

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of M/s Arrow Remedies Private Limited**  
**(Formerly known as Lex Pharma Private Limited)**

**Report on the Ind AS financial statements**

We have audited the accompanying Ind AS financial statements of M/s Arrow Remedies Private Limited (formerly known as Lex Pharma Private Limited) ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the 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 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) specified under Section 133 of the Act, read with the relevant rules issued thereunder. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

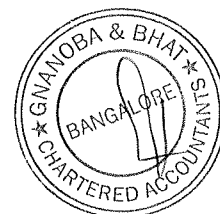
**Auditor's Responsibility**

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

We 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the Ind AS financial statements. The procedures selected depend on the auditor's



judgement, 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 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 Ind AS financial statements.

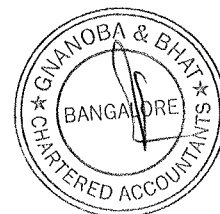
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### 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 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 including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 our 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 those books;
  - c. The Balance Sheet, the Statement of Profit & Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the relevant rules issued thereunder;
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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 for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and these are in accordance with the books of accounts maintained by the Company. (Refer Note 3 (i) of the Ind AS financial statements).

Place: Bangalore  
Date : May 11, 2017



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

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**R. UMESH**  
Partner  
M. No. 27892

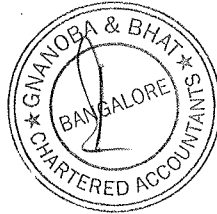
**ANNEXURE-A TO AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 OF OUR  
REPORT OF EVEN DATE**

- (i) The Company did not carry any fixed assets as at the end of the year and hence reporting under this clause is not applicable.
- (ii) The Company did not carry any inventories during the year and hence reporting under this clause is not applicable.
- (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 to the information given to us, the Central Government has not specified the maintenance of cost records under sub-section 1 of 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 2017, for a period more than six months from the date they became due.
  - b) There are no statutory dues which were not deposited on account of any dispute.
- (viii) The company has not borrowed any funds from any financial institution or bank or Government or issued any debentures and hence reporting under this clause is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer, further public offer or any term loans during the year and hence reporting under this clause is not applicable.
- (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) No managerial remuneration was paid by the Company during the year and hence reporting under this clause is not applicable.



- (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 188 of the Companies Act where applicable and the details of the same have been disclosed in the Ind AS financial statements etc as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under this clause is not applicable.
- (xv) According to the information and explanation given to us by the Management and based on our examination of the records of the Company, 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 11, 2017



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 Arrow Remedies Private Limited (formerly known as Lex Pharma Private Limited) ("the Company"), as on 31<sup>st</sup> March 2017 in conjunction with our audit of the Ind AS 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.

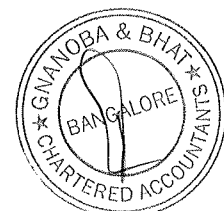
**Auditor's Responsibility**

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 Ind AS 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.

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**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, and 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.

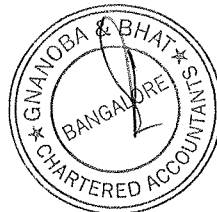
**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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, 2017, 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 11, 2017



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

A handwritten signature in black ink, appearing to read "R. Umesh".

R. UMESH  
Partner  
M. No. 27892

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**ARROW REMEDIES PRIVATE LIMITED**  
(FORMERLY LEX PHARMA PRIVATE LIMITED)  
BALANCE SHEET AS AT MARCH 31, 2017

