

## **INDEPENDENT AUDITOR'S REPORT**

### **To The Members of Solara Active Pharma Sciences Limited (formerly known as SSL Pharma Sciences Limited)**

#### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **Solara Active Pharma Sciences Limited**, ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period February 23, 2017 to March 31, 2017, and a summary of the significant accounting policies and other explanatory information. The Ind AS financial statements have been prepared by the management of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ("the Act").

#### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Management is responsible for the preparation of the Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company

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Haskins & Sells LLP**

has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss, total comprehensive loss, its cash flows and the changes in equity for the period February 23, 2017 to March 31, 2017.

**Basis of Preparation and Restriction on Distribution and Use**

Without modifying our report, we draw attention to Note 2(a) of the Ind AS financial statements, which describes the basis and purpose of the preparation of the Ind AS financial statements. As a result, the Ind AS financial statements may not be suitable for any another purpose. Our report is intended solely for the Company, for the purpose of submission to the stock exchanges, pursuant to a scheme of arrangement entered into by the Company, and should not be distributed to or used for any other purpose.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018



**Sathya P. Koushik**  
Partner

Membership No. 206920

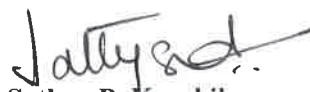
**BENGALURU**, August 2, 2017

**SOLARA ACTIVE PHARMA SCIENCES LIMITED**  
**(formerly known as SSL Pharma Sciences Limited)**  
**Balance Sheet as at March 31, 2017**

**Rs. In lakhs**

Particulars		Note No.	As at March 31, 2017
<b>A</b>	<b>ASSETS</b>		
1	<b>Current assets</b>		
	(a) Financial Assets		
	(i) Cash and cash equivalents	3	1.00
	<b>Total Current Assets</b>		<b>1.00</b>
	<b>Total Assets</b>		<b>1.00</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	(a) Equity share capital	4	-
	(b) Other Equity	5	0.67
	<b>Total Equity</b>		<b>0.67</b>
2	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Trade payables	6	0.33
	<b>Total Current Liabilities</b>		<b>0.33</b>
	<b>Total Equity and liabilities</b>		<b>1.00</b>
	<b>See accompanying notes forming part of the Ind AS Financial Statements</b>		

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

  
**Sathya P. Koushik**  
Partner

**For and on behalf of Board of Directors**

  
Director

  
Director

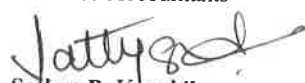
Place : Bengaluru  
Date : 02-Aug-2017

**SOLARA ACTIVE PHARMA SCIENCES LIMITED**  
**(formerly known as SSL Pharma Sciences Limited)**  
**Statement of Profit and Loss for the period February 23, 2017 to March 31, 2017**

**Rs. In lakhs**

Particulars	For the period February 23, 2017 to March 31, 2017
<b>I EXPENSES</b>	
(a) Professional fees	0.17
(b) Rates and taxes	0.16
<b>Total Expenses</b>	<b>0.33</b>
<b>II Loss before tax</b>	<b>(0.33)</b>
<b>III Tax Expense</b>	
(1) Current tax	-
(2) Deferred tax	-
<b>Total tax expense</b>	-
<b>IV Loss for the period</b>	<b>(0.33)</b>
<b>V Other comprehensive income</b>	
<b>A</b> (i) Items that will not be recycled to profit or loss	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-
<b>B</b> (i) Items that may be reclassified to profit or loss	-
(ii) Income tax on items that may be reclassified to profit or loss	-
<b>VI Total comprehensive loss for the period (IV +V)</b>	<b>(0.33)</b>
<b>VII Earnings per equity share:</b>	
(1) Basic	(3.30)
(2) Diluted	(3.30)
<b>See accompanying notes forming part of the Ind AS Financial Statements</b>	

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

  
**Sathya P. Koushik**  
**Partner**

**For and on behalf of Board of Directors**

  
**Director**

  
**Director**

Place : Bengaluru  
Date : 02-Aug-2017

**SOLARA ACTIVE PHARMA SCIENCES LIMITED**  
(formerly known as SSL Pharma Sciences Limited)

Statement of changes in equity for the period February 23, 2017 to March 31, 2017

Particulars	Rs. In lakhs			
	Shares pending allotment	Other equity - Retained earnings	Other comprehensive income	Total equity attributable to equity holders of the company
Opening balance	-	-	-	-
Shares pending allotment	1.00	-	-	1.00
Add: Loss for the period	-	(0.33)	-	(0.33)
Balance as on March 31, 2017	1.00	(0.33)	-	0.67


See accompanying notes forming part of the Ind AS Financial Statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

  
Sathya P. Koushik  
Partner

For and on behalf of Board of Directors

  
Director

  
Director

Place : Bengaluru  
Date : 02-Aug-2017

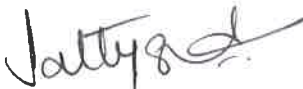
**SOLARA ACTIVE PHARMA SCIENCES LIMITED**  
 (formerly known as SSL Pharma Sciences Limited)  
 Cash flow statement for the period February 23, 2017 to March 31, 2017

