

Amarnath Kamath & Associates Chartered Accountants

Auditors' Report

The Board of Directors
Strides Shasun Limited
Bangalore

We have audited the attached Balance sheet of **Strides Pharma (Cyprus) Ltd** a subsidiary of **Strides Shasun Limited (SSL)**, as at March 31, 2017 and the related Statement of Profit and Loss for the year ended on that date, annexed thereto, together referred to as 'Financial Statements'.

These Financial Statements have been prepared by the management of SSL based on the Management reporting package of the Company prepared under International Financial Reporting Standards (IFRS).

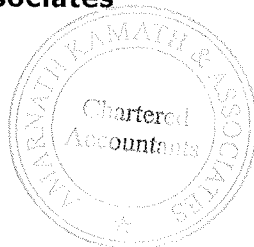
Based on our audit and according to the additional information and explanations furnished to us, we report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Financial Statements.
- These financial statements set out the information required in Schedule III of the Companies Act, 2013 for the purpose of consolidation of Group accounts.
- In our opinion, necessary adjustments have been made by the management of SSL to ensure that the Financial Statements:
 - Comply with the Accounting Standards referred to in section 133 of the Indian Companies Act, 2013 and
 - Are fit for consolidation into Strides Shasun Limited.

For Amarnath Kamath & Associates
Chartered Accountants
FRN 000099S

V. Narayanan

V. Narayanan (Partner)
M.No:219265
Date:10-05-2017
Place: Bangalore



Strides Pharma (Cyprus) Ltd
BALANCE SHEET AS AT MARCH 31, 2017

	Note No.	31-Mar-17	USD 31-Mar-16
A ASSETS			
I Non-current assets			
(a) Property, Plant and Equipment	1	43,164	69,027
(b) Other Intangible assets	1	75,503	108,225
(c) Financial assets			
(i) Investments		18,537,638	7,445,947
Total Non-current assets		18,656,305	7,623,199
II Current assets			
(a) Financial assets			
(i) Trade receivables	2	40,421,696	39,030,467
(ii) Cash and cash equivalents	3	37,921	1,252,124
(iii) Other financials assets	4	13,853,296	22,435,088
(b) Other current assets	5	4,583,835	510,930
Total Current assets		58,896,748	63,228,609
Total Assets		77,553,053	70,851,808
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity Share capital	6	2,875	2,875
(b) Other equity	7	48,656,360	44,338,533
Total Equity		48,659,235	44,341,408
II Liabilities			
2 Current liabilities			
(a) Financials Liabilities			
(i) Borrowings	8	22,373,276	16,504,519
(ii) Trade payables	9	4,584,118	5,991,569
(b) Other current liabilities	10	310,785	2,813,280
(c) Current tax liabilities	11	1,625,638	1,201,033
		28,893,818	26,510,401
Total Equity and liabilities		77,553,053	70,851,808

See accompanying notes forming part of the Financial Statements

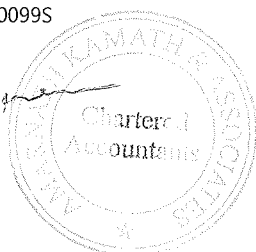
In terms of our report attached

For Amarnath Kamath & Associates

Chartered Accountants

Firm Registration no. 000099S

V. Narayanan
Partner
Mem No.: 219265



Place :Bangalore
Date: May 10, 2017

Strides Pharma (Cyprus) Ltd
STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED MARCH 31, 2017

	Note No.	31-Mar-17	31-Mar-16
1 Revenue from operations	12	25,756,921	37,527,811
2 Other income	13	439,744	852,262
3 Total revenue (1+2)		26,196,665	38,380,073
4 Expenses			
(a) Cost of materials consumed	14	12,827,675	19,994,908
(b) Purchase of stock-in-trade		2,436,367	3,639,375
(a) Employee benefits expenses	15	2,158,494	1,815,089
(b) Other expenses	16	2,487,051	2,273,024
Total		19,909,587	27,722,396
5 Earning before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (3-4)		6,287,078	10,657,677
6 Finance costs	17	998,111	457,417
7 Depreciation and amortisation expense	1	58,585	57,406
8 Profit before exceptional items and tax (5-6-7)		5,230,382	10,142,853
9 Exceptional items gain / (loss) (net)		(14,168,693)	(1,084,854)
10 Profit before tax (8+9)		(8,938,310)	9,057,999
11 Tax expense	18	743,862	1,275,388
12 Profit for the year (10-11)		(9,682,172)	7,782,611
13 Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss		-	-
A) (ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B) (i) Items that may be reclassified to profit or loss		-	-
B) (ii) Income tax relating to items that may be reclassified to profit or loss		-	-
Total Other comprehensive Income		-	-
14 Total Comprehensive Income for the period (12+13)		(9,682,172)	7,782,611

