

# **ARROW PHARMA (PRIVATE) LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

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*A.C.M. Ifhaam & Co.,* \_\_\_\_\_

*Chartered Accountants.* \_\_\_\_\_

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# A.C.M. IFHAAM & Co.,

## Chartered Accountants

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A.C.M. Ifhaam FCA, ACMA, BBA, MBA, LLB, LLM Attorney-at Law

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARROW PHARMA (PRIVATE) LIMITED**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of Arrow Pharma (Private) Limited which comprise the statement of financial position as at March 31, 2020 and the statement of Comprehensive Income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2020 and of its financial performance and its cash flows for the period then ended in accordance with Sri Lanka Accounting Standards.

##### **Basis for opinion**

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). 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 CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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.

Those charged with governance are 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 SLAuSs 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.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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.

#### **Report on other legal and regulatory requirements**

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is [2269].

Chartered Accountants

August 12, 2020

Colombo.

**ARROW PHARMA (PRIVATE) LIMITED****STATEMENT OF COMPREHENSIVE INCOME**For the Year Ended 31<sup>st</sup> March 2020

	Notes	2020 Rs.	2019 Rs.
Revenue		-	-
Cost of Sales		-	-
<b>Gross Profit</b>		-	-
Other Income	01	300,000	-
Administration Expenses	02	(117,400)	(6,808,217)
Selling & Distribution Expenses		-	-
Other Expenses		-	-
Finance Expense	03	-	(1)
<b>Profit/(Loss) Before Taxation</b>		<b>182,600</b>	<b>(6,808,218)</b>
Income Tax Expense	04	-	-
<b>Profit/(Loss) for the Year</b>		<b>182,600</b>	<b>(6,808,218)</b>
<b>Earning Profit/(Loss) Per Share (Rs.)</b>	05	<b>183</b>	<b>(6,808)</b>



**ARROW PHARMA (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

As at 31<sup>st</sup> March 2020

	Notes	2020 Rs.	2019 Rs.
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipments	06	-	-
<b>Current Assets</b>			
Trade & Other Receivables	07	-	-
Cash & Cash Equivalents	08	1,277,792	1,099,692
<b>Total Current Assets</b>		<b>1,277,792</b>	<b>1,099,692</b>
<b>Total Assets</b>		<b>1,277,792</b>	<b>1,099,692</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital &amp; Reserves</b>			
Stated Capital	09	100,000	100,000
Share Application	10	50,362,010	50,362,010
Retained Earnings		(49,467,568)	(49,650,168)
<b>Share Holders' Fund</b>		<b>994,442</b>	<b>811,842</b>
<b>Current Liabilities</b>			
Amount Due to Related Parties	11	187,450	187,450
Trade & Other Payable	12	95,900	100,400
<b>Current Liabilities</b>		<b>283,350</b>	<b>287,850</b>
<b>Total Equity and Liabilities</b>		<b>1,277,792</b>	<b>1,099,692</b>

I certify that the financial statements comply with the requirements of companies Act No. 07 of 2007

.....  
**Accountant**

The Board of Directors is responsible for the preparation & presentation of these financial statements.  
Signed for and on behalf of the Board by.

.....  
**Director**  
**August 12, 2020**



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

**For the Year Ended 31<sup>st</sup> March 2020**

	<b>Stated Capital Rs.</b>	<b>Retained Earnings Rs.</b>	<b>Total Equity Rs.</b>
Balance as at 01.04.2018	100,000	(42,841,950)	(42,841,950)
Net Loss for the Year	-	(6,808,218)	(6,808,218)
<b>Balance as at 31.03.2019</b>	<b>100,000</b>	<b>(49,650,168)</b>	<b>(49,650,168)</b>
Balance as at 01.04.2019	100,000	(49,650,168)	(49,650,168)
Net Profit for the Year	-	182,600	182,600
<b>Balance as at 31.03.2020</b>	<b>100,000</b>	<b>(49,467,568)</b>	<b>(49,467,568)</b>



