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**INDEPENDENT AUDITOR'S REPORT**

**To the Members of M/s Arrow Remedies 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 ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Responsibilities of Management and Those Charged with Governance for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. 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.



In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in "Annexure - A" of this auditor's report.

#### **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 - B** 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, Statement of Changes in Equity and the Statement of Cash Flows 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 there under;
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;



- f. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid / provided any managerial remuneration to its Directors during the year.
- g. 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 - C**; and
- h. 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.

Place: Bangalore  
Date : May 10, 2019



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

A handwritten signature in blue ink, appearing to read "R. Umesh", written over a horizontal line.

R. UMESH  
Partner  
M. No. 27892

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**ANNEXURE-A TO THE AUDITOR'S REPORT**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

Place: Bangalore  
Date : May 10, 2019



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

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

← R. UMESH  
Partner  
M. No. 27892

ANNEXURE - B 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) According to the information and explanations given to us, 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) To the best of our knowledge and as explained 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, Employees' State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other statutory dues with the appropriate authorities during the period wherever applicable. There were no material undisputed amounts in respect of the above statutory dues, which were in arrears as at 31st March 2019, 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) 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.



**GNANOBA & BHAT  
CHARTERED ACCOUNTANTS**

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- (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. The provisions of Section 177 are not applicable to the Company.
- (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 10, 2019



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

R. UMESH  
Partner  
M. No. 27892

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ANNEXURE - C 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 ("the Company") as on 31<sup>st</sup> March 2019 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.



**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, 2019, 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 10, 2019



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

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

R. UMESH  
Partner  
M. No. 27892



**ARROW REMEDIES PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2019**

	Note No.	Amount in INR	
		31-Mar-19	31-Mar-18
<b>A ASSETS</b>			
<b>I Non-current assets</b>			
(a) Other non-current assets	3	45,000	45,000
<b>Total non-current assets</b>		<b>45,000</b>	<b>45,000</b>
<b>II Current assets</b>			
(a) Financial assets			
(i) Trade receivables	4	2,01,174	3,53,830
(ii) Cash and cash equivalents	5	1,01,673	1,21,338
(b) Income tax assets (net)	6	2,377	-
(c) Other current assets	7	30,006	18,360
<b>Total current assets</b>		<b>3,35,230</b>	<b>4,93,528</b>
<b>TOTAL ASSETS</b>		<b>3,80,230</b>	<b>5,38,528</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity share capital	8	1,00,000	1,00,000
(b) Other equity	9	(7,56,495)	(4,40,051)
<b>Total Equity</b>		<b>(6,56,495)</b>	<b>(3,40,051)</b>
<b>II Liabilities</b>			
<b>1 Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	10		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		99,916	1,23,990
(b) Other current liabilities	11	9,36,809	6,46,320
(c) Current tax liabilities (Net)	12	-	1,08,269
		<b>10,36,725</b>	<b>8,78,579</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,80,230</b>	<b>5,38,528</b>

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For and on behalf of Board of Directors

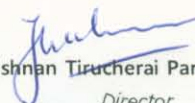
For **Gnanoba & Bhat**  
Chartered Accountants  
Firm Registration no. 0009395