	Note No.	Amount in INR	
		31-Mar-17	31-Mar-16
<b>A ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, Plant and Equipment	1	-	3,331,028
(b) Other Intangible assets	1	-	108,755
(c) Other Non-current assets	2	45,000	259,200
<b>Total Non-current assets</b>		<b>45,000</b>	<b>3,698,983</b>
<b>II Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	3	2,087,146	902,595
(b) Other current assets	4	379,720	48,472
<b>Total Current assets</b>		<b>2,466,866</b>	<b>951,067</b>
<b>Total Assets</b>		<b>2,511,866</b>	<b>4,650,050</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity Share capital		100,000	100,000
(b) Other equity		(822,388)	(12,196)
<b>Total Equity</b>		<b>(722,388)</b>	<b>87,804</b>
<b>II Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Provisions	5	-	89,000
(b) Deferred tax liabilities (Net)	6	-	56,600
		-	<b>145,600</b>
<b>2 Current liabilities</b>			
(a) Financials Liabilities			
(i) Borrowings	7	793,600	-
(ii) Trade payables	8	295,860	590,656
(b) Other current liabilities	9	2,129,487	3,779,990
(c) Provisions	10	-	36,000
(d) Current tax liabilities (Net)	11	15,307	10,000
		<b>3,234,254</b>	<b>4,416,646</b>
<b>Total Equity and liabilities</b>		<b>2,511,866</b>	<b>4,650,050</b>

See accompanying notes forming part of the Financial Statements  
In terms of our report attached

For and on behalf of Board of Directors

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

  
**R Umesh**  
Partner  
Mem. No. 27892

  
**Sudhir Krishna Kanchan**  
Director  
DIN: 01606191

  
**Sormistha Ghosh**  
Director  
DIN: 07669095

Place :Bangalore  
Date: May 11, 2017





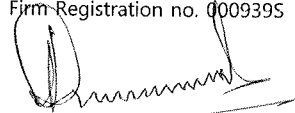
**ARROW REMEDIES PRIVATE LIMITED**  
**(FORMERLY LEX PHARMA PRIVATE LIMITED)**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE PERIOD ENDED MARCH 31, 2017**

	Note No.	Period Ended 31-Mar-17	Amount in INR Period Ended 31-Mar-16
1 Revenue from operations	12	11,321,179	7,265,500
2 Other income	13	32,500	1,265
<b>3 Total revenue (1+2)</b>		<b>11,353,679</b>	<b>7,266,765</b>
<b>4 Expenses</b>			
(a) Employee benefits expenses	14	4,721,080	3,461,869
(b) Other expenses	15	6,137,290	3,179,311
<b>Total</b>		<b>10,858,370</b>	<b>6,641,180</b>
<b>5 Earning before exceptional items, interest, tax, depreciation and amortisation (EBITDA) (3-4)</b>		<b>495,308</b>	<b>625,585</b>
6 Finance costs	16	151,253	280,767
7 Depreciation and amortisation expense	1	798,565	300,414
<b>8 Profit before exceptional items and tax (5-6-7)</b>		<b>(454,509)</b>	<b>44,404</b>
9 Exceptional items gain / (loss) (net)		-	-
<b>10 Profit before tax (8+9)</b>		<b>(454,509)</b>	<b>44,404</b>
11 Tax expense	17	355,682	56,600
<b>12 Profit for the year (10-11)</b>		<b>(810,191)</b>	<b>(12,196)</b>
<b>13 Other Comprehensive Income</b>			
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		-	-
<b>Total Other comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>14 Total Comprehensive Income for the period (12+13)</b>		<b>(810,191)</b>	<b>(12,196)</b>
<b>15 Earnings per share (of Rs. 10/- each)</b>			
- Basic		(81.02)	(1.22)
- Diluted		(81.02)	(1.22)

See accompanying notes forming part of the Financial Statements  
In terms of our report attached

For and on behalf of Board of Directors

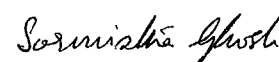
For **Gnanoba & Bhat**  
Chartered Accountants  
Firm Registration no. 0009395



**R Umesh**  
Partner  
Mem. No. 27892

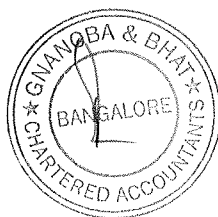


**Sudhir Krishna Kanchan**  
Director  
DIN: 01606191



**Sormistha Ghosh**  
Director  
DIN: 07669095

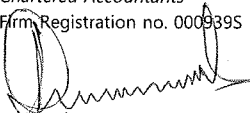
Place :Bangalore  
Date: May 11, 2017



**ARROW REMEDIES PRIVATE LIMITED**  
(FORMERLY LEX PHARMA PRIVATE LIMITED)  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2017**

