

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s Stelis Biopharma Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Stelis Biopharma Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 financial statements that give true and fair view in order to design audit procedures that are appropriate



in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

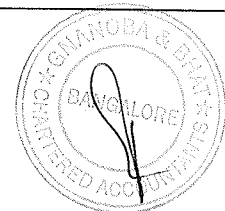
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit Opinion on the standalone financial statements.

Opinion

In our opinion and the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and 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 31st March, 2016, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of these books;
 - c. The Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, we give a separate report in the **Annexure-B**; and



- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long term contracts including derivative contracts which require any provision to be made for material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Bangalore
Date : May 5, 2016



For GNANOBA & BHAT,
Chartered Accountants,
Firm Regn No. 000939S

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R. UMESH
Partner
M. No. 27892

ANNEXURE-A TO AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 OF OUR
REPORT OF EVEN DATE

- (i) In respect of its fixed assets:
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed Assets;
 - b) As explained to us, the fixed assets were physically verified during the year by the Management in line with an internal programme of verification. According to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the periodicity of verification is reasonable having regard to size of the Company and the nature of its assets;
 - c) According to the information and explanation given to us, the title deeds in respect to immovable properties are held in the name of Company.
- (ii) In respect of its Inventory:
- a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals;
 - b) In our opinion, the Company has maintained proper records of inventory and no material discrepancies were observed on such physical verification.
- (iii) The Company has not granted loans to any parties listed in the register maintained under section 189 of the Companies Act, 2013 and hence clause (iii) of the Order clause is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions which come under the purview of Section 185 and 186 of the Companies Act, 2013 and hence clause (iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in terms of Chapter-V the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014 and hence reporting under this clause is not applicable.
- (vi) According information given to us, the Central Government has not specified the maintenance of cost records under sub-section 1 or section 148 of the Companies Act, 2013.
- (vii) According to the information and explanations given to us and on the basis of examination of the books and records as produced before us, in respect of statutory dues and other dues :
- a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Excise Duty, Custom Duty, Service Tax, Value Added Tax, Cess and other statutory dues with the appropriate authorities during the period wherever applicable. There were no undisputed amounts in respect of the above statutory dues, which were in arrears as at 31st March 2016, for a period more than six months from the date they became due.
 - b) There were no statutory dues which were not deposited on account of any dispute.



- (viii) According to the information and explanation given to us and based on our verification of the records and relevant documents, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- (ix) To the best of our knowledge and belief and according to the information and explanation given to us, in our opinion, term loans availed by the Company were, prima facie, applied during the year for the purpose for which loans were obtained. The Company did not raise any money by way of initial public offer, further public offer or debt instruments.
- (x) To the best of our knowledge and belief, according to the information and explanations given to us by the Management and the records produced before us, no frauds were noticed or reported during the year.
- (xi) According to the records produced and information given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company and hence this clause is not applicable.
- (xiii) In our opinion and according to the information and explanation given to us and based on our verification of the records and relevant documents, all transactions with related parties entered into by the Company are in compliance with section 177 and 188 of the Companies Act where applicable and the details of the same have been disclosed in the financial statements etc as required by the applicable accounting standards.
- (xiv) During the year, the Company made a private placement of shares. Based on the information and explanations furnished and the records produced before us, in our opinion, the requirements of section 42 of the Companies Act, 2013, have been complied with. To the best of knowledge and belief, the amount has been used for the purpose for which it was raised.
- (xv) To the best of our knowledge and belief, according to the information and explanation given to us by the Management, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence this clause is not applicable.
- (xvi) In our opinion and according to the information and explanation given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Bangalore
Date : May 5, 2016



For GNANOBA & BHAT,
Chartered Accountants,
Firm Regn No. 000939S

R. UMESH
Partner
M. No. 27892

ANNEXURE-B TO AUDITOR'S REPORT REFERRED TO IN PARAGRAPH F OF OUR REPORT OF EVEN DATE

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over the financial reporting of M/s Stelis Biopharma Private Limited as on 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended as on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, that receipt and expenditures of the company are being made only in accordance with authorisations of management and directors of the company.
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

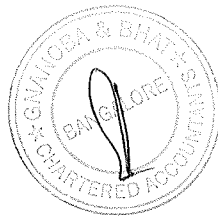
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Bangalore
Date : May 5, 2016



For GNANOBA & BHAT,
Chartered Accountants,
Firm Regn No. 000939S

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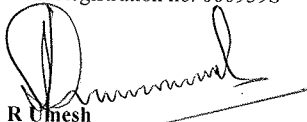
R. UMESH
Partner
M. No. 27892

Stelis Biopharma Private Limited
(Formerly Inbiopro Solutions Private Limited)
Balance Sheet as at 31st Mar, 2016