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



**Sormistha Ghosh**  
Director  
DIN: 07669095



**Krishnan Tirucherai Parthasarathy**  
Director  
DIN: 08061680

Place : Bengaluru  
Date : May 10, 2019



**ARROW REMEDIES PRIVATE LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

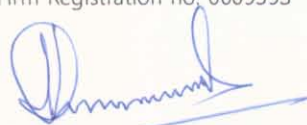
Amount in INR

Particulars	For the period ended	
	31-Mar-19	31-Mar-18
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) after tax	(3,16,444)	3,82,337
<b>Adjustments for:</b>		
-Provision for tax	57,147	1,69,386
-Finance costs	-	25,645
-Net unrealised exchange (gain) / loss	(11,720)	(3,313)
-Provision / balances no longer required written back	29,830	-
	<b>75,256</b>	<b>1,91,718</b>
<b>Operating profit / (loss) before working capital changes</b>	<b>(2,41,188)</b>	<b>5,74,055</b>
<b>Changes in working capital:</b>		
(Increase)/decrease in trade and other receivables	1,52,730	(9,01,568)
Increase/(decrease) in trade and other payables	(56,042)	(4,00,136)
<b>Net Change in working capital</b>	<b>96,688</b>	<b>(13,01,704)</b>
<b>Cash generated from operations</b>	<b>(1,44,500)</b>	<b>(7,27,649)</b>
Tax paid	(1,67,793)	(76,425)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(3,12,293)</b>	<b>(8,04,074)</b>
<b>B. Cash flow from investing activities</b>		
<b>Net cash flow from / (used in) investing activities (B)</b>	-	-
<b>C. Cash flow from financing activities</b>		
Advances taken / (repaid) (net)	2,92,628	(3,42,489)
Repayment of short-term borrowings	-	(7,93,600)
Finance cost	-	(25,645)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>2,92,628</b>	<b>(11,61,734)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(19,665)</b>	<b>(19,65,808)</b>
Cash and cash equivalents at the beginning of the year	1,21,338	20,87,146
<b>Cash and cash equivalents at the end of the year</b>	<b>1,01,673</b>	<b>1,21,338</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 5)	1,01,673	1,21,338
Less: Bank balances not considered as Cash and cash equivalents as defined in IndAS 7	-	-
<i>Statement of Cash Flow.</i>		
Net Cash and cash equivalents (as defined in IND AS 7 <i>Statement of Cash Flows</i> ) included in Note 5	<b>1,01,673</b>	<b>1,21,338</b>
Add: Current investments considered as part of Cash and cash equivalents (as defined in Ind AS 7 <i>Statement of Cash Flows</i> )	-	-
Cash and cash equivalents at the end of the year	<b>1,01,673</b>	<b>1,21,338</b>
* Comprises:		
(a) Cash on hand	-	-
(b) Balances with banks - in current accounts	1,01,673	1,21,338
(c) Balances with banks - in fixed deposits	-	-

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. 027892

Place : Bengaluru  
Date : May 10, 2019




**Sormistha Ghosh**  
Director  
DIN: 07669095



**Krishnan Tirucheral Parthasarathy**  
Director  
DIN: 08061680



ARROW REMEDIES PRIVATE LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED MARCH 31, 2019 AND MARCH 31, 2018

A) Equity share capital		Amount in INR
Particulars		
Balance as at March 31, 2018		1,00,000
Changes in equity share capital during the year		-
Balance as at March 31, 2019		1,00,000

B) Other equity				Amount in INR
Particulars	Reserves and Surplus		Items of other comprehensive income	Total
	Retained earnings		Re-measurement of the defined benefit liabilities / (assets)	
Balance as at March 31, 2018	(4,40,051)		-	(4,40,051)
Profit / (Loss) for the year	(3,16,444)		-	(3,16,444)
Other comprehensive income for the year (net of tax)	-		-	-
Total comprehensive income	(3,16,444)		-	(3,16,444)
Balance as at March 31, 2019	(7,56,495)		-	(7,56,495)

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

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

  
R Umesh  
Partner

Mem. No. 27892

Place : Bengaluru  
Date : May 10, 2019

For and on behalf of Board of Directors

  
Sormistha Ghosh  
Director

DIN: 07669095

  
Krishnan Tirucheral Parthasarathy  
Director

DIN: 08061680



**ARROW REMEDIES PRIVATE LIMITED**

**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2019**

**NOTE – 1**

**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 – 2**

**SIGNIFICANT ACCOUNTING POLICIES**

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

The Company is a wholly owned subsidiary of Strides Pharma Science 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.

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**

The Company had restructured its business during the previous year. Presently, the management continues to explore new lines of business activities that can be gainfully carried on by the Company, 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. REVENUE RECOGNITION**

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



#### **E. TAXATION**

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

Minimum alternate tax (if any) 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 (if any) 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.

#### **F. 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.

#### **G. PROVISIONS:**

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

#### **H. IMPAIRMENT OF ASSETS**

An asset is treated as impaired 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.

#### **I. CONTINGENCIES**

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

#### **J. EARNINGS PER SHARE**

Earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income



relating to dilutive potential equity shares, by the weighted average number of equity shares considered for deriving the basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share and are deemed to be converted at the beginning of the period, unless they have been issued at a later date.

**K. EMPLOYEE BENEFITS**

In view of the termination of all employment contracts effective February 2017 and the consequent sale of assets and liabilities, the Company has ascertained that there is no requirement to make any provision in these accounts towards gratuity and leave encashment.