Particulars	For the period ended 31 March, 2017		For the period ended 31 March, 2016	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		(454,509)		44,404
<i>Adjustments for:</i>				
Depreciation and amortisation	798,565		300,414	
(Profit) / loss on sale / write off of assets	968,396		-	
(Reversal) / Provision for gratuity & leave encashment	(125,000)		125,000	
Finance costs	151,253		280,767	
		<b>1,793,213</b>		<b>706,181</b>
<b>Operating profit / (loss) before working capital changes</b>		<b>1,338,704</b>		<b>750,585</b>
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Other current assets	(341,248)		(48,472)	
Other non-current assets	214,200		(259,200)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(294,796)		590,656	
Other current liabilities	(1,650,503)		3,789,990	
		<b>(2,072,347)</b>		<b>4,072,974</b>
Cash flow from extraordinary items		<b>(733,643)</b>		<b>4,823,559</b>
Cash generated from operations		<b>-</b>		<b>-</b>
Net income tax (paid) / refunds		<b>(733,643)</b>		<b>4,823,559</b>
		<b>(396,975)</b>		<b>-</b>
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(1,130,618)</b>		<b>4,823,559</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets including capital advance	(882,275)		(3,740,197)	
Proceeds from sale of assets	2,555,097		-	
		<b>1,672,822</b>		<b>(3,740,197)</b>
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>1,672,822</b>		<b>(3,740,197)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from Issue of Share Capital	-		100,000	
Proceeds from Short-term borrowings	793,600		-	
Finance cost	(151,253)		(280,767)	
		<b>642,347</b>		<b>(180,767)</b>
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>642,347</b>		<b>(180,767)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>1,184,551</b>		<b>902,595</b>
Cash and cash equivalents at the beginning of the year		902,595		-
<b>Cash and cash equivalents at the end of the year</b>		<b>2,087,146</b>		<b>902,595</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet (Refer Note 3)		2,087,146		902,595
Less: Bank balances not considered as Cash and cash equivalents as defined in IndAS 7 Statement of Cash Flows		-		-
<b>Cash and cash equivalents at the end of the year *</b>		<b>2,087,146</b>		<b>902,595</b>
* Comprises:				
(a) Cash on hand		19		9,083
(b) Balances with banks - in current accounts		2,087,127		893,512
(c) Balances with banks - in Fixed Deposits		-		-
		<b>2,087,146</b>		<b>902,595</b>

In terms of our report attached

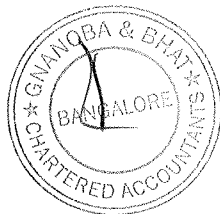
for **Gnanoba & Bhat**  
Chartered Accountants  
Firm Registration no. 0009395  
  
**R Umesh**  
Partner  
Mem. No. 027892

For and on behalf of Board of Directors

  
**Sudhir Krishna Kanchan**  
Director  
DIN: 01606191

  
**Sormistha Ghosh**  
Director  
DIN: 07669095

Place :Bangalore  
Date: May 11, 2017



**ARROW REMEDIES PRIVATE LIMITED  
(FORMERLY LEX PHARMA PRIVATE LIMITED)  
STATEMENT OF CHANGES IN EQUITY**

Particulars	Amount in INR	
	31-Mar-17	31-Mar-16
<b>Authorised</b>		
10,000 (Previous year 10,000) Equity shares of Rs. 10/- each with voting rights	1,00,000	1,00,000
<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>
<b>Issued, subscribed and fully paid-up</b>		
10,000 (Previous year 10,000) Equity shares of Rs. 10/- each with voting rights	1,00,000	1,00,000
<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>

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

Particulars	31-Mar-17		31-Mar-16	
	No. of Shares	Rs.	No. of Shares	Rs.
Equity share of Rs. 10/- each				
Opening balance	10,000	1,00,000	-	-
Issued during the year	-	-	10,000	1,00,000
<b>Closing balance</b>	<b>10,000</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>

(c) Detail of rights, preferences & restrictions attaching to each class of shares outstanding Equity shares of Rs. 10/- each:

The Company has only one class of equity shares, having a par value of Rs.10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all other parties concerned. The distribution will be in proportion to number of equity shares held by the shareholders.

