Limited under a business transfer agreement. Subsequently, the Company has out-licensed the brands to its Holding Company under a Royalty and License Agreement effective October 2014.

NOTE – 2

SIGNIFICANT ACCOUNTING POLICIES

A. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The accounts have been prepared under the historical cost convention and on the basis of the going concern, with revenues recognized and expenses accounted on their accrual, including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the year.

The preparation of financial statements in conformity with Generally Accepted Accounting Practices requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements, and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates.

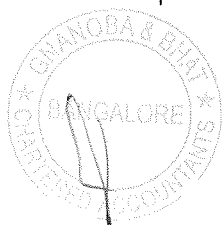
The Financial statements are in conformity with the Accounting Standards specified by National Advisory Committee for Accounting Standards, 2006 and the mandatory accounting standards issued by the Institute of Chartered Accountants of India.

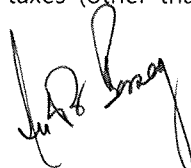
B. CASH FLOW STATEMENTS

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.

C. INTANGIBLE ASSETS

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price including duties and taxes (other than those



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refundable subsequently from the authorities), and directly attributable expenditure incurred for making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefit in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case, such expenditure is added to the cost of the asset.

D. DEPRECIATION

Intangible assets comprising Registration and Brands are depreciated / amortised over their useful lives as assessed by the Management under the Straight Line Method basis as prescribed under Schedule II of the Companies Act, 2013.

Accordingly, intangible assets are amortised over a period of 10 years from the date of acquisition.

E. REVENUE RECOGNITION

Revenue from royalty under manufacturing and licensing agreements with customers is recognized and accrued based on the terms of the agreements.

F. TAXATION

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

Minimum alternate tax paid in accordance with the tax laws, which gives future economic benefits in the nature of adjustments to the future income tax liability is considered an asset if there is convincing evidence that the Company will pay normal tax in future.

Deferred tax assets and liabilities 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.

G. PROVISIONS

A provision is recognized when the enterprise has a present obligation as a result of past event(s) which may result in a probable outflow of resources to settle the obligation and in respect of which a reasonable estimate can be made. Provisions are not discounted to their present value and are determined on the basis of the best estimate of the resources required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

H. IMPAIRMENT OF ASSETS

An asset is treated as impaired with the current carrying cost of the same exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account in the year in which an asset is



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identified as impaired. The impairment loss recognized in the prior accounting periods is reversed if there is any change in the estimate of recoverable amount. The recoverable amount is the greater of the net selling price or the value in use.

I. CONTINGENCIES

Contingent liabilities are shown by way of note to the financial statement.

J. EARNINGS PER SHARE

Earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to dilutive potential equity shares, by the weighted average number of equity shares considered for deriving the basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share and are deemed to be converted at the beginning of the period, unless they have been issued at a later date.

H. EMPLOYEE BENEFITS

- i. Retirement benefits in the form of Provident Fund and Pension Schemes are charged on an accrual basis to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the Regional Provident Fund Commissioner.
- ii. Gratuity liability is a defined benefit obligation and is provided based on the amount determined as actually due and at the end of the fiscal year using. The liability is not funded.
- iii. Provision for Leave Encashment has been made based on the amount determined as actually due and at the end of the fiscal year using. The liability is not funded.

For and on behalf of the Board

Place : Bangalore
Date: 19 May 2015



Ravi Shankar C.
Director



Subroto Banerjee
Director