Particulars		Note No.	As at 31.03.2016	As at 31.03.2015
I. Equity and Liabilities			INR	INR
(1) Shareholders' Funds				
(a) Share Capital	3	2,781,390	2,083,260	
(b) Reserves and Surplus	4	452,274,202	313,005,681	
		455,055,592	315,088,941	
(2) Non- Current Liabilities				
(a) Long-term Borrowings	5	1,357,000,000	731,250,000	
(b) Deferred tax Liability / Asset - (net)	6	-	-	
(c) Other Long Term Liabilities	7	463,735,465	98,967,148	
(d) Long-term Provisions	8	8,041,387	3,285,931	
		1,828,776,852	833,503,079	
(3) Current Liabilities				
(a) Trade Payables	9	15,706,035	3,250,907	
(b) Other Current Liabilities	10	228,955,316	53,855,522	
(c) Short-term Provisions	11	6,846,309	1,190,451	
		251,507,660	58,296,880	
TOTAL			2,535,340,103	1,206,888,899
II. Assets				
(1) Non-Current Assets				
(a) Fixed assets	12			
(i) Tangible assets		276,187,330	310,999,328	
(ii) Intangible assets		873,035	1,226,656	
(iii) Capital Work in Progress		1,117,954,424	567,654,992	
(b) Non Current Investments	13	96,459,801	267,917,550	
(c) Long-Term Loans and Advances	14	20,271,239	8,055,714	
(d) Other Non-current assets	15	250,376,275	598,085	
		1,762,122,104	1,156,452,326	
(2) Current assets				
(a) Current Investments	16	746,550,906	1,741	
(b) Inventories		332,233	5,931,716	
(c) Cash and Cash Equivalents	17	10,935,652	26,089,560	
(d) Short-term Loans and Advances	18	15,399,208	18,413,557	
(e) Other Current Assets		-	-	
		773,217,999	50,436,573	
TOTAL			2,535,340,103	1,206,888,899


See accompanying notes forming part of the Financial Statements

In terms of our report attached
For Gnanoba & Bhat
Chartered Accountants
Firm Registration no. 000939S

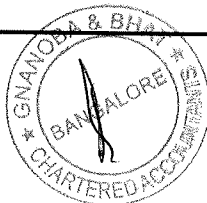

R Umesh
Partner
Mem. No. 027892

For and on behalf of Board of Directors


Dr. Durgaprasad Annavajjula
Director
DIN : 02447566


Arun Kumar
Director
DIN : 00084845

Place :Bangalore
Date: May 5, 2016



Stelis Biopharma Private Limited
(Formerly Inbiopro Solutions Private Limited)
Profit and Loss Statement for the period ended 31st Mar, 2016

S.No.	Particulars	Note No.	For the period ended 31.03.2016	For the period ended 31.03.2015
			INR	INR
I	Revenue from Operations		-	-
II	Other Income	19	7,377,382	3,521,619
III	Total Revenue (I + II)		7,377,382	3,521,619
IV	Expenses			
	Cost of Materials Consumed	20	-	-
	Employee Benefits Expense	21	48,459,167	30,322,190
	Finance Costs	22	23,776,976	22,194,730
	Depreciation and amortization expense	12	41,895,687	33,603,804
	Other Expenses	23	149,674,666	53,974,115
	Total Expense (IV)		263,806,497	140,094,838
V	Profit Before Exceptional Items & Tax (III-IV)		(256,429,114)	(136,573,219)
VI	Exceptional Items (see note no. 13)		171,457,749	-
VII	Profit Before Tax (V-VI)		(427,886,863)	(136,573,219)
VIII	Tax Expense:			
	(1) Current tax		-	-
	(2) Prior Year tax		372,359	-
	(3) Deferred tax		-	-
IX	Profit/(Loss) for the period after tax (VII-VIII)		(428,259,222)	(136,573,219)
X	Earnings per Equity Share:			
	(1) Basic and Diluted		(1,981.36)	(690.10)

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For Gnanoba & Bhat

Chartered Accountants

Firm Registration no. 000939S

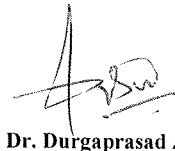


R Umesh

Partner

Mem. No. 027892

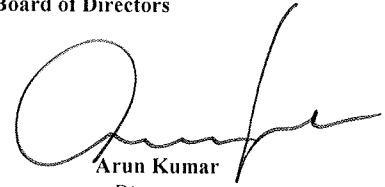
For and on behalf of Board of Directors



Dr. Durgaprasad Annavajjula

Director

DIN : 02447566



Arun Kumar

Director

DIN : 00084845

Place : Bangalore

Date: May 5, 2016



Stelis Biopharma Private Limited
(Formerly Inbiopro Solutions Private Limited)

Cash Flow Statement For The Year Ended 31st March 2016

(Amounts in INR)

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		(428,259,222)		(136,573,219)
<u>Adjustments for:</u>				
Depreciation and amortisation	41,895,687		33,603,804	
(Profit) / loss on sale / write off of assets	1,281,432		3,513,637	
Finance costs	23,776,976		21,936,504	
Dividend income	(5,749,165)		(2,878,657)	
Liabilities / provisions no longer required written back	(132)		(503,901)	
Adjustments to the carrying amount of investments	171,457,749		-	
Research and development expenses written off	106,584,795		7,992,228	
Liabilities / provisions no longer required written back	7,500,000		-	
Provision for gratuity & Leave Encashment	1,601,318		304,826	
		348,348,660		63,968,440
Operating profit / (loss) before working capital changes		(79,910,562)		(72,604,779)
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	5,599,483		7,374,466	
loans and advances	(9,201,175)		128,130,099	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables and other current and non current liabilities	152,923,459		(167,340,736)	
		149,321,766		(31,836,171)
Cash flow from extraordinary items		69,411,204		(104,440,950)
Cash generated from operations		69,411,204		(104,440,950)
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) operating activities (A)		69,411,204		(104,440,950)
B. Cash flow from investing activities				
Capital expenditure on fixed assets including capital advance	(915,278,085)		(390,462,830)	
Purchase of investment	(740,800,000)			
Proceeds from sale of current investment			141,336,223	
Investment in / Purchase of long-term investments				
- Subsidiaries	-		(100,668,750)	
Dividend received	-		2,878,657	
Net cash flow from / (used in) investing activities (B)		(1,656,078,085)		(346,916,700)
C. Cash flow from financing activities				
Proceeds from issue of equity shares	568,830,041		146,132,742	
loans and advance -Strides Shasun Limited	364,768,316		-	
excess share application money received to be refunded	5,700			
Proceeds of long-term borrowings	663,250,000		330,000,000	
Finance cost	(19,967,184)		(21,734,006)	
Net cash flow from / (used in) financing activities (C)		1,576,886,873		454,398,736
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(9,780,008)		3,041,086
Cash and cash equivalents at the beginning of the year		20,715,560		9,680,506
<i>Cash and Bank balance transfer on account of Merger</i>		-		7,993,968
Cash and cash equivalents at the end of the year		10,935,552		20,715,560
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 17)		10,935,652		26,089,560
Less: Bank balances not considered as Cash and cash equivalents as defined in		100		5,374,000
Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i>)		10,935,552		20,715,560
Cash and cash equivalents at the end of the year *		10,935,552		20,715,560
* Comprises:				
(a) Cash on hand		100,706		1,889
(b) Balances with banks - in current accounts and FD		10,834,846		20,713,670
		10,935,552		20,715,560