See accompanying notes forming part of the Financial Statements

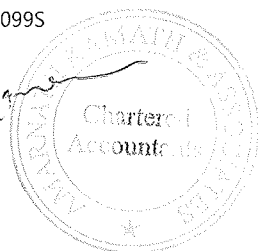
In terms of our report attached

For Amarnath Kamath & Associates

Chartered Accountants

Firm Registration no. 000099S

V. Narayanan
Partner
Mem No.: 219265



Place :Bangalore
Date: May 10, 2017

Strides Pharma (Cyprus) Ltd
STATEMENT OF CHANGES IN EQUITY

6 Share capital	Particulars	USD	
		31-Mar-17	31-Mar-16
Authorised			
Total		-	-
Issued, subscribed and fully paid-up Equity Preference		2,875	2,875
Total		2,875	2,875



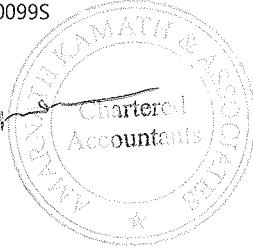
Strides Pharma (Cyprus) Ltd
STATEMENT OF CHANGES IN EQUITY

7 Other equity

Particulars	31-Mar-17	31-Mar-16
Securities Premium Account		
Opening Balance	15,098,125	15,098,125
Add : Premium on shares issued during the year	-	-
Closing balance	15,098,125	15,098,125
Surplus in Statement of Profit and Loss		
Opening Balance	29,240,407	21,457,796
Add: (Loss) for the year	(9,682,172)	7,782,611
Closing balance	19,558,235	29,240,407
Share application monies pending allotment		
Opening Balance	-	-
Add : Monies received during the year	14,000,000	-
Less : Share issued/money refunded during the year	-	-
Closing balance	14,000,000	-
Other comprehensive income		
Actuarial gain/(loss) on defined benefit obligation		
Opening Balance	-	-
Add/(less): Other comprehensive income for the year	-	-
Add/(less): Tax impact on the above	-	-
Closing balance	-	-
Total	48,656,360	44,338,533

In terms of our report attached
For Amarnath Kamath & Associates
Chartered Accountants
Firm Registration no. 000099S

V. Narayanan



V Narayanan
Partner
Mem No.: 219265

Place :Bangalore
Date: May 10, 2017

Strides Pharma (Cyprus) Ltd

Note : 1

Property, plant and equipment as on 31st March 2017

Sl No	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As on	Additions	Deletions	As on	For the	Deletions	Up to	As on
		31.03.2016	During the year	During the year	31.03.2017	Year	During the Year	31.03.2017	31.03.2017
	TANGIBLE ASSET								
1	Office Equipments & Computers	6,338	-	-	6,338	1,248	-	4,240	2,098
2	Motor Vehicles	162,212	-	-	162,212	24,615	-	121,146	41,066
	Total Tangible asset	168,550	-	-	168,550	25,863	-	125,386	43,164
	GRAND TOTAL	168,550	-	-	168,550	25,863	-	125,386	43,164

USD

Other intangibles as on 31st March 2017

Sl No	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As on	Additions	Deletions	As on	For the	Deletions	Up to	As on
		31.03.2016	During the year	During the year	31.03.2017	Year	During the Year	31.03.2017	31.03.2017
	INTANGIBLE ASSETS								
1	Registrations & Brands	116,793	-	-	116,793	22,795	-	60,872	55,921
2	Software Licences	49,287	-	-	49,287	9,927	-	29,705	19,582
	Total Intangible asset	166,080	-	-	166,080	32,722	-	90,577	75,503

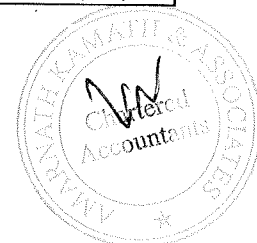
USD



Strides Pharma (Cyprus) Ltd
Notes forming part of the financial statements

Note
No.

