Strides Pharma, Inc.

Consolidated Financial Statements

March 31, 2017

With Independent Auditors' Report

withum

AUDIT TAX ADVISORY

Strides Pharma, Inc.
Table of Contents
March 31, 2017

Page(s)

INDEPENDENT AUDITORS' REPORT

To the Stockholder of Strides Pharma, Inc.

We have audited the accompanying financial statements of Strides Pharma, Inc. (the "Company") which comprise the consolidated balance sheet as of March 31, 2017, and the related consolidated statements of operations, changes in stockholder's equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Strides Pharma, Inc. as of March 31, 2017, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

WithumSmith+Brown, PC

August 30, 2017

Strides Pharma, Inc.
Consolidated Balance Sheet
March 31, 2017

Assets	
Current assets	
Cash	$ 265,653
Trade accounts receivable	16,667,085
Due from related parties	2,170,659
Inventory, net	10,818,188
Prepaid expenses	312,296
Total current assets	30,233,881
Investments	34,157,260
Furniture and equipment, net	100,379
Intangible assets, net	9,402,183
	$ 73,893,703
Liabilities and Stockholder's Equity	
Current liabilities	
Trade accounts payable	$ 436,459
Accounts payable, related parties	12,232,033
Accrued expenses and other current liabilities	1,800,499
Bank debt, net of debt issuance costs of $112,500	14,887,500
Total current liabilitites	29,356,491
Long term debt, related parties	10,852,876
Interest payable, related parties	1,896,844
Stockholder's equity	
Capital stock, $10 par value, 100,000 shares authorized, 11,115 shares issued and outstanding	111,150
Additional paid in capital	12,688,850
Retained earnings	18,987,492
Total stockholder's equity	31,787,492
	$ 73,893,703

The Notes to Financial Consolidated Statements are an integral part of this statement.

Strides Pharma, Inc.
Consolidated Statement of Operations
March 31, 2017

Net sales	$	34,718,748
Cost of goods sold		25,593,766
Gross profit		9,124,982
Selling, general and administrative expenses		8,814,162
Income from operations		310,820
Other income (expense)		
Other income		240,853
Interest income		1,201
Interest expense and other financing costs		(913,578)
Provision for impairment of investment		(1,792,285)
Restructuring costs		(200,000)
		(2,663,809)
Loss before income tax expense		(2,352,989)
Income tax expense		(1,923)
Net loss	$	(2,354,912)

The Notes to Financial Consolidated Statements are an integral part of this statement.

Strides Pharma, Inc.
Consolidated Statement of Changes in Stockholder's Equity
March 31, 2017

	Capital Stock				Additional Paid-In		Retained		Total Stockholder's
	Shares		Amount		Capital		Earnings		Equity
Balance, April 1, 2016	11,115	$	111,150	$	12,688,850	$	21,342,404	$	34,142,404
Net loss	-		-		-		(2,354,912)		(2,354,912)
Balance, March 31, 2017	11,115	$	111,150	$	12,688,850	$	18,987,492	$	31,787,492

The Notes to Financial Consolidated Statements are an integral part of this statement.

Strides Pharma, Inc.
Consolidated Statement of Cash Flows
March 31, 2017

Cash flows from operating activities		
Net loss	$	(2,354,912)
Adjustments to reconcile net loss to net cash used in operating activities		
Provision for impairment of investment	$	1,792,285
Depreciation and amortization		693,734
Write-off of accounts receivable		(8,732)
Changes in:		
Accounts receivable		(10,165,967)
Due from related parties		956,641
Inventory		(4,012,680)
Prepaid expenses		(112,624)
Accounts payable		17,107
Accounts payable related parties		(2,884,372)
Accrued expenses		(457,809)
Net cash used in operating activities		(16,537,329)
Cash flows from investing activities		
Decrease in Investment in Strides Pharma Global Pte Ltd.		6,655
Purchase of property and equipment		(954)
Purchase of intangibles		(10,081,000)
Net cash used in investing activities		(10,075,299)
Cash flows from financing activities		
Proceeds from short term bank debt		14,887,500
Proceeds from related party debt		717,716
Net cash provided by financing activities		15,605,216
Net decrease in cash		(11,007,412)
Cash, beginning of year		11,273,065
Cash, end of year	$	265,653
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$	149,921

The Notes to Financial Consolidated Statements are an integral part of this statement.