Rs. In lakhs

Particulars	For the period February 23, 2017 to March 31, 2017
<b>Cash flows from operating activities</b>	
Profit before tax for the period	(0.33)
<u>Movements in working capital:</u>	
Increase in trade and other payables	0.33
<b>Cash generated from operations - A</b>	-
<b>Cash flows from investing activities - B</b>	-
<b>Cash flows from financing activities</b>	
Proceeds from issue of equity instruments of the Company	1.00
<b>Net cash used in financing activities - C</b>	1.00
<b>Net increase in cash and cash equivalents - (A+B+C)</b>	1.00
Cash and cash equivalents at the beginning of the period	-
<b>Cash and cash equivalents at the end of the period</b>	1.00
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>	
Cash and cash equivalents as per Balance Sheet (Refer Note 3)	1.00
Cash and cash equivalents at the end of the period *	1.00
<b>* Comprises:</b>	
(a) Funds in transit	1.00
<b>See accompanying notes forming part of the Ind AS Financial Statements</b>	

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants

**For and on behalf of Board of Directors**

  
**Sathya P. Koushik**  
 Partner

  
 Director

  
 Director

Place : Bengaluru  
 Date : 02-Aug-2017

## SOLARA ACTIVE PHARMA SCIENCES LIMITED

Notes to the Ind AS financial statements for the period February 23, 2017 to March 31, 2017

### 1. Background

Solara Active Pharma Sciences Limited, formerly known as SSL Pharma Sciences Limited, (hereinafter referred as “the Company”) is a public limited Company incorporated on February 23, 2017 under the provisions of Companies Act, 2013 with the object of, inter alia, undertaking the business of manufacturing, production, processing, formulating, sale, import, export, merchandising, distributing, trading of and dealing in active pharmaceutical ingredients. The Company has its registered address is 201, Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.

### 2. Significant accounting policies:

#### a. Statement of compliance and basis and purpose for preparation and presentation

These financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) prescribed under section 133 of the Companies Act, 2013 (“the Act”).

These Ind AS financial statements are special purpose financial statements solely prepared for the purposes of submission to the Stock Exchanges, pursuant to a Scheme of arrangement entered into by the Company (refer Note 9 for details) and cover the period from inception until March 31, 2017.

#### b. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as described in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

#### c. Use of Accounting Estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires the company to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the period of account.

Contingencies are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**d. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

**e. Financial instruments**

Financial assets and financial liabilities are recognized when, and only when, the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss

**Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

**Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

**Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest rate method.

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**f. Earnings per share**

Basic earnings per share are computed by dividing statement of profit and loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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**SOLARA ACTIVE PHARMA SCIENCES LIMITED**  
(formerly known as SSL Pharma Sciences Limited)

Notes to the Ind AS financial statements for the period February 23, 2017 to March 31, 2017

**Note - 3: Cash and cash equivalents**

Rs. In lakhs

Particulars	As at March 31, 2017
<b>Current Cash and bank balances</b>	
Cheques on hand	1.00
<b>Total Cash and cash equivalent</b>	<b>1.00</b>

**Note:**

The disclosure requirement as envisaged in Notification G.S.R 308(E) dated March 30, 2017 is not applicable to the Company as the Company was incorporated after December 30, 2016.

**Note - 4: Equity share capital**

**Authorised share capital as per articles of association**

10,000 Equity shares of Rs. 10/- each with voting rights Rs. 1 Lakh.

**Issued, subscribed and fully paid-up: Rs. Nil as on March 31, 2017**

10,000 equity shares of Rs. 10/- each were issued on 24-Apr-2017 to Strides Shasun Limited and its nominees, who are the subscribers to the Company's memorandum of association.

**Note - 5: Other equity**

Rs. In lakhs

Particulars	As at March 31, 2017
Shares pending allotment	1.00
<b>Surplus in Statement of Profit and Loss</b>	
Opening balance	-
Add: Profit/(loss) for the period	(0.33)
Closing balance	<b>(0.33)</b>
<b>Total Reserves and surplus</b>	<b>0.67</b>

**Note - 6: Trade payables**

Rs. In lakhs

Particulars	As at March 31, 2017
Trade payables:	
- Total outstanding dues of micro enterprises and small enterprises	-
- Total outstanding dues of creditors other than micro and enterprises	0.33
<b>Total Trade payable</b>	<b>0.33</b>

**Note - 7: Financial instruments**

The carrying amount of financial instruments by categories as at March 31, 2017

Rs. In lakhs

Particulars	Carrying Value as at March 31, 2017	Fair Value as at March 31, 2017
<b>Financial assets</b>		
Cash and cash equivalents	1.00	1.00
<b>Financial liability</b>		
<b>Amortised cost</b>		
Trade payables	0.33	0.33

**Note - 8: Contingent liability**

There was no contingent liability of a significant amount outstanding as at the reporting date.

**Note 9:** In accordance with the Composite Scheme of Arrangement between Strides Shasun Limited (Strides), Sequent Scientific Limited (Sequent) and the Company, as approved by the Board of Directors of the respective Companies, the Commodity API business of Strides and the Human API business of Sequent will be demerged to the Company with the appointed date of October 1, 2017 for a consideration of equity shares to be issued by the Company to the equity shareholders of Strides and Shasun in the proportion of agreed share entitlement ratio. The Scheme is subject to various statutory approvals.

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