**For and on behalf of the Board**

Place : Bengaluru  
Date : May 10, 2019



**Sormistha Ghosh**  
Director  
DIN: 07669095



**Krishnan Tirucherai Parthasarathy**  
Director  
DIN: 08061680



**ARROW REMEDIES PRIVATE LIMITED**  
Notes Forming Part Of Financial Statements

Note  
No.

3	Other non current assets	Amount in INR	
		31-Mar-19	31-Mar-18
	Particulars		
	Security deposit	45,000	45,000
	<b>Total</b>	<b>45,000</b>	<b>45,000</b>

4	Trade receivable	Amount in INR	
		31-Mar-19	31-Mar-18
	Particulars		
	a) Considered good - Secured	-	-
	b) Considered good - Unsecured	2,01,174	3,53,830
	c) Which have significant increase in Credit Risk	-	-
	d) Credit impaired	-	-
		2,01,174	3,53,830
	Less : Allowances for doubtful trade receivables	-	-
	<b>Total</b>	<b>2,01,174</b>	<b>3,53,830</b>
	Note: Dues from related parties (refer note no. 20)	2,01,174	1,89,454

5	Cash and cash equivalents	Amount in INR	
		31-Mar-19	31-Mar-18
	Particulars		
	Balance with banks in current account	1,01,673	1,21,338
	<b>Total</b>	<b>1,01,673</b>	<b>1,21,338</b>

6	Income tax assets (net)	Amount in INR	
		31-Mar-19	31-Mar-18
	Particulars		
	Income tax assets (net)	2,377	-
	<b>Total</b>	<b>2,377</b>	<b>-</b>

7	Other current assets	Amount in INR	
		31-Mar-19	31-Mar-18
	Particulars		
	Balances with government authorities:		
	- GST receivable	30,006	18,360
	<b>Total</b>	<b>30,006</b>	<b>18,360</b>

8	Equity share capital	Amount in INR	
		31-Mar-19	31-Mar-18
	Particulars		
	<b>Authorised</b>		
	10,000 Equity shares of Rs. 10/- each with voting rights (March 31,2018 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 Equity shares of Rs. 10/- each with voting rights (March 31,2018 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>

(a)

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

Particulars	31-Mar-19		31-Mar-18	
	No. of Shares	Amount in INR	No. of Shares	Amount in INR
Equity share of Rs. 10/- each				
Opening balance	10,000	1,00,000	10,000	1,00,000
Issued during the year	-	-	-	-
<b>Closing balance</b>	<b>10,000</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>



**ARROW REMEDIES PRIVATE LIMITED**  
Notes Forming Part Of Financial Statements

Note  
No.

(b) **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.

(c) **Details of equity shares held by holding company:**

Particulars	31-Mar-19		31-Mar-18	
	No. of Shares	% Of shares	No. of Shares	% Of shares
Strides Pharma Science Limited - 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>

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

Particulars	31-Mar-19		31-Mar-18	
	No. of Shares	% Of shares	No. of Shares	% Of shares
Strides Pharma Science Limited - 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>

9 **Other equity**

Particulars	Amount in INR	
	31-Mar-19	31-Mar-18
<b>Surplus in statement of profit and loss</b>		
Opening balance	(4,40,051)	(8,22,388)
Add: Profit / (Loss) for the year	(3,16,444)	3,82,337
<b>Closing balance</b>	<b>(7,56,495)</b>	<b>(4,40,051)</b>
<b>Other comprehensive income</b>		
Opening balance	-	-
Add/(Less) : Other comprehensive income for the year	-	-
Add/(Less) : Tax impact on above	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>(7,56,495)</b>	<b>(4,40,051)</b>

10 **Trade payables**

Particulars	Amount in INR	
	31-Mar-19	31-Mar-18
Total outstanding dues of creditors other than micro & small enterprises		
- Other than acceptances	46,816	88,590
- Dues to related parties (refer note no. 20)	53,100	35,400
<b>Total</b>	<b>99,916</b>	<b>1,23,990</b>

Based on the information available 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 2019.