1. Background and Organization

Strides Pharma, Inc. (the "Company"), having headquarters in East Brunswick, New Jersey, was incorporated on June 26, 2013 in the State of New Jersey markets, sells and distributes generic prescription drugs (oral dosages as well as ointments) as well as OTC (over the counter) products to its national customer base. Strides Shasun Limited (the "Parent") owns 100% of Strides Arcolab International Limited, UK, which owns 100% of the Company. Manufacturing of the Rx product is done by the Parent and for its subsidiaries. The OTC products are manufactured at a third party site. The Parent is incorporated and listed on the National Stock Exchange of India and Bombay Stock Exchange in India. The Company's administrative office is located at their New Jersey location and they have two warehouses located in Tennessee and Ohio.

The Company owns 50% of Akorn-Strides LLC which has remained dormant with no business transactions during the year. In addition, the Company owns 10% of Strides Pharma Global (UK) Limited (a subsidiary of the ultimate holding company).

The Parent also owns 100% of Strides Pharma Asia Pte Limited, Singapore which owns 100% of Strides Pharma Global Pte Limited, Singapore ("SPG"). The Company receives a majority of their supplies from SPG.

Additionally, the Parent owns 100% of Strides Pharma International Limited, Cyprus which owns 100% of Strides Pharma Limited ("Linkace") which has entered into a loan agreement with the Company. See Note 8.

During 2015, the Parent merged with Shasun Pharmaceuticals Limited ("Shasun") to become Strides Shasun Limited. The merging of the two companies created a vertically integrated pharmaceutical company of scale with strong presence in Front-ended Regulated Markets, Finished Dosages, Emerging Markets Branded Generics, Institutional Business, Active Pharmaceutical Ingredients and Contract Research and Manufacturing Services.

The Company is dependent upon the Parent for processing and manufacturing products, research and development efforts, and the continued use of (or access to) drug formulations and intellectual property that are essential in Rx products and related operations. In addition, the Parent has provided financial support to the Company and are committed to continue funding the needs of the Company for the foreseeable future.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Company utilizes the accrual basis of accounting in preparing the accompanying consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the valuation of receivables, inventory, investments, intangible assets, accruals, and the estimated useful lives for long lived assets and intangibles. Actual results could differ from those estimates.

Cash
The Company maintains cash balances with financial institution in the US. Bank interest-bearing balances in U.S. banks are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to $250,000 per institution. At various times throughout the year, balances at the financial institution may exceed the Federal Deposit Insurance Corporation's limit. Management regularly monitors the financial condition of the banking institution, along with their balances in cash to keep this potential risk at a minimum. At March 31, 2017, the Company's cash balance of $265,653 exceeds the insurance limit.

Concentrations of Credit Risks
From time to time, the balances of certain accounts receivable represent a concentration of credit risk. To reduce such risks, the Company routinely analyzes the financial strength of customers.

Accounts Receivable
Accounts receivable are uncollateralized, non-interest bearing, customer obligations due under normal trade terms requiring payment at various terms, due on demand up to 60 days from the invoice date, and are stated at the amount billed to the customer. Provision for uncollectible accounts is based on best estimates. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices. Based on the Company's assessment of the customers' credit worthiness, the Company believes that an allowance for uncollectible accounts is not deemed necessary at March 31, 2017. However, during the year ended March 31, 2017, the Company wrote off $8,732 of accounts receivable due to a customer filing for bankruptcy.

Inventory
Inventories, consisting of finished goods, are valued at the lower of cost or net realizable value. Cost is determined by the weighted average cost basis, using the first-in first-out method. Based on the Company's assessment of slow-moving inventory and expiration policies, the Company has provided a reserve for its inventory of approximately $845,721 as of March 31, 2017 for expired and short-dated products.