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

Particulars	31-Mar-17		31-Mar-16	
	No. of Shares	% Of shares	No. of Shares	% Of shares
Arrow Pharma Pte Limited, Singapore - Holding Company	10,000	100%	10,000	100%
<b>Total</b>	<b>10,000</b>	<b>100%</b>	<b>10,000</b>	<b>100%</b>

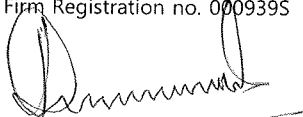
**Other equity** Amount in INR

Particulars	31-Mar-17	31-Mar-16
<b>Monies pending allotment</b>		
Opening Balance	-	-
Add : Received during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Securities Premium Account</b>		
Opening Balance	-	-
Add : Premium on shares issued during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	(12,196)	-
Add: (Loss) for the year	(8,10,191)	(12,196)
<b>Closing balance</b>	<b>(8,22,388)</b>	<b>(12,196)</b>
<b>Total</b>	<b>(8,22,388)</b>	<b>(12,196)</b>

In terms of our report attached

For and on behalf of Board of Directors

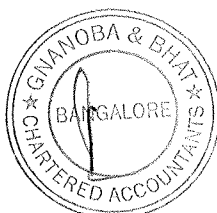
For **Gnanoba & Bhat**  
Chartered Accountants  
Firm Registration no. 000939S

  
**R Umesh**  
Partner  
Mem. No. 27892

  
**Sudhir Krishna Kanchan**  
Director  
DIN: 01606191

  
**Sormistha Ghosh**  
Director  
DIN: 07669095

Place :Bangalore  
Date: May 11, 2017



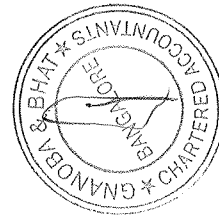
**ARROW REMEDIES PRIVATE LIMITED**  
(FORMERLY LEX PHARMA PRIVATE LIMITED)  
Notes forming part of the financial statements

**Note 1 Property, Plant and Equipment**

Particulars	Gross block			Accumulated depreciation			Net block		
	As at April 1, 2016	Additions	Deletions	As at Mar 31, 2017	As at April 1, 2016	Depreciation for the year	Deletion during the year	As at Mar 31, 2017	As at Mar 31, 2016
<b>Owened</b>									
Lease hold improvements office	575,798		575,798	-	58,676	116,711	175,387	-	517,122
Furniture and fixture	1,344,302		1,344,302	-	66,788	134,062	200,850	-	1,277,514
Office equipments and computers	1,709,238	882,275	2,591,513	-	172,846	525,681	698,527	-	1,536,392
<b>Total</b>	<b>3,629,338</b>	<b>882,275</b>	<b>4,511,613</b>	<b>-</b>	<b>298,310</b>	<b>776,454</b>	<b>1,074,764</b>	<b>-</b>	<b>3,331,028</b>

**Other intangible assets**

Particulars	Gross block			Accumulated depreciation			Net block		
	As at April 1, 2016	Additions	Deletions	As at Mar 31, 2017	As at April 1, 2016	Depreciation for the year	Deletion during the year	As at Mar 31, 2017	As at Mar 31, 2016
Software licence	110,859		110,859	-	2,104	22,111	24,215	-	108,755
<b>Total</b>	<b>110,859</b>	<b>-</b>	<b>110,859</b>	<b>-</b>	<b>2,104</b>	<b>22,111</b>	<b>24,215</b>	<b>-</b>	<b>108,755</b>



**ARROW REMEDIES PRIVATE LIMITED**  
**(FORMERLY LEX PHARMA PRIVATE LIMITED)**  
**Notes forming part of the financial statements**

Note  
No.