11 **Other current liabilities**

Particulars	Amount in INR	
	31-Mar-19	31-Mar-18
Other payables:		
- Dues to related parties (refer note no. 20)	9,32,858	6,40,229
- Statutory remittances	3,952	6,091
<b>Total</b>	<b>9,36,809</b>	<b>6,46,320</b>

12 **Current tax liabilities**

Particulars	Amount in INR	
	31-Mar-19	31-Mar-18
Provision for tax (net)	-	1,08,269
<b>Total</b>	<b>-</b>	<b>1,08,269</b>





**ARROW REMEDIES PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	Note No.	Amount in INR	
		31-Mar-19	31-Mar-18
1 Revenue from operations	13	-	11,00,057
2 Other income	14	41,550	46,569
<b>3 Total revenue (1+2)</b>		<b>41,550</b>	<b>11,46,626</b>
<b>4 Expenses</b>			
(a) Finance costs	15	18	39,452
(b) Other expenses	16	3,00,829	5,55,451
<b>Total</b>		<b>3,00,847</b>	<b>5,94,903</b>
<b>5 Profit before exceptional items and tax (3-4)</b>		<b>(2,59,297)</b>	<b>5,51,723</b>
6 Exceptional items gain / (loss) (net)		-	-
<b>7 Profit before tax (5+6)</b>		<b>(2,59,297)</b>	<b>5,51,723</b>
8 Tax expense	17	57,147	1,69,386
<b>9 Profit for the period (7-8)</b>		<b>(3,16,444)</b>	<b>3,82,337</b>
<b>10 Other Comprehensive Income</b>			
A) (i) Items that will not be reclassified to profit or loss		-	-
(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		-	-
(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>11 Total Comprehensive Income for the period (9+10)</b>		<b>(3,16,444)</b>	<b>3,82,337</b>
<b>12 Earnings per share (of Rs. 10/- each)</b>			
- Basic		(31.64)	38.23
- Diluted		(31.64)	38.23

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. 000939S



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



**Sormistha Ghosh**  
Director  
DIN: 07669095



**Krishnan Tiruchera Parthasarathy**  
Director  
DIN: 08061680

Place : Bengaluru  
Date : May 10, 2019



**ARROW REMEDIES PRIVATE LIMITED**  
Notes Forming Part Of Financial Statements

Note  
No.

13	Revenue from operations	Amount in INR	
		31-Mar-19	31-Mar-18
	Particulars		
	Support service income	-	11,00,057
	<b>Total</b>	<b>-</b>	<b>11,00,057</b>

14	Other income	Amount in INR	
		31-Mar-19	31-Mar-18
	Particulars		
	Sundry balances written back	29,830	32,871
	Foreign exchange gain	11,720	13,698
	<b>Total</b>	<b>41,550</b>	<b>46,569</b>

15	Finance costs	Amount in INR	
		31-Mar-19	31-Mar-18
	Particulars		
	Interest expense on:		
	- Borrowings	-	25,645
	Other finance cost	18	13,807
	<b>Total</b>	<b>18</b>	<b>39,452</b>

16	Other expenses	Amount in INR	
		31-Mar-19	31-Mar-18
	Particulars		
	Subcontracting	-	26,346
	Rent	60,000	60,075
	Rates & taxes	1,03,842	2,67,052
	Printing & stationery	-	39,887
	Communication expenses	-	29,799
	Professional fees	1,00,100	73,236
	Payment to auditors (See Note Below)	25,000	58,000
	Insurance	-	1,038
	Bad debts	11,887	-
	Other expense	-	18
	<b>Total</b>	<b>3,00,829</b>	<b>5,55,451</b>

(i) Payments to the statutory auditors of the company comprises (net of GST) for :		Amount in INR	
	Particulars	31-Mar-19	31-Mar-18
	- For Statutory Audit	25,000	28,000
	- For Tax Audit	-	30,000
	<b>Total</b>	<b>25,000</b>	<b>58,000</b>

17	Tax expense	Amount in INR	
		31-Mar-19	31-Mar-18
	Particulars		
	Current tax	-	1,69,386
	Prior year tax	57,147	-
	<b>Total</b>	<b>57,147</b>	<b>1,69,386</b>



**ARROW REMEDIES PRIVATE LIMITED**  
Notes Forming Part Of Financial Statements

**Note - 18**

Earnings per share		Amount in INR	
Particulars	31-Mar-19	31-Mar-18	
Net Profit after Tax	(3,16,444)	3,82,337	
Weighted average number of equity shares (No.s)	10,000	10,000	
Earnings/(Loss) per share	(31.64)	38.23	
Nominal Value of Equity Shares	10.00	10.00	