Furniture and Equipment
Furniture and equipment are recorded at cost. Depreciation is recorded over the estimated useful lives of the assets using the straight-line method. All furniture and equipment have useful lives ranging from five to seven years. Maintenance and repair costs are charged to expense as incurred. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and any resulting gain or loss is reported in results of operations.

Intangible Assets
Intangible assets with finite lives are amortized over their respective estimated useful lives to their estimated residual values. Intangible assets are comprised of the fair values ascribed to trademarks, product know how, commercial know how, and internet domain names. The trademarks, product know how, commercial know how, and internet domain names are being amortized over 15 years.

Impairment of Long-Lived Assets
The Company evaluates the recoverability of such assets when indicators of impairment exist. US GAAP requires recognition of impairment of long-lived assets in the event the net carrying value of these assets exceeds the estimated future undiscounted cash flows attributable to such assets. Accordingly, when indicators of impairment are present, the Company evaluates the carrying value of these assets in relation to the operating performance of the business and the future discounted cash flows expected to result from the use of these assets. If the carrying value of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying value of the asset exceeds the fair value of the asset. There were no impairment charges of long-lived assets recognized during the year ended March 31, 2017.

Revenue Recognition
The Company records revenue from product sales when title and risk of ownership have been transferred to the customer, which occurs upon delivery of the product. Consistent with industry practice, the Company maintains a return policy that, in certain circumstances, allows its customers to return product. The revenue from sale of products are after providing for various price concession routine to this industry such as chargebacks, rebates and discounts.

Shipping & Handling
Shipping and handling costs are generally included in the value of the purchased inventory (freight inwards).

Cost of Goods Sold
Cost of goods sold primarily includes cost of material, labor, and manufacturing overhead.

Research Costs
Costs incurred for research are expensed as incurred. The Company recognizes research expenses in the period in which it becomes obligated to incur such costs. Research expenses for the year ended March 31, 2017 were $63,192 and are included in general and administrative expenses in the consolidated statement of operations.

Advertising Expense
The Company expenses all marketing and promotional costs when incurred. During the year ended March 31, 2017, advertising expenses totaled $2,009,121. These amounts are included in general and administrative expenses in the consolidated statement of operations.

Investments
The Company has made investments in the form of common stock and preferred shares in the affiliated enterprise Strides Pharma Global (UK) Limited (SPGUL), formerly known as Strides Pharma (UK) Limited, (SPUL). These investments account for less than 12% of the voting power in SPGUL and are accounted under the cost method. Management determines on an annual basis any impairment on those investments and records the adjustments to investments in the income statement.

Other Income (Expense)
Per the group policy, the Company classifies the following as other interest (expense) in the statement of operations:

(a) Other income

(b) Interest Income

(c) Interest expense and other financing costs

(d) Provision to impairment of investment

(e) Restructuring costs.

Income Taxes
The Company accounts for income taxes in accordance with the “liability” method, under which deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities, using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reflected on the balance sheets when it is determined that it is more likely than not that the asset will be realized. Guidance also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some or all of the deferred tax asset will not be realized (see Note 9).

US GAAP clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination. Measurement of the tax uncertainty occurs if the recognition threshold has been met. The standard also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition requirements. See Note 9 – Income Taxes, for further discussion of the impact to the Company's consolidated financial statements.

Fair Value Accounting
The Financial Accounting Standards Board established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The Financial instruments such as cash, accounts receivables, and payables are due in the normal cycle of short-term nature and no significant difference with book value. Additionally, the Company has a long term investment in an affiliated company, SPGUL, in the form of preferred shares that is valued at cost.

Effects of New Accounting Pronouncements
In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2017-04 Simplifying the Test for Goodwill Impairment (Topic 350) ("ASU 2017-04") to simplify how an entity is required to test goodwill for impairment by eliminating the second step in the two step goodwill impairment test. ASU 2017-04 is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted for annual or interim goodwill impairment tests performed on testing dates after January 1, 2017. The Company is currently evaluating the impact on the financial statements of the adoption of the guidance in ASU 2017-04 and has not determined the potential impact of adoption at this time.