As per our report of even date
for **Gnanoba & Bhat**

Chartered Accountants
Firm Registration no. 008939S

R Umesh

Partner

Mem. No. 027892

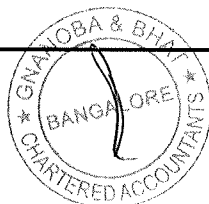
Place :Bangalore

Date: May 5, 2016

For and on behalf of Board of Directors

Dr. Durgaprasad Annavaajjula
Director
DIN : 02447566

Arun Kumar
Director
DIN : 00084845



STELIS BIOPHARMA PRIVATE LIMITED

Notes on Financial Statements for the year ended 31st March,2016

1. Company Information

Stelis Biopharma Private Limited (formerly Inbiopro Solutions Private Limited) was incorporated in the state of Karnataka on June 12, 2007 with the object of providing biotechnology process development services for healthcare industries. The Company is a wholly owned subsidiary of Strides Shasun Limited (formerly Strides Arcolab Limited).

The Company's newly set up Research and Development facility was commissioned at Bommasandra in July 2014.

2. Significant Accounting Policies

A. Basis For Preparation Of Financial Statements

The Financial statements are in conformity with accordance with the Generally Accepted Accounting Principles (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 / the Companies Act, 1956, as applicable. The financial statements have been prepared under the historical cost convention on an accrual and going concern basis.

B. Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C. Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on 'First In First Out' (FIFO) basis. The cost of goods comprises of the purchase cost, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses.

D. Cash Flow Statement

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.

E. Fixed Assets And Depreciation

Tangible Assets:

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price (less any refundable duties and taxes) and any attributed cost of bringing the asset to its working condition for its intended use.

During the current financial year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2015, the Company has adopted the component based accounting for Fixed Assets. Accordingly on the basis of the identified components comprised in the assets, their estimated useful lives have been revised to align the same with those specified in Schedule II. Consequent to the above, the depreciation expense in the Statement of Profit and Loss for the year is higher by Rs. 14.49 lakhs.



The Company has fully depreciated the carrying value of components net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2015, and has adjusted a sum of Rs. 6.04 lacs against the opening Surplus balance in the Profit and Loss under Reserves and Surplus.

In respect of certain assets / components, the useful life assessed internally by the Company's Management / technical team differs from that specified in Schedule II of the Companies Act, 2013. In all such cases, appropriate documentation of the technical evaluation with justifications for the same has been maintained.

Capital Work-in-progress

Projects under which assets are not ready for its intended use and other Capital Work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributed finance costs.

Intangible Assets:

Expenditure incurred on Intangible Assets developed by the company, post research stage is recognised as an asset, if and only if the future economic benefits attributable are probable to flow to the Company and costs can be measured reasonably.

The cost of Technical Know-how developed is being amortised equally over its estimated life. With effect from 1.1.2011, direct operating expenses incurred on product development have been treated as Capital Work-in-progress, and are capitalized as Technical Know-how, on completion of certain technical milestones. These costs are in the nature of development of products, which have the potential to be exploited commercially and hence can generate future economic benefit.

F. Revenue Recognition

Revenue with respect to bio-technology process development services are recognised based on milestone deliverables delivered to customers. Interest on Fixed Deposits as well as income from training is recognised on accrual basis.

G. Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

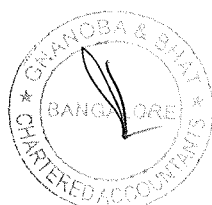
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year are recognised as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India are charged to the Profit and Loss account.

H. Investments

Long-term (non-current) investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current Investments are carried individually, at the lower of cost and fair value. Costs of investments include acquisition charges such as brokerage, fees and duties.



I. 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 an actuarial valuation carried out as the end of the fiscal year using the Projected Unit Credit Method, with the actuarial valuation being carried out at each balance sheet date. The liability is not funded.
- iii. Leave Encashment liability is provided based on an actuarial valuation carried out as the end of the fiscal year with the actuarial valuation being carried out at each balance sheet date. The liability is not funded.

J. Borrowing Costs

Borrowing costs towards interest on borrowing related to acquisition for qualifying assets pertaining to the period from the commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the asset.

K. Taxes

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.