**Note - 19**

Details of leasing arrangements		Amount in INR	
Details of leasing arrangements	31-Mar-19	31-Mar-18	
Minimum lease payments debited to Rent account	60,000	60,075	
Future Minimum lease Payments;			
- Not later than one year	-	-	
- Later than one year and not later than 5 years	-	-	
- Later than five years	-	-	

**Note - 20**

**Related Party Disclosure**

Party where the Control Exists	Name of Related Party
Ultimate Holding Company	Strides Pharma Science Limited (upto October 29th, 2017)
Holding Company	Strides Pharma Science Limited (w.e.f. October 30th, 2017)
Holding Company	Arrow Pharma Pte Ltd., Singapore (upto October 29th, 2017)
Fellow Subsidiary	Arrow Pharma Pte Ltd., Singapore (w.e.f. October 30th, 2017)
Fellow Subsidiary	Fagris Medica Pvt Ltd

**Related party transactions during the year ended March 31st, 2019** Amount in INR

Sl No	Nature of Transaction		Amount in INR		
			Holding Company	Fellow Subsidiary	Ultimate Holding Company
1	Support Service Income	2019	-	-	-
		2018	10,88,170	-	-
2	Loans & Advances - Taken	2019	2,00,000	-	-
		2018	6,39,728	-	-
3	Loans & Advances - Repaid	2019	-	-	-
		2018	6,39,728	-	1,76,952
4	Interest paid on Loan	2019	-	-	-
		2018	-	-	25,645
5	Rent Expense	2019	60,000	-	-
		2018	30,000	-	30,000
6	Reimbursement for Expenses incurred by	2019	92,630	-	-
		2018	97,700	-	2,08,182

**Related party balances as at March 31st, 2019**

		Amount in INR			
1	- Payable - Advances	2019	9,31,593	-	-
		2018	6,38,964	-	-
	- Trade Payable	2019	53,100	-	-
		2018	35,400	-	-
2	- Receivable	2019	-	1,99,909	-
		2018	-	1,88,189	-



**ARROW REMEDIES PRIVATE LIMITED**  
Notes Forming Part Of Financial Statements

**Note - 21**

**Earnings in foreign currency**

Amount in INR

Particulars	Amount in INR	
	31-Mar-19	31-Mar-18
Export of Services	-	10,88,170
<b>Total</b>	-	<b>10,88,170</b>

**Note - 22**

**Foreign currency exposure**

Foreign currency exposure that have not been hedged by a derivative instrument or otherwise:

Particulars	31-Mar-19		31-Mar-18	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR
Receivables	2,908	2,01,174	2,908	1,89,454
Payables	-	-	-	-
<b>Total</b>	<b>2,908</b>	<b>2,01,174</b>	<b>2,908</b>	<b>1,89,454</b>

**Note - 23**

Debtors includes an amount due of US\$2,908 (Rs. 2,01,174/-) from Arrow Pharma Pte Ltd., Singapore, (a fellow subsidiary). Pursuant to the business restructuring initiatives undertaken by the Holding Company viz. Strides Pharma Science Limited during the previous year, the activities of Arrow Pharma Pte Ltd., Singapore, (a fellow subsidiary) have been scaled down significantly and hence the delay in clearing its dues. That Company is presently exploring opportunities to engage in new profitable lines of business, which will enable them to clear the dues. In view of the above, no provision has been made for these amounts in these accounts.

**Note - 24**

**Deferred tax balances**

Amount in INR

Particulars	Amount in INR	
	As at 31-Mar-19	As at 31-Mar-18
Deferred tax assets	-	-
Deferred tax liabilities	-	-
	-	-

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

Amount in INR

Particulars	Amount in INR	
	As at 31-Mar-19	As at 31-Mar-18
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)	58,349	3,87,428
-tax losses (capital in nature)	-	-
-unused tax credits (refer note below)	-	-
-deductible temporary differences - u/s 43B	-	-
	<b>58,349</b>	<b>3,87,428</b>

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

**Note - 25**

Previous year figures have been regrouped and reclassified where necessary to conform to current year figures.

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

*Sormistha Ghosh*

**Sormistha Ghosh**

Director

DIN: 07669095

*Krishnan Tirucheral Parthasarathy*

**Krishnan Tirucheral Parthasarathy**

Director

DIN: 08061680

Place : Bengaluru

Date : May 10, 2019