In February 2016, the FASB issued Accounting Standards Update 2016-02 Leases (Topic 842) ("ASU 2016-02") to provide guidance on recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early application of the amendments in ASU 2016-02 is permitted for all entities. The Company is currently evaluating the impact on the financial statements of the adoption of the guidance in ASU 2016-02.

In July 2015, the FASB issued Accounting Standards Update 2015-11 Inventory – Simplifying the Measurement of Inventory (Topic 330) ("ASU 2015-11") which provides accounting guidance relating to simplifying the subsequent measurement of inventory. ASU 2015-11 applies to all inventory other than that measured using last-in, first out ("LIFO") or the retail inventory method. The guidance states that an entity should measure inventory at the lower of cost and net realizable value. Net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. ASU 2015-11 is effective for nonpublic entities with a fiscal year beginning after December 15, 2016 and should be applied prospectively with earlier application permitted as of the beginning of an annual reporting period. The Company is currently evaluating the impact of applying this new guidance on its prospective financial statements.

In May 2014, the FASB issued Accounting Standards Update 2014-09 Revenue from Contracts with Customers (Topic 606) ("ASU 2014-09") as updated by additional ASUs, which provides accounting guidance for all revenue arising from contracts with customers and affects all entities that enter into contracts to provide goods or services to their customers. ASU 2014-09 is effective for nonpublic entities with a fiscal year beginning after December 15, 2018 and may be early adopted for fiscal years beginning after December 15, 2016. The Company is currently evaluating the impact of applying this new guidance on its prospective financial statements.

3. Inventory

Inventories consist of the following at March 31, 2017:

Raw materials	$173,353
Finished goods	8,752,996
Goods in transit	1,891,839
Total	$10,818,188

The Company had $1,891,839 of goods in transit as of March 31, 2017 related to a purchase of inventory from Strides Pharma Global Pte. Limited.

4. Furniture and Equipment, Net

Furniture and equipment as of March 31, 2017 consist of the following:

Furniture and equipment	$77,989
Office equipment	47,603
Accumulated depreciation	(25,213)
Property, plant, and equipment, net	$ 100,379

Depreciation expense related to furniture and equipment amounted to $14,917 for the year ended March 31, 2017.

5. Intangible Assets

On March 4, 2016, the Company entered into an Asset Purchase Agreement to acquire three brands at a cost of $10,000,000 plus the inventory value at closing for the purpose of strengthening its OTC business operations.

The Company engaged an independent specialist to perform a valuation of the intangibles acquired and the fair value of the respective intangibles was determined to be as follows:

Trademarks	$2,859,000
Production Know	$3,529,000
Commercial Know	$3,529,000
Internet Domain Name	$83,000
Total	$10,000,000

The Company also incurred website capitalization cost of $81,000 in fiscal 2017. The website capitalization cost had useful life of 5 years and the Company recorded amortization of $12,150 in 2017 for the website capitalization cost.

Intangible assets consist of the following as of March 31, 2017:

	Asset	Accumulated Amortization	Net
Trademarks	$2,859,000	$190,600	$2,668,400
Production Know	3,529,000	235,267	3,293,733
Commercial Know	3,529,000	235,267	3,293,733
Internet Doman Name	83,000	5,533	77,467
Website	81,000	12,150	68,850
Total	$10,081,000	$678,817	$9,402,183

Amortization expense was $678,817 for the year ended March 31, 2017. For Brands and Website, the amortization expense for the next five years and thereafter is estimated as follows:

2018	$682,867
2019	682,867
2020	682,867
2021	682,867
2022	670,717
Thereafter	5,999,998
	$9,402,183