**ARROW PHARMA (PRIVATE) LIMITED****STATEMENT OF CASH FLOW**For the Year Ended 31<sup>st</sup> March 2020

	2020 Rs.	2019 Rs.
<b>Cash Flows From Operating Activities</b>		
Net Profit/(Loss) After Taxation	182,600	(6,808,218)
<b>Adjustments</b>	-	-
<b>Operating Profit Before Working Capital Changes</b>	<u>182,600</u>	<u>(6,808,218)</u>
<b>Changes in Working Capital</b>		
(Increase) / Decrease Trade Receivables	-	6,666,667
(Increase) / (Decrease) Trade & Other Payables	(4,500)	9,050
<b>Operating Profit After Changes in Working Capital</b>	<u>(4,500)</u>	<u>6,675,717</u>
<b>Tax Paid</b>	-	-
<b>Net Cash Generated From Operating Activities</b>	<u>178,100</u>	<u>(132,501)</u>
Cash Flows From Investing Activities	-	-
<b>Net Cash Used in Investing Activities</b>	-	-
Cash Cash Flow From Financing Activities	-	-
<b>Net Cash Used in Financing Activities</b>	<u>-</u>	<u>-</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>178,100</u>	<u>(132,501)</u>
Cash and Cash Equivalents At The Beginning Of The Year (Note A)	1,099,692	1,232,193
<b>Cash and Cash Equivalents At The End Of The Year (Note B)</b>	<u><u>1,277,792</u></u>	<u><u>1,099,692</u></u>
<b>Note A</b>		
<b>Cash &amp; Cash Equivalents at The Beginning of the Period</b>		
Cash in Hand	-	30,000
Cash at Bank	1,099,692	1,202,193
	<u>1,099,692</u>	<u>1,232,193</u>
<b>Note B</b>		
<b>Cash &amp; Cash Equivalents at The End of the Period</b>		
Cash in Hand	-	-
Cash at Bank	1,277,792	1,099,692
	<u>1,277,792</u>	<u>1,099,692</u>





# ARROW PHARMA (PRIVATE) LIMITED

## SIGNIFICANT ACCOUNTING POLICIES

For the Year Ended 31<sup>st</sup> March 2020

### 1. CORPORATE INFORMATION

#### 1.1 Domicile and Legal Form

Arrow Pharma (Private) Limited is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No.11, Station Road, Bambalapitiya, Colombo 04.

#### 1.2 Principal Activities and Nature of Operations

The Company was set up to carry on the business as wholesale dealers, importer and exporter of pharmaceutical products and related goods and such other related pharmaceutical preparations for human consumption in Sri Lanka and to carry on the business of providing pharma related technical, and other allied services.

### 2. General Policies

#### 2.1 Basis Of Preparation

The financial statements have been prepared on the historical cost basis. The financial statements are presented in Sri Lankan Rupees and all values are rounded to the nearest rupee.

##### 2.1.1 Statement of Compliance

Arrow Pharma (Private) Limited have been prepared financial statements in accordance with Sri Lanka Accounting Standards (LKAS).

##### 2.1.2 Going Concern

The Company has ceased its operations and continued to remain dormant to the date of this report

#### 2.2 Summary Of Significant Accounting Policies

##### 2.2.1 Foreign Currency Translation

The Financial Statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary' items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

##### 2.2.2 Taxation

The provision for income tax is based on this element of income and expenditure as reported in the financial statements & computed in accordance with the provision of the Inland Revenue Act No 24 of 2017.

##### 2.2.3 Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred.



# ARROW PHARMA (PRIVATE) LIMITED

## SIGNIFICANT ACCOUNTING POLICIES

For the Year Ended 31<sup>st</sup> March 2020

### 2.2.4 Trade and Other Receivables

Trade receivables are stated at the amounts they are estimated to realize net of provisions for bad and doubtful receivables.

### 2.2.5 Inventories

There are no inventories in the company

### 2.2.6 Property, Plant and Equipment

#### (a) Cost/Valuation

Property Plant and Equipment is recorded at cost less accumulated depreciation and less any impairment in value.

The cost of Property, Plant and Equipment is the cost of purchase price after deducting discounts and rebates or cost of construction together with any directly attributable costs of bringing the asset to working condition for its intended use.

#### (b) Restoration Cost

Expenditure incurred on repairs or maintenance of Property, Plant and Equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance, is recognized as an expense when incurred.

#### (c) Depreciation

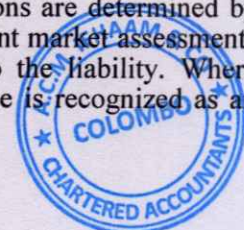
The provision for depreciation is calculated on the cost of all property, plant and equipment, except for Freehold land, in order to write off such amounts over the following estimated useful lives.

The Principal annual rates used are:	Rate
Office Equipment	20%

Depreciation of Assets begins when it is available for use. The asset's residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate at each financial year end.

### 2.2.7 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.



# ARROW PHARMA (PRIVATE) LIMITED

## SIGNIFICANT ACCOUNTING POLICIES

For the Year Ended 31<sup>st</sup> March 2020

### 2.2.8 Retirement Benefit Obligation

#### (a) Retirement Benefit Plans - Gratuity

Gratuity is a Defined Benefit Plan. The Company is liable to pay gratuity in terms of relevant statute. Gratuity is provided for all employees based on a half-month's salary of the last month of the financial year for each completed year of service. The liability is not externally funded. This item is grouped under non-current liabilities and deferred income in the Statement of Financial Position.