		USD	
		31-Mar-17	31-Mar-16
2	Trade receivables		
	Particulars		
	Unsecured, considered good		
	Outstanding for a period exceeding six months from the date they were due for payment		
	- Unsecured considered good	-	-
	- Doubtful	-	-
	Others		
	- Unsecured considered good	40,421,696	39,030,467
	- Doubtful	-	-
	Less: Provision for doubtful trade receivables	40,421,696	39,030,467
		-	-
	Total	40,421,696	39,030,467
	Note: Dues from Related Parties	33,654	15,705,971
3	Cash and cash equivalents		
	Particulars		
	Cash in hand	-	-
	Balance with banks in current account	36,791	1,250,994
	Deposit	1,130	1,130
	Total	37,921	1,252,124
4	Other financial assets		
	Particulars		
	Loans and advances to related party	1,123,610	21,721,377
	Others	12,729,686	713,710
	Total	13,853,296	22,435,088
5	Other current assets		
	Particulars		
	Unsecured, considered good		
	Loans and advances to employees	209,481	251,486
	Advance to supplier	4,228,639	155,609
	Prepaid Expenses	145,716	103,835
	Balances with Government authorities:		
	- Service tax credit receivable	-	-
	- others	-	-
	Total	4,583,835	510,930
8	Borrowings		
	Particulars		
	Term loan from banks	-	-
	Term loan from financial institutions	-	-
	Loan from related party	12,190,515	9,063,389
	Others	10,182,761	7,441,130
	Total	22,373,276	16,504,519
9	Trade payables		
	Particulars		
	Other than acceptances	4,584,118	5,991,569
	Total	4,584,118	5,991,569
10	Other current liabilities		
	Particulars		
	Payable to related parties	-	2,502,733
	Other current liabilities	310,785	310,546
	Total	310,785	2,813,280
11	Current tax liabilities		
	Particulars		
	Current tax	1,625,638	1,201,033
	Total	1,625,638	1,201,033



Strides Pharma (Cyprus) Ltd
Notes forming part of the financial statements

Note

No.

12 Revenue from operations	USD	
Particulars	31-Mar-17	31-Mar-16
Sale of product	25,756,921	37,380,148
Sale of services	-	-
Other operating income	-	147,663
Total	25,756,921	37,527,811

13 Other income	USD	
Particulars	31-Mar-17	31-Mar-16
Exchange fluctuation gain (net)	-	182,004
Dividend Income	-	297,000
Net gain on sale of Investments	-	-
Profit on Sale / Disposal of assets	-	-
Interest Income	374,123	373,258
Other Non Operating Income	65,621	-
Total	439,744	852,262

14 Cost of materials consumed	USD	
Particulars	31-Mar-17	31-Mar-16
Opening stock	-	-
Add: Purchases	12,827,675	19,994,908
Add: Excise duty	-	-
Closing stock	-	-
Total	12,827,675	19,994,908

15 Employee benefit expenses	USD	
Particulars	31-Mar-17	31-Mar-16
Salaries and wages	2,158,494	1,815,089
Contributions to provident and other funds	-	-
Staff welfare	-	-
Total	2,158,494	1,815,089

16 Other expenses	USD	
Particulars	31-Mar-17	31-Mar-16
Power, fuel & water	-	-
Consumables	-	-
Research & Development	-	292,997
Conversion & Processing charges	7,527	43,073
Excise duty paid	-	-
Freight & forwarding	99,588	-
Rent	-	-
Rates & taxes	232,485	217,735
Communication charges	-	-
Repairs & maintenance	-	-
- Buildings	-	-
- Machinery	-	-
- Others	-	-
Insurance	-	3,611
Travelling & conveyance	-	42,377
Advertisement & Selling expenses	1,354,718	1,134,508
Commission on sales	449,617	367,383
Legal and Professional fees	93,508	132,700
Other expenses	40,938	9,357
Cost of product rights transferred	-	-
Provision for doubtful debts	-	29,282
Exchange fluctuation Loss	208,670	-
Total	2,487,051	2,273,024

17 Finance cost	USD	
Particulars	31-Mar-17	31-Mar-16
Interest expenses	928,983	360,224
Bank Charges & Commission	69,128	97,194
Total	998,111	457,417

18 Tax expense	USD	
Particulars	31-Mar-17	31-Mar-16
Current tax	743,862	1,275,388
Deferred tax	-	-
Total	743,862	1,275,388