6. Investments

On October 29, 2015, under a contribution agreement with Strides Pharma Global (UK) Limited (SPGUL), formerly known as Strides Pharma (UK) Limited, (SPUL), the Company transferred to a related party, SPGUL, the following: a) entire investments of 6,000,000 shares in Oncobiologics, Inc. for GBP 23,480,000 (or $35,950,228) based on a independent valuation and b) its 100% holding in Altima Innovation for GBP 3900 or approximately $5,972. For the consideration given up the Company received 2,208,654 Ordinary Shares of SPGUL at 1 GBP per share and 212,709 Preferred Shares of SPGUL at 100 GBP per share. As per the terms, the preferred shares are carried at 6% of accumulated dividend and to be optionally convertible at the original fixed exchange rate. As of March 31, 2017, no dividends have been declared by the Board of Directors.

The total value of the investments recorded on October 29, 2015, was $35,956,200 based on a valuation report performed on October 28, 2015. Based on a valuation performed in March 2017, the Company recorded in its income statement an impairment loss of $1,792,285 relating to its common shares in SPGUL for the year ended March 31, 2017.

Investments	# of Shares	USD	Impairment/Other Adj.	Net
Common Shares	2,208,654	$3,381,670	($1,792,285)	$1,589,385
Preferred Shares	212,709	32,567,875	- -	$32,567,875
Due to SPGUL		6,655	(6,655)	- -
		$35,956,200	($1,798,940)	$34,157,260

7. Bank Debt

In January 2017, the Company entered into a loan agreement with RBL Bank Limited India for $15,000,000 which is secured by substantially all of the current assets (receivables and inventories) of the Company. Interest on the loan is variable, based on the three month LIBOR plus 300 BPS p.a., payable quarterly during the term of the loan. The interest rate as of March 31, 2017 was approximately 4% per annum. The loan is subject to certain operational covenants and the loan is guaranteed by the Parent Company. The term of the loan is one year with the entire principal balance due in one lump sum payment on January 2, 2018.

8. Long Term Debt, Related Parties

The Company has entered into two loan facility agreements with Strides Pharma Ltd (Linkace), Cyprus (“SPL”), a related party, of up to $8,000,000 and $10,000,000, respectively.

On April 28, 2014, the Company entered into a loan facility agreement of up to $8,000,000. The line is unsecured, has an interest rate of 6% per annum and amounts are fully utilized under the arrangement. At March 31, 2017, borrowings outstanding under the arrangement totaled $2,222,876.

On May 20, 2014, the Company entered into a loan facility agreement of up to $10,000,000. The line is unsecured, has an interest rate of 6% per annum and amounts are fully utilized under the arrangement. At March 31, 2017, borrowings outstanding under the second line totaled $8,630,000.

The interest expense related to both agreements due to the Strides Pharma Limited was approximately $640,191 for the year ended March 31, 2017. Interest for both loans is accrued and payable at the time of maturity. Total interest accrued from these two loans is $1,896,844 of which $640,191 was related to the year ended March 31, 2017. Both loan agreements have been extended for more than 12 months.

9. Income Taxes

The federal income tax provision was zero due to the net loss incurred and the establishment of a full valuation allowance. Current income tax expense does not include franchise and capital taxes, as these amounts are reported as a component of selling, general and administrative expenses. Income tax expense for the year ended March 31, 2017 was approximately $2,000. The tax expense during the year represents minimal state and local taxes.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The significant components of the Company's deferred income tax assets and liabilities as of March 31, 2017 are as follows:

Deferred Tax Assets:	
Accrued expenses	$719,050
Investments	629,589
Net operating loss carryforward	864,479
Other	4,711
	2,217,829
Valuation allowance	(1,984,310)
Total deferred tax assets	233,519
Deferred Tax Liabilities:	
Intangible assets	(196,354)
Fixed assets	(37,165)
Total deferred tax liabilities	(233,519)
Net deferred tax assets	$ - -

The deferred tax asset from net operating loss carryforwards of $1,984,310 represents approximately $7.9 million of net operating loss carryforwards which will begin to expire in fiscal year 2037.