2 Other non current assets	Amount in INR	
Particulars	31-Mar-17	31-Mar-16
<b>Unsecured, considered good</b>		
- Rent Deposit	-	2,14,200
- Others	45,000	45,000
<b>Total</b>	<b>45,000</b>	<b>2,59,200</b>

3 Cash and cash equivalents	Amount in INR	
Particulars	31-Mar-17	31-Mar-16
Cash on Hand	19	9,083
Balance with banks in current account	20,87,127	8,93,512
<b>Total</b>	<b>20,87,146</b>	<b>9,02,595</b>

Note: (i)

Specialised Bank Notes (SBN) held and transacted during the period from 8th November,2016 to 30th December, 2016

Particulars	Specified Bank Notes	Other Denomination Notes	Total
	Rs.	Rs.	Rs.
Closing Cash on Hand as at 8th November, 2016	6,500	81	6,581
Transactions between 9th November 2016 and 30th December 2016			
Add: Withdrawal from Bank accounts	-	40,000	40,000
Add: Receipts for permitted transactions	-	385	385
Less : Paid for permitted transactions	-	29,706	29,706
Less: Deposited in bank accounts	(6,500)	-	(6,500)
<b>Closing Cash on Hand as at 30th December, 2016</b>	<b>-</b>	<b>70,172</b>	<b>70,172</b>

4 Other current assets	Amount in INR	
Particulars	31-Mar-17	31-Mar-16
<b>Unsecured, considered good</b>		
Dues from Related Party - Fagris Medica Private Limited (refer note below)	5,125	-
Advance paid to suppliers	-	5,654
Other advances	1,50,348	-
Balances with Government authorities:		
- MAT Credit Entitlement	-	10,000
- Service tax credit receivable	2,24,247	32,818
<b>Total</b>	<b>3,79,720</b>	<b>48,472</b>

Note: Represents rentals receivable under a sub-lease agreement

5 Provisions (Non-Current)	Amount in INR	
Particulars	31-Mar-17	31-Mar-16
- Provision for Gratuity	-	50,000
- Provision for Leave Encashment	-	39,000
<b>Total</b>	<b>-</b>	<b>89,000</b>

7 Borrowings	Amount in INR	
Particulars	31-Mar-17	31-Mar-16
Payable on Demand - Strides Shasun Limited	7,93,600	-
<b>Total</b>	<b>7,93,600</b>	<b>-</b>

Note: The above loan carries an interest of 9.00% p.a.

8 Trade payables	Amount in INR	
Particulars	31-Mar-17	31-Mar-16
Other than acceptances		
- Others	2,95,860	5,90,656
<b>Total</b>	<b>2,95,860</b>	<b>5,90,656</b>



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**ARROW REMEDIES PRIVATE LIMITED**  
 (Formerly known as Lex Pharma Private Limited)  
 Notes forming part of the financial statements

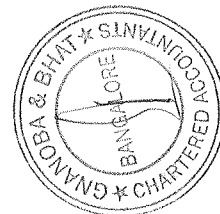
**6 Deferred tax balances**

Particulars	Amount in INR	
	As at 31-Mar-17	As at 31-Mar-16
Deferred Tax Assets	-	-
Deferred Tax Liabilities	-	56,600
	-	56,600

**Unrecognised deductible temporary differences, unused tax losses and unused tax credits**

Particulars	Amount in INR	
	As at 31-Mar-17	As at 31-Mar-16
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
-tax losses (revenue in nature)	4,64,913	95,225
-tax losses (capital in nature)	-	-
-unused tax credits (refer note below)	-	-
-deductible temporary differences - u/s 43B	-	(38,625)
	<b>4,64,913</b>	<b>56,600</b>

**Note:** Deferred tax asset has not been recognised on the grounds of prudence



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**ARROW REMEDIES PRIVATE LIMITED  
(FORMERLY LEX PHARMA PRIVATE LIMITED)**  
Notes forming part of the financial statements

Note

No.

9

**Other current liabilities**

Particulars	Amount in INR	
	31-Mar-17	31-Mar-16
Other payables:		
- Advance from Strides Shasun Limited (Ultimate Holding Company)	981,453	357,680
- Statutory remittances	235,621	119,810
- Arrow Pharma Pte Limited, Singapore (Holding Company)	912,413	3,302,500
<b>Total</b>	<b>2,129,487</b>	<b>3,779,990</b>