Deferred Tax Asset as of previous year has not been recognised on the grounds of prudence since there is no virtual certainty of the future profits over the near foreseeable future as the products will be in development stage.

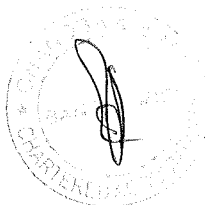
L. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

M. Research and Development Expense

Revenue expenditure pertaining to research is charged to the statement of profit and loss. Development costs of products are also charged to statement of profit and loss unless a product's technological feasibility and commercial viability has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policy stated for tangible fixed assets and intangible fixed assets. The cost of projects which are discontinued / shelved during the year on account of lack of technical and / or commercial feasibility are charged to revenue as Research and Development expenditure.



N. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate 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. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

O. 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 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.

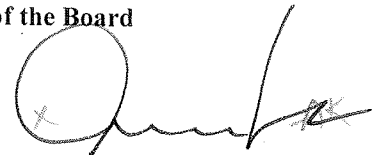
During the year the Company has recognised and provided for impairment on investment in subsidiary amounting to Rs 1,714.57 lakhs.

**Place : Bangalore
Date: May 5, 2016**

For and on behalf of the Board



**Dr. Durgaprasad Annavajjula
Director
DIN 02447566**



**Arun Kumar
Director
DIN 00084845**



Stelis Biopharma Private Limited
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the period ended 31st March, 2016

Note - 3:

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Equity Shares	Amount (INR)	No. of Equity Shares	Amount (INR)
(a) Share Capital				
(i) Authorised Capital:				
- Equity Shares of Rs. 10/- each with voting rights	3,550,000	35,500,000	3,550,000	35,500,000
Total	3,550,000	35,500,000	3,550,000	35,500,000
(ii) Issued				
- Equity Shares of Rs. 10/- each	278,139	2,781,390	208,326	2,083,260
	278,139	2,781,390	208,326	2,083,260
(iii) Subscribed and fully paid up				
- Equity Shares of Rs. 10/- each paid up)	278,139	2,781,390	208,326	2,083,260
Total	278,139	2,781,390	208,326	2,083,260

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

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Equity Shares	Amount (INR)	No. of Equity Shares	Amount (INR)
Balance at the Beginning of the period	208,326	2,083,260	195,771	1,801,351
Add: Issued/ called-up equity share capital during the year	69,813	698,130	12,555	281,909
Shares outstanding at the end of the period	278,139	2,781,390	208,326	2,083,260
	278,139	2,781,390	208,326	2,083,260

(c) Rights, Preferences and restrictions attached to shares:

All the equity shares including DVR equity share rank pari passu and bear equivalent voting and dividend right subject to become fully paid-up.

(d) Shares held by Holding Company:

Particulars	As at 31.03.2016		As at 31.03.2015	
	No of Equity shares	% of holding	No of Equity shares	% of holding
Strides Shasun Limited	208,326	74.9%	208,326	100%
GMS Pharma (Singapore) Pte Limited	69,813	25.1%		

(e) Details of shareholders holding more than 5 % of the aggregate shares in the Company

Particulars	As at 31.03.2016		As at 31.03.2015	
	No of Equity shares	% of holding	No of Equity shares	% of holding
Strides Shasun Limited	208,326	74.9%	208,326	100%
GMS Pharma (Singapore) Pte Limited	69,813	25.1%		



Stelis Biopharma Private Limited
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the period ended 31st March, 2016

Note 4

Reserves & Surplus

Particulars	As at 31.03.2016	As at 31.03.2015
	INR	INR
Securities Premium Account		
Opening Balance	449,937,963	488,967,693
Add / (Less) : Addition to Securities Premium during the Year	568,131,911	145,850,833
Net deficit arising on account of merger	-	(184,880,563)
Total	1,018,069,874	449,937,963
Profit and Loss Account		
Opening Balance:	(136,932,282)	(136,322,224)
Add: Loss for the period	(428,259,222)	(136,573,219)
Less: a. Charged to Securities Premium Account on account of merger	-	136,322,224
b. Depreciation on transition to Schedule II of Companies Act, 2013 on tangible fixed asset with nil remaining useful life	-	(359,063)
c. Depreciation on transition to component accounting of Fixed Assets under Schedule II of the Companies Act, 2013	(604,168)	-
Total	(565,795,673)	(136,932,282)
Total of Reserves and Surplus	452,274,202	313,005,681

Note 5

Long Term Borrowings

Particulars	As at 31.03.2016	As at 31.03.2015
	INR	INR
Loan from Export Import Bank of India	675,000,000	731,250,000
Loan from ICICI Bank Limited	682,000,000	-
Total	1,357,000,000	731,250,000

Details of Terms in respect of Long Term Loans from Banks

Export Import Bank of India

Terms of Repayment - The loan is repayable in 18 quarterly stepped installments from 1st April 2016. The rate of interest charged is 250 basis points above the bank's Long Term Minimum Lending Rate which translates to about 12.20% per annum.

Nature of Security - The said loan is secured by hypothecation of entire moveable assets of the Company including current assets, both present and future and all intangible assets.

Other Terms - The loan is further secured by the corporate guarantees of the Company and Strides Shasun Limited (Holding Company).

ICICI Bank Limited - External Commercial Borrowings (ECB)

Terms of Repayment - The loan is repayable in 28 quarterly installments commencing from 27 months from initial utilisation. Interest is charged at the aggregate of 3 months LIBOR and the applicable margin i.e. 3.65% p.a.