A valuation allowance was established for deferred income tax assets because, due to a limited operating history and the Company’s history of losses, it cannot be reasonably assured that deductible temporary differences and net operating loss carryforward can be realized through future taxable income.

The Company analyzes material tax positions in its tax accrual for all open years and has identified all of its outstanding tax positions. The Company’s tax filings in its significant jurisdictions remain open to audit for years 2013 and forward.

The Company recognizes interest and penalties related to uncertain tax positions as part of the provision for income taxes. The Company has no accrued expense or liability for interest and penalties as of March 31, 2017.

The Company has undertaken an analysis of all material tax positions in its tax accruals and has identified no additional uncertain tax positions as of March 31, 2017.

10. Concentrations

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of accounts receivable. The Company generated approximately 72% of its Gross revenue from two customers during the year ended March 31, 2017.

The table below breaks down the percentage of revenue and accounts receivable related to the two customers:

Customers	Gross Revenue	Accounts Receivable
Customer A	56%	62%
Customer B	16%	16%

The Company's largest and only vendor for Rx product purchases is SPG. As such, products are manufactured at one centralized location in India.

11. Related Party Transactions

The Company transacts business with the Group Parent Company, Strides Shasun Limited and its affiliates in various transactions such as inventory purchases, service rendered, and financial borrowings.

Company transactions with related parties in fiscal 2017 include the following

Inventory purchases from Strides Pharma Global Pte Limited (“SPG”)	$25,259,062
Inventory purchases from Strides Shasun Limited	$1,932,682
Services provided to SPG	$255,596
Interest accrued to Strides Pharma Ltd (Linkace), Cyprus (“SPL”)	$640,191

At March 31, 2017 balances with related parties are comprised of the following:

Receivable due from – Altima Innovations Inc, USA	$791,571
Receivable due from Strides Pharma Asia	$10,538
Loan receivable due from – Altima Innovations Inc, USA	$1,368,550
	$2,170,659
Payable to SPG	$10,843,547

Payable to Strides Shasun Limited	$463,085
Payable to Strides Arcolab International Ltd, UK ("SAIL")	$628,949
Payable to Strides Pharma Global (UK) Limited ("SPGUL")	$25,346
Payable to Shasun USA, Inc.	$271,106
	$12,232,033
Loan Payable to Strides Pharma Ltd (Linkace), Cyprus ("SPL")	$10,852,876
Interest Payable to SPL	$1,896,844

12. Commitments and Contingencies

Operating Lease
The Company leases their East Brunswick office and facilities space under a non-cancelable agreement expiring in April 2021. The period of lease is from August 1, 2015, to April 30, 2021. Total future minimum rental payments pursuant to this agreement are $892,261 or $18,209 a month through April 30, 2021.

The following is a schedule of the future minimum lease payments under this non-cancelable operating lease:

Year ending March 31:	
2018	$212,388
2019	216,317
2020	220,319
2021	224,395
2022	18,842
Total minimum lease payments	$892,261

For the year ended March 31, 2017, the Company recorded rent expense of $161,130.

Regulatory Environment
Any product designed and labeled for use in humans requires regulatory approval by government agencies prior to commercialization. Various federal, state, local, and foreign statutes and regulations including the United States Food & Drug Administration ("FDA") govern testing, manufacturing, labeling, distribution, storage, and record-keeping related to such products and their promotion and marketing. In addition, the current regulatory environment at the FDA could lead to increased testing and data requirements which could impact regulatory timelines and costs to the Company and its suppliers.

13. Employee Benefit Plan

The Company has established a 401(k) plan for qualified employees. Company contributions to this plan are based on a defined formula which matches a percentage of an employee's contribution. For the year ended March 31, 2017, the Company made contributions of $18,743. This amount is included in selling, general and administrative expenses in the consolidated statement of operations.

14. Subsequent Events

The Company has evaluated subsequent events occurring after the financial statement date through August 30, 2017 which is the date the financial statements were available to be issued. Based on the evaluation, the Company has no subsequent events that requires disclosure.