10

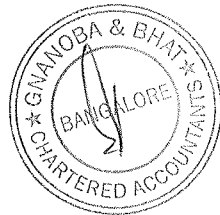
**Provisions (Current)**

Particulars	Amount in INR	
	31-Mar-17	31-Mar-16
Provision for Leave Encashment	-	36,000
Provision for Gratuity	-	-
<b>Total</b>	<b>-</b>	<b>36,000</b>

11

**Current tax liabilities**

Particulars	Amount in INR	
	31-Mar-17	31-Mar-16
Provision for tax	15,307	10,000
<b>Total</b>	<b>15,307</b>	<b>10,000</b>



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**ARROW REMEDIES PRIVATE LIMITED**  
**(FORMERLY LEX PHARMA PRIVATE LIMITED)**  
Notes forming part of the financial statements

Note

No.

12 Revenue from Operations	Amount in INR		
Particulars	31-Mar-17	31-Mar-16	
Service Charges Received	11,321,179	7,265,500	
<b>Total</b>	<b>11,321,179</b>	<b>7,265,500</b>	

13 Other Income	Amount in INR		
Particulars	31-Mar-17	31-Mar-16	
Rent Income	32,500	1,265	
<b>Total</b>	<b>32,500</b>	<b>1,265</b>	

14 Employee Benefit Expenses	Amount in INR		
Particulars	31-Mar-17	31-Mar-16	
Salaries and wages	4,417,977	3,411,869	
Contributions to provident and other funds	189,122	50,000	
Staff welfare	113,981	-	
<b>Total</b>	<b>4,721,080</b>	<b>3,461,869</b>	

15 Other Expenses	Amount in INR		
Particulars	31-Mar-17	31-Mar-16	
Subcontracting	303,050	-	
Power and fuel	138,490	-	
Rent	944,582	517,050	
Rates & Taxes	1,234,383	493,699	
Repairs & Maintenance	322,011	31,931	
Printing & Stationery	219,410	109,073	
Conveyance & Travelling	461,240	1,100,246	
Communication expenses	579,308	508,960	
Professional fees	431,596	343,352	
Payment to Auditors - For Statutory Audit	100,375	75,000	
Loss on sale of fixed assets	968,396	-	
Other Expense	434,450	-	
<b>Total</b>	<b>6,137,290</b>	<b>3,179,311</b>	

16 Finance Cost	Amount in INR		
Particulars	31-Mar-17	31-Mar-16	
Interest expenses	116,479	277,299	
Bank Charges & Commission	34,774	3,468	
<b>Total</b>	<b>151,253</b>	<b>280,767</b>	

17 Tax expense	Amount in INR		
Particulars	31-Mar-17	31-Mar-16	
Current tax	334,670	10,000	
Prior year tax	77,612	-	
MAT Credit entitlement	-	(10,000)	
Deferred tax	(56,600)	56,600	
<b>Total</b>	<b>355,682</b>	<b>56,600</b>	





**ARROW REMEDIES PRIVATE LIMITED**  
**(FORMERLY LEX PHARMA PRIVATE LIMITED)**  
**Notes forming part of the financial statements**

**Note - 18**

**Defined Contribution Plans**

**a. Gratuity and Leave Encashment**

During the year, a sum of Rs. NIL/- (Rs. 50,000/-) and Rs. 23,763/- (Rs. 75,000/-) have been recognised towards gratuity and leave encashment respectively in the statement of profit and loss for the year.

**b. Employers' Contribution to Provident Fund**

During the year, the Company has recognized the following amount in the Statement of Profit and Loss

Particulars	Amount in INR	
	As at 31st March 2017	As at 31st March 2016
Employers' Contribution to Provident Fund	1,89,122	-

**Note - 19**

**Earnings Per share**

Particulars	Amount in INR	
	As at 31st March 2017	As at 31st March 2016
Net Profit after Tax	(8,10,191)	(12,196)
Weighted average number of equity shares (No.s)	10,000	10,000
Earnings/(Loss) per share	(81.02)	(1.22)
Nominal Value of Equity Shares	10.00	10.00

**Note - 20**

**Leases**

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

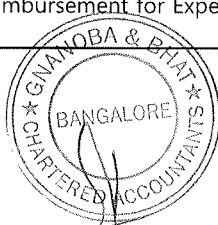
Details of Leasing Arrangements	Amount in INR	
	As at 31st March 2017	As at 31st March 2016
Minimum lease payments debited to Rent account	9,44,582	4,99,800
Future Minimum lease Payments;		
- Not later than one year	-	8,84,282
- Later than one year and not later than 5 years	-	33,97,750
- Later than five years	-	-