Nature of Security - The said loan is secured by first pari passu charge of movable and immovable assets of the Company including current assets and pledge of 30% of shares in the Company held by Strides Shasun Limited (the Holding Company)



Stelis Biopharma Private Limited
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the period ended 31st March, 2016

Note 6

Deferred Tax Liability

Particulars	As at 31.03.2016	As at 31.03.2015
	INR	INR
Tax effect of items constituting Deferred Tax Liability		
finance books	10,741,109	9,934,781
	10,741,109	9,934,781
Tax effect of items constituting Deferred Tax Asset		
Provision for Gratuity	257,264	84,484
Provision for Leave encashment	761,535	283,063
Provision for Bonus	-	7,638
On account of brought forward losses	165,667,833	71,638,472
	166,686,632	72,013,657
Deferred Tax Liability / (Asset) - (Net)	(155,945,523)	(62,078,876)

Note: Deferred Tax Asset (net) attributable to unabsorbed tax losses and depreciation to the extent of Rs. 155.95 Mn (P.Y. Rs. 62.08 Mn) has not been recognised in these accounts on grounds of prudence.

Note 7

Other Long Term Liabilities

Particulars	As at 31.03.2016	As at 31.03.2015
	INR	INR
Payable to Holding Company (Strides Shasun Limited)	463,735,465	98,967,148
Total	463,735,465	98,967,148

Note 8

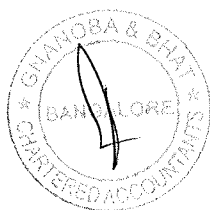
Long-term Provisions

Particulars	As at 31.03.2016	As at 31.03.2015
	INR	INR
Provision for Employee Benefits		
Gratuity	4,053,095	1,944,668
Provision for Leave Encashment	3,988,292	1,341,263
Total	8,041,387	3,285,931

Note 9

Trade Payables

Particulars	As at 31.03.2016	As at 31.03.2015
	INR	INR
Trade Creditors	15,706,035	3,250,907
	15,706,035	3,250,907



Stelis Biopharma Private Limited
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the period ended 31st March, 2016

Note 10

Other Current Liabilities

Particulars	As at 31.03.2016	As at 31.03.2015
	INR	INR
Current Maturities of Long-term Debt		
- Export Import Bank of India	56,250,000	18,750,000
- Department of Biotechnology	-	4,300,000
Grant from Department of Biotechnology	-	1,074,000
Payables on purchase of capital goods	-	10,635,199
Statutory Dues Payable	6,725,499	5,123,908
Expenses Payable	61,465,757	9,792,918
Payable to Related Parties - Stelis Biopharma (Malaysia) SDN BHD	96,519,204	-
Interest accrued but not due	4,012,158	202,498
Application money received for allotment of securities and due for refund	5,700	-
Others	3,976,999	3,976,999
Total	228,955,316	53,855,522

Note 11

Short-term Provisions

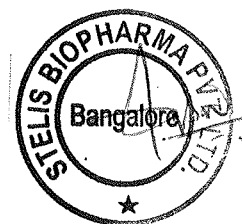
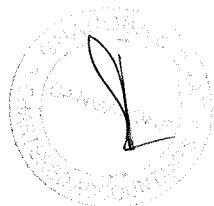
Particulars	As at 31.03.2016	As at 31.03.2015
	INR	INR
Provision for Employee Benefits		
Gratuity	2,356,866	132,055
Leave Encashment	4,489,443	900,896
Other Employee Benefits (Leave Travel Allowance)	-	157,500
Total	6,846,309	1,190,451

Note 13

Non-Current Investments

Particulars	As at 31.03.2016	As at 31.03.2015
	INR	INR
Investments (At Cost) - Trade (Unquoted)		
Investment in Equity of Subsidiaries		
83,21,375 shares in Stelis Biopharma (Malaysia) SDN BHD	96,459,801	267,917,550
	96,459,801	267,917,550

Note: During the year, the above subsidiary's operations were restructured by transferring the entire capital work-in-progress of products under development to the Company's facility in Bommasandra. Likewise, the facility design fee incurred was transferred to the Company's project under construction at Doddaballapur. Accordingly, all product development activities will henceforth be carried on in India. Consequent to the above, the resultant impairment in the value of the above investment of Rs. 171,457,749/- has been recognised in these accounts under exceptional items.



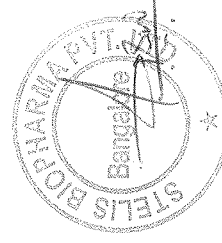
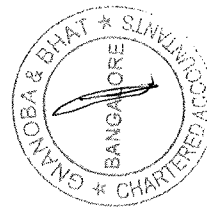
Stelis BioPharma Private Limited
(formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the period ended 31st March, 2016
Fixed Assets Schedule as at 31.03.2016