#### (b) Defined Contribution Plans- Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective Statute & Regulations. The Company contributes 12 % and 3 % of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

### 2.2.9 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated cost incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific recognition criteria is applied before revenue is recognized.

#### (a) Sale of Goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, with the company retaining neither continuing managerial involvement to the degree usually associated with ownership, no effective control over the goods sold.

#### (b) Others

Other income is recognized on an accrual basis.

### Expenditure Recognition

- a. Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to income in arriving at the Profit/ (Loss) for the year.
- b. For the purpose of presentation of Income Statement, the directors are of the opinion that function of expenses method present fairly the element of the enterprises performance and hence such presentation method is adopted.



**ARROW PHARMA (PRIVATE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS**For the Year Ended 31<sup>st</sup> March 2020

	<b>2020</b>	<b>2019</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>01 Other Income</b>		
Collection From Debtors Written-off	300,000	-
	<b>300,000</b>	<b>-</b>
<b>02 Administration Expenses</b>		
Audit Fee	66,000	60,000
Professional Fee	31,900	39,050
Tax Computation Fee	16,000	12,500
Miscellaneous Expenses	-	30,000
Provision for Doubtful Debts		6,666,667
Postage and Courier Charges	3,500	-
	<b>117,400</b>	<b>6,808,217</b>
<b>03 Finance Expenses</b>		
Bank Charges	-	1
	<b>-</b>	<b>1</b>
<b>04 Taxation</b>		
Income Tax Provision for the Year	-	-
	<b>-</b>	<b>-</b>
<b>05 Earnings/(Loss) Per Share</b>		
Earnings/(Loss) per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of shares in issue during the year		
Net Profit/(Loss) Attributable to Shareholders	182,600	(6,808,218)
Weighted average Number Of Ordinary Shares In Issue	1,000	1,000
<b>Earnings/(Loss) Per Share (Rs.)</b>	<b>183</b>	<b>(6,808)</b>



# ARROW PHARMA (PRIVATE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

As at 31<sup>st</sup> March 2020

### 06 Property Plant & Equipment

Cost	Balance As At 01.04.2019 Rs.	Additions During The Year Rs.	(Disposals/ Write off The Year) Rs.	Impairment of Assets The Year Rs.	Balance As At 31.03.2020 Rs.
Office Equipment & Computer	-	-	-	-	-
	-	-	-	-	-
<b>Accumulated Depreciation</b>	<b>Balance As At 01.04.2019 Rs.</b>	<b>Charges For the Year Rs.</b>	<b>Provision On Disposals Rs.</b>	<b>Impairment of Assets The Year Rs.</b>	<b>Balance As At 31.03.2020 Rs.</b>
	<b>Rate</b>				
Office Equipment & Computer	-	-	-	-	-
	-	-	-	-	-
<b>Written Down Value</b>	-				-



**ARROW PHARMA (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

As at 31<sup>st</sup> March 2020

	2020 Rs.	2019 Rs.
<b>07 Trade &amp; Other Receivables</b>		
Receivable from Related Parties	-	6,666,667
Less: Provision For Doubtful Debts	-	(6,666,667)
	<u>-</u>	<u>-</u>
<b>08 Cash &amp; Cash Equivalents</b>		
Cash in hand	-	-
Sampath Bank (Current Account)	1,277,792	1,099,692
	<u>1,277,792</u>	<u>1,099,692</u>
<b>09 Stated Capital</b>		
Issued & fully paid	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<b>10 Share Application</b>		
Pending Alloment	50,362,010	50,362,010
	<u>50,362,010</u>	<u>50,362,010</u>
<b>11 Amount Due to Related Parties</b>		
Strides Pharma Science Limited	187,450	187,450
	<u>187,450</u>	<u>187,450</u>
<b>12 Trade &amp; Other Payable</b>		
Tax Computation Fee Payable	16,000	12,500
Professional Fee	13,900	27,900
Audit Fee	66,000	60,000
	<u>95,900</u>	<u>100,400</u>
<b>13 Directors Interest in Contract</b>		

The Directors have no direct or indirect interest in any Contract or Proposed Contracts with the Company.

**14 Contingent Liabilities**

There were no material contingent liabilities existing at the balance sheet date as at 31.03.2020.

**15 Capital Commitments**

There were no material capital commitments outstanding at the balance sheet date as at 31.03.2020

**16 Events after the Reporting Period**

No events have occurred after the balance sheet date which would require adjustment to, or disclosure in the Financial Statements.

**17 Related Party Transactions**

There were no any related party transactions occurred during the year.

**17.1 Related party Balances**

**Arrow Pharma Pte Ltd:**

Equity Share Application Money Pending allotment

Strides Pharma Science Limited

<u>50,362,010</u>	<u>50,362,010</u>
<u>187,450</u>	<u>187,450</u>