**Note - 21**

**Related Party Transactions**

Party where the Control Exists	Name of Related Party
Ultimate Holding Company	Strides Shasun Ltd
Holding Company	Arrow Pharma Pte Ltd., Singapore
Fellow Subsidiary	Fagris Medica Pvt Ltd

Sl No	Nature of Transaction		Amount in INR		
			Holding Company	Fellow Subsidiary	Ultimate Holding Company
1	Investment in Equity	2017	-	-	-
		2016	1,00,000	-	-
2	Advance against service charges	2017	9,12,413	-	-
		2016	33,02,500	-	-
3	Service Charges Received	2017	113,21,179	-	-
		2016	72,65,501	-	-
4	Rent - Income	2017	-	32,500	-
		2016	-	-	-
5	Loans & Advances - Taken	2017	-	-	24,02,000
		2016	-	-	105,00,000
6	Loans & Advances - Repaid	2017	-	-	17,13,231
		2016	-	-	105,00,000
7	Interest paid on Loan	2017	-	-	1,16,479
		2016	-	-	-
8	Rent Expense	2017	-	-	60,000
		2016	-	-	-
9	Sale of assets	2017	26,415	-	13,13,231
		2016	-	-	-
10	Reimbursement for Expenses incurred	2017	-	-	9,98,023
		2016	-	-	3,57,680



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**ARROW REMEDIES PRIVATE LIMITED**  
**(FORMERLY LEX PHARMA PRIVATE LIMITED)**  
Notes forming part of the financial statements

Balances Outstanding:				Amount in INR		
11	- Payable - Loan	2017	-	-	793,600	
		2016	-	-	-	
	- Payable - Advances	2017	912,413	-	-	981,453
		2016	3,302,500	-	-	357,680
12	- Receivable	2017	-	5,125	-	
		2016	-	-	-	

**Note - 22**

Particulars	Amount in INR	
	31-Mar-17	31-Mar-16
Export of Services	11,321,179	7,265,500
<b>Total</b>	<b>11,321,179</b>	<b>7,265,500</b>

**Note - 23**

**Foreign Currency Exposure**

Foreign Currency Exposure as at March 31, 2017 that have not been hedged by a derivative instrument or otherwise:

Particulars	31-Mar-17		31-Mar-16	
	Amount in INR	Amount in USD	Amount in INR	Amount in USD
Payables- USD	912,413	14,092	3,302,190	50,000
<b>Total</b>	<b>912,413</b>	<b>14,092</b>	<b>3,302,190</b>	<b>50,000</b>

**Note - 24**

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 2017.

**By Order of the Board of Directors  
for Arrow Remedies Private Limited**

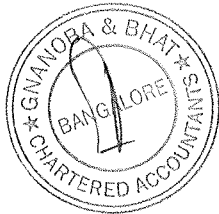
*S.K. Kanchan*

**Sudhir Krishna Kanchan**  
Director  
DIN: 01606191

*Sormistha Ghosh*

**Sormistha Ghosh**  
Director  
DIN: 07669095

Place :Bangalore  
Date: May 11, 2017



**ARROW REMEDIES PRIVATE LIMITED**  
**(Formerly known as Lex Pharma Private Limited)**

**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2017**

**NOTE – 25**

**COMPANY INFORMATION**

Arrow Remedies Private Limited is a Company which is headquartered in Mumbai, India. The Company is primarily a service provider providing support services to entities engaged in the marketing/ distribution of pharmaceutical products which inter alia includes trading/ marketing of pharmaceutical products in India or overseas and any other allied activities in relation to it.