Note-12

Sl.No	Asset Description	Gross Block				Depreciation Block				Net Block			
		Cost as at 01.04.2015	Additions during the period	On account of Merger at Book value Ref Note (a) below	Deletions during the period	At 31.03.2016	Balance as at 01.04.2015	On account of Merger at Book value Ref Note (a) below	Depreciation for the period	Deletions	Depreciation charged to retained earnings	At 31.03.2016	As at 31.03.2015
I	Tangible												
1	Building	44,881,814	-	-	44,881,814	3,956,606	-	-	4,967,826	-	-	8,924,432	40,925,208
2	Plant and Equipments	295,151,874	4,151,550	-	297,537,560	38,386,807	-	-	32,341,405	748,791	604,168	70,583,589	256,765,067
3	Office Equipments	3,827,336	286,278	-	4,113,614	749,303	-	-	814,698	-	-	1,564,001	3,078,033
4	Computers	9,552,154	159,547	-	9,245,965	4,048,039	-	-	2,435,126	410,265	-	6,072,900	3,173,065
5	Furniture and Fixtures	5,298,009	188,925	-	5,140,599	571,104	-	-	550,238	137,447	-	983,895	4,156,704
6	Motor Vehicles	-	3,829,367	-	3,829,367	-	-	-	432,771	-	-	432,771	3,396,596
	Total	358,711,187	8,615,666	-	364,748,918	47,711,859	-	-	41,542,064	1,296,503	604,168	88,561,589	310,999,328
II	Intangible												
7	Software licences	1,842,956	-	-	1,842,956	616,300	-	-	353,621	-	-	969,921	1,226,656
8	Technical Know How	12,745,973	-	-	12,745,973	12,745,973	-	-	-	-	-	12,745,973	-
	Total	14,588,929	-	-	14,588,929	13,362,273	-	-	353,621	-	-	13,715,894	1,226,656
	Grand Total	373,300,116	8,615,666	-	379,337,847	61,074,132	-	-	41,895,686	1,296,503	604,168	89,531,510	312,225,984
III	Capital Work in Progress												
9	Product Process Development Projects	567,654,992	329,838,195	-	790,908,392	-	-	-	-	-	-	-	567,654,992
10		-	327,046,032	-	327,046,032	-	-	-	-	-	-	-	-
	Total	567,654,992	656,884,227	-	1,117,954,424	61,074,132	-	-	41,895,686	1,296,503	604,168	1,117,954,424	567,654,992
	Gross Total	940,955,108	665,499,893	-	1,497,292,272	30,008,127	-	-	33,603,804	3,022,590	359,063	1,395,014,789	879,880,976
	Previous Year 2015-16	477,332,972	619,576,075	623,290	940,955,108	30,008,127	-	-	125,729	3,022,590	61,074,132	879,880,976	447,324,845

Notes:

- (a) Pursuant to a Scheme of Amalgamation, a subsidiary of the Company was merged during the previous year effective from April 1, 2014 upon which assets have been carried over at Book Value
(b) Additions to plant and equipment includes interest on borrowings Rs. Nil capitalised as per Accounting Standard-16 'Borrowing Cost' (Previous Year - Rs. 115.46 lacs)
(c) Additions to Capital work in progress includes interest on borrowings Rs. 1,265.62 lacs (previous year Rs 558.65 lacs) capitalised as per Accounting Standard-16 'Borrowing Cost'



Stelis Biopharma Private Limited
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the period ended 31st March, 2016

Note 14

Long-Term Loans & Advances

Particulars	As at 31.03.2016	As at 31.03.2015
	INR	INR
Unsecured, Considered good		
- Deposits	607,761	214,956
Balance with Revenue Authorities:		
- Customs Duty Advance	-	1,301,295
- Cenvat Receivable		
- Rental Deposit		
- Advance Income Tax paid (net of provision)	441,839	1,967,846
- Value added tax, Service tax and Tax deducted at source	19,221,639	4,571,618
Total	20,271,239	8,055,714

Note 15

Non Current Assets -Others

Particulars	As at 31.03.2016	As at 31.03.2015
	INR	INR
Advance for purchase of Fixed Assets	250,376,275	598,085
Total	250,376,275	598,085

Note 16

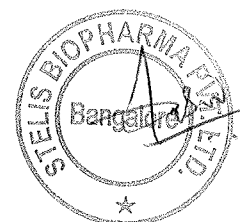
Current Investments

Particulars	As at 31.03.2016	As at 31.03.2015
	INR	INR
Investment in Mutual Funds		
(At lower of Cost or Fair Value unless otherwise stated)		
SBI Premium Liquid Fund- Direct Plan - Daily Dividend (Units)	251,990,699	1,741
Reliance Mutual Funds - Direct Plan - Daily Dividend (Units)	494,560,207	-
Total	746,550,906	1,741
- Aggregate amount of unquoted investments	-	-
- Aggregate Net Asset Value of investments in mutual funds of cash and cash equivalents in the cash flow statements	746,550,906	1,741
	746,550,906	1,741

Note 17

Cash & Cash equivalents

Particulars	As at 31.03.2016	As at 31.03.2015
	INR	INR
- Cash balance on hand	100,706	1,889
- Balances with Banks		
In Fixed deposits	133,605	133,605
In Current Accounts	10,701,241	20,580,065
In No Lien Account	100	5,374,000
Total	10,935,652	26,089,560



Stelis Biopharma Private Limited
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the period ended 31st March, 2016

Note 18

Short-Term Loan & Advances

Particulars	As at 31.03.2016	As at 31.03.2015
	INR	INR
(Unsecured, considered good unless otherwise stated)		
- Loan & Advances to Employees	554,461	81,837
- Advances to Suppliers	13,325,126	1,433,450
- Advances to Related Parties - Stelis Biopharma (Malaysia) SDN BHD	-	115,265
- Prepaid Expenses & others	1,519,621	16,783,006
Total	15,399,208	18,413,557



Stelis Biopharma Private Limited
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the Period ended 31st March, 2016

Note 19

Other Income

Particulars	For the period ended 31.03.2016	For the period ended 31.03.2015
	INR	INR
Other Interest	94,295	9,289
Sundry Balances written back	132	503,901
Dividend from Current Investments	5,749,165	2,878,657
Exchange Gains (Net)	-	129,772
Other Income	1,533,790	-
Total	7,377,382	3,521,619

Note 20

Cost of Materials Consumed

Particulars	For the period ended 31.03.2016	For the period ended 31.03.2015
	INR	INR
Opening Stock	5,931,716	13,306,182
Add: Purchase	60,531,541	11,262,622
	66,463,257	24,568,804
Less: Closing Stock	332,233	5,931,716
Balance	66,131,024	18,637,088
Less: Transferred to Intangible Asset under development	66,131,024	18,637,088
Total Cost of Material Consumed	-	-

Note 21

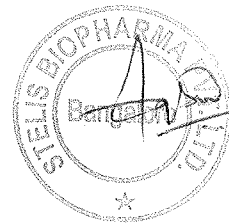
Employee Benefits Expense

Particulars	For the period ended 31.03.2016	For the period ended 31.03.2015
	INR	INR
Salaries, Wages & Bonus	45,725,647	29,933,937
Contribution to Provident and Other Funds	1,683,702	70,127
Staff Welfare	1,049,817	318,125
Total	48,459,167	30,322,190

Note 22

Finance Costs

Particulars	For the period ended 31.03.2016	For the period ended 31.03.2015
	INR	INR
Bank Charges	138,533	258,226
Interest	23,638,443	21,936,504
Total	23,776,976	22,194,730

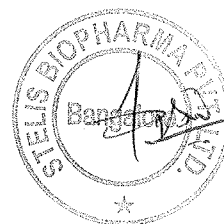
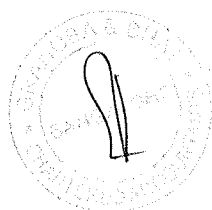


Stelis Biopharma Private Limited
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the Period ended 31st March, 2016

Note -23

Other Expenses:

Particulars	For the period ended 31.03.2016	For the period ended 31.03.2015
	INR	INR
Repairs & Maintenance	-	-
- Machinery	1,499,736	2,016,204
- Others	867,563	-
Insurance	369,371	439,586
Contractual Manpower	636,377	-
Rates & Taxes	2,690,282	1,253,853
Travelling & Conveyance	4,154,260	6,562,219
Deposit Written off	7,500,000	-
Printing and Stationery	489,386	539,795
Payments to Auditors:	-	-
-Statutory Audit	350,000	364,832
- for Taxation matters	-	136,950
- for Other Services	135,000	-
- for Certification	40,000	67,545
Research & Development expenses-(see note below)	106,584,795	7,992,228
Legal & Professional Charges	4,789,864	11,119,859
Regulatory Expense	47,542	35,000
Communication Charges	3,123,589	1,426,519
Asset Written off	1,281,432	3,513,637
Security Charges	-	-
Miscellaneous Expenses	726,442	3,485,398
Office Expense	1,117,144	1,005,175
Boarding & Lodging	914,165	2,145,160
Exchange Loss	4,837,170	-
Business Promotion	-	8,381
Commission & Brokerage	7,520,547	11,861,776
Total	149,674,666	53,974,115
Note		
Research and Development expenses include the following:		
- Materials	15,279,742	1,790,212
- Employee Benefit Expense	21,814,316	966,660
- Others	69,490,737	5,235,356
	106,584,795	7,992,228



Stelis Biopharma Private Limited
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the year ended 31st March 2016

Note -24

Employee Benefits

Defined Contribution Plans

Employers' Contribution to Provident Fund

During the year, the Company has recognized the following amount in the Profit and Loss Account-

(Amount in INR)

Particulars	As at 31st March 2016	As at 31st March 2015
Employers' Contribution to Provident Fund	1,465,288	70,077

Particulars	Year ended	
	31st March 2016	31st March 2015
Gratuity		
Components of employer expense		
Current Service cost	1,136,541	181,898
Interest cost	523,764	136,258
Expected return on plan assets	-	-
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Past Service Cost	-	-
Actuarial Losses/(Gains)	(475,782)	351,649
Total expense recognised in the Statement of Profit & Loss	1,184,523	669,805
Actual Contribution and Benefits Payments for the year		
Actual benefit payments	-	-
Actual Contributions	-	-
Net liability recognised in balance sheet		
Present value of Defined Benefit Obligation	6,409,961	2,076,723
Fair value of plan assets	-	-
Funded status [Surplus/(Deficit)]	-	-
Unrecognized Past Service Costs	-	-
Net liability recognised in balance sheet	6,409,961	2,076,723
- Non-current portion	4,053,095	1,944,668
- Current portion	2,356,866	132,055
Change in Defined Benefit Obligations during the year		
Present Value of DBO at beginning of period	2,076,723	1,406,918
Current Service cost	1,136,541	181,898
Interest cost	523,764	136,258
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Plan amendments	-	-
Liabilities assumed on acquisition	3,482,684	-
Actuarial (gains)/ losses	(475,782)	351,649
Benefits paid	(333,969)	-
Present Value of DBO at the end of period	6,409,961	2,076,723
Change in Fair Value of Assets during the year		
Plan assets at beginning of period	-	-
Acquisition Adjustment	-	-
Actual return on plan assets	-	-
Actual Company contributions(less risk premium, ST)	-	-
Benefits paid	-	-
Plan assets at the end of period	-	-
Actuarial Assumptions		
Discount Rate	8.00%	7.90%
Expected Return on plan assets	0.00%	0.00%
Salary escalation P.A	10.00%	10.00%



Stelis Biopharma Private Limited
(Formerly Inbiopro Solutions Private Limited)
Notes on Financial Statements for the year ended 31st March 2016

Actuarial Assumptions for Long-term Compensated Absence

Actuarial Assumptions		
Discount Rate	7.35%	7.80%
Salary escalation Rate	10.00%	10.00%
Attrition Rate	25.00%	15.00%
Charge In the Profit and Loss account - Rs.	886,203	304,826
Liability at the year end - Rs.	5,373,758	1,570,964

Note: The estimates and rate of escalation in salary considered in actuarial valuation take into consideration inflation, seniority, promotion and other relevant factors such as employment market conditions. These figure are as certified by an actuary.