**NOTE – 26**

**SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The Company is a wholly owned step-down subsidiary of Strides Shasun Limited, a listed company which is required to prepare its financial statements in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accordingly, these financial statements are also prepared in accordance with Ind AS under the historical cost convention on the accrual basis with revenues recognized and expenses accounted on their accrual, including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the year.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards'. The transition was carried out from accounting principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in note 27.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**B. GOING CONCERN**

Pursuant to the restructuring of the business operations of the Ultimate Holding Company, all assets and liabilities at the close of business on 30<sup>th</sup> March 2017 have been transferred under a Memorandum of Understanding to a third party for a consideration of Rs. 1.66 Mn. The management is presently exploring new lines of business activities that can be gainfully carried on by the Company. Pending a final decision in this regard, though the net worth of the Company has been eroded in entirety, all principles applicable to a Going Concern have been applied in the preparation of these financial statements.



**C. CASH FLOW STATEMENTS**

Cash flows are reported using the indirect method, whereby the 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.

**D. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS**

Property, Plant and Equipments are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenditure relating to the acquisition such as cost of installation / erection and interest up to the date of commissioning of the asset as applicable.

Intangible Assets are recorded at the consideration paid for the acquisition of such assets or the costs attributable to bring the asset into working condition and are carried at such costs less accumulated amortization and impairment. Cost includes related pre-operative project expenditure and other related indirect / incidental expenses attributable to the cost of construction, including borrowing cost, allocated based on best estimate of the management.

**E. DEPRECIATION**

Depreciation on Property, Plant and Equipments provided in the accounts on the basis of useful lives as assessed by the Management under the Straight Line Method basis as prescribed under Schedule II of the Companies Act, 2013. Accordingly, the life of the assets (prior to the sale) was determined as under.

Sl. No.	Asset	Life as Assets (in years)
1	Computers and Accessories	3 years
2	Furniture & Fixtures	10 years
3	Leasehold Improvements	4.92 years
4	Office Equipment	5 years
5	Software	5 years

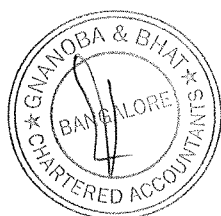
**F. REVENUE RECOGNITION**

Revenue from regulatory and other support and logistic services is recognized and accrual based on the terms of the agreements.

**G. TAXATION**

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

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



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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.

**H. FOREIGN CURRENCY TRANSACTIONS:**

Transactions denominated in Foreign Currencies are recorded using the exchange rates prevailing on the date of transaction. The difference if any, on actual payment/ realization is charged off to revenue. Amount receivable / payable as at the close of the year is accounted at the prevailing rates and the difference if any, on receipt / while making actual payment due to fluctuation in the rate of exchange is charged to revenue in that year.

**I. PROVISIONS:**

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

**J. IMPAIRMENT OF ASSETS**

An asset is treated as impaired if 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.

**K. CONTINGENCIES**

Contingent liabilities are not recognized and are shown by way of notes to the financial statements.

**L. EARNINGS PER SHARE**

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



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shares would decrease the net profit per share and are deemed to be converted at the beginning of the period, unless they have been issued at a later date.

**M. EMPLOYEE BENEFITS**

In view of the termination of all employment contracts effective February 2017 and the consequent sale of assets of liabilities, the Company has ascertained that there is no requirement to make any provision in these accounts towards gratuity and leave encashment. Accordingly, the provision made towards such liability during earlier years has been written back in these accounts.

**NOTE – 27**

**FIRST TIME ADOPTION OF IND AS**

These financial statements are the first financial statements of the company under Ind AS. The accounting policies set out in Note. 26 have been applied in preparing these financial statements for the year ended 31<sup>st</sup> March, 2017, the comparative information presented in these financial statements for the year ended 31<sup>st</sup> March, 2016 and in the preparation of an opening Ind AS balance sheet as at 1<sup>st</sup> April, 2016 (i.e. the company's date of transition). In preparing the opening Ind AS balance sheet, no adjustments were warranted to the amounts reported previously in the financial statements prepared in accordance with the accounting standards notified Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

**For and on behalf of the Board**

**Place : Bangalore**

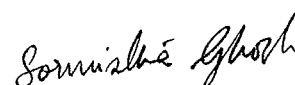
**Date: May 11, 2017**



**Sudhir Krishna Kanchan**

*Director*

DIN: 01606191



**Sormistha Ghosh**

*Director*

DIN: 07669095