Note - 25

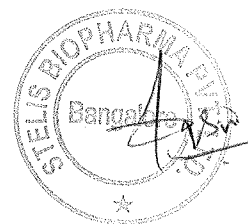
Related Party Disclosures

Party where the Control Exists	Name of Related Party
Holding Company (w.e.f. 18.03.2014)	Strides Shasun Limited (e.k.a. Strides Arcolab Limited)
Entity Exercising Control	GMS Pharma (Singapore) Pte Limited, Singapore.
Wholly Owned Subsidiary	Stelis Biopharma Malaysia Sdn Bhd, Malaysia.
Directors and Persons Exercising Control	Mr. Arun Kumar, Mr. Ghiath Munir Reda Sukhtian and Mr. Faisal Ghiath Munir Sukhtian (from 22nd Feb 2016)
Key Management Personnel – Director	Dr. Durgaprasad Annavajjula
Key Management Personnel – CEO	Mr. Joe Thomas

Sl No	Nature of Transaction	Amt in INR			
			Holding Company	Wholly Owned Subsidiary	Key Management Personnel
1	Investment in Equity	2016	-	-	-
		2015	146,132,742	100,668,750	-
2	Purchase of Non-current Investments	2016	-	-	-
		2015	-	-	-
3	Loans & Advances - Taken / Repaid (net)	2016	344,601,335	-	-
		2015	21,591,230	39,587,134	-
4	Interest paid	2016	-	-	-
		2015	4,573,417	-	-
5	Share application money refunded	2016	-	-	-
		2015	65,347,268	-	-
6	Managerial remuneration Dr. Durgaprasad Annavajjula - <i>see note below</i>	2016	-	-	9,403,704
		2015	-	-	-
7	Purchase of Assets	2016	-	189,307,539	-
		2015	-	-	-
8	Guarantee Commission / Support Service charges paid	2016	9,775,514	-	-
		2015	10,788,247	-	-
9	Reimbursement of Expenses incurred on behalf of	2016	-	-	-
		2015	-	63,033,713	-
10	Reimbursement for Expenses incurred by	2016	23,963,613	-	-
		2015	134,001,019	-	-

Note: includes variable pay arrears of Rs. 1.51 Mn for the year 2014-15

11	Balances Outstanding:				
	a) Receivable	2016	-	-	-
		2015	-	115,265	-
	b) Payable	2016	463,917,142	96,519,204	-
2015		98,967,148	-	-	



Stelis Biopharma Private Limited
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Notes on Financial Statements for the year ended 31st March 2016

Note - 26

Earnings Per share

Particulars	31st March	31st March
	2016	2015
Net Profit after Tax	(427,886,863)	(136,573,219)
Weighted average number of equity shares (No.s)	215,956	197,904
Earnings/(Loss) per share	(1,981.36)	(690.10)
Nominal Value of Equity Shares	10.00	10.00

Note - 27

Leases

The Company had taken premises on lease basis which has been terminated effective March 2016

Details of Leasing Arrangements	Year ended	
	31st March 2016	31st March 2015
Minimum lease payments debited to Rent account	10,940,941	15,851,625
Future Minimum lease Payments;		
- Not later than one year	11,143,668	10,949,301
- Later than one year and not later than 5 years	63,934,919	60,948,933
- Later than five years	18,274,767	32,284,596

Note -28

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 2016.

Note -29

Disclosure of Foreign Currency Exposure

Foreign Currency Exposure as at March 31, 2016 that have not been hedged by a derivative instrument or other wise:

Particulars	As at 31st March 2016		As at 31st March 2015	
	Amount (INR)	Amount - Foreign Currency	Amount (INR)	Amount - Foreign Currency
Payable				
- USD	700,722,500	10,279,887	6,240,115	99,708
- EUR	67,091	897	-	-
- AUD	174,918	3,607	-	-
Total	700,964,510	10,284,391	6,240,115	99,708

Note -30

Expenditure in foreign currency	As at 31st March 2016 (INR)	As at 31st March 2015 (INR)
Import of Capital goods	296,232	32,026,077
Import of Chemicals & Consumables	15,576,952	9,188,540
Import of Services	46,077,026	22,098,494
Total	61,950,209	63,313,110

Note -31

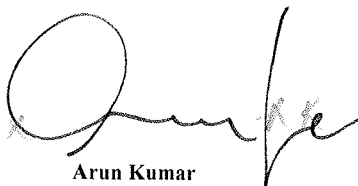
Previous Period Comparatives

The previous year's figures have been regrouped and reclassified where necessary to conform to the current year's figures.

For and on behalf of Board of Directors



Dr. Durgaprasad Annavajjula
Director
DIN : 02447566



Arun Kumar
Director
DIN : 00084845

Place :Bangalore
Date: May 5, 2016

