



# Amarnath Kamath & Associates Chartered Accountants

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## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
Fagris Medica Private Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Fagris Medica Private Limited ("the company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, the Statement of Other Comprehensive Income, the Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March 2020, its profit/loss, Other Comprehensive Income, cash flows and statement of changes in Equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





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## Chartered Accountants

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditors' Response
<p><b>Going Concern:</b> The Company has no Revenues of its own and has transferred all of its Assets to its holding company. Therefore, there is a risk whether the company is in Going Concern or not.</p>	<p>The Company had restructured its business during the earlier years. The management's efforts to explore alternate lines of business activities by the Company have not fructified. Accordingly, during the year, the Management has decided to merge the Company's operations with its Holding Company, viz. Strides Pharma Science Limited under a scheme of arrangement which was approved by the Board of Directors on 11<sup>th</sup> September 2019. Presently, the procedural formalities as directed by the National Company Law Tribunal (NCLT) are underway.</p>

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the Preparation and Presentation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles Generally Accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.





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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls.

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

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

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on 31 March 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020, from being appointed as a director in terms of Section 164(2) of the Act.

f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:





# Amarnath Kamath & Associates Chartered Accountants

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- i. The Company has no pending litigations as per the information furnished to us ;
- ii. The Company has not entered into any derivative transactions as per the information furnished to us
- iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

g) The company has adequate internal financial control system in place and it is operating effectively. The same has been given in Annexure - B to this report.

## **Other Matters:**

The Company has sold all of it's operations to its parent company and currently does not have any operations.

**For Amarnath Kamath & Associates  
Chartered Accountants**

**V. Narayanan, FCA-219265  
Partner – FRN 000099S**

**Date : July 14, 2020**

**UDIN : 20219265AAAAEN7024**





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### Appendix A : Addendum to the Independent Auditors' Report

#### **I. Fixed Assets**

Based on the information provided to us and the verification conducted by us we opine that

1. The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets.
2. The Fixed Assets have been physically verified by the management at reasonable intervals. During the course of such Physical Verification, the management has found that there are no material discrepancies.
3. The Company does not own any immovable property therefore question of verification of title deeds does not arise.
4. The Company has transferred all of it's Fixed Assets and as at the date of Balance Sheet the value of all fixed assets is Nil

#### **II. Inventory**

1. The management has conducted physical verification of inventory at reasonable intervals. The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the company's size and its nature of business.
2. The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. The Company has transferred all of it's Inventories and as at the date of Balance Sheet the value of all Inventories is Nil

#### **III. Loans, Borrowings & Guarantees - Granted**

Based on the information provided to us and the verification conducted by us we opine that

1. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act.
2. The company has not given any guarantee for loans taken by others from Banks or Financial Institutions.

#### **IV. Loans, Borrowings & Guarantees - Obtained**

Based on the information provided to us and the verification conducted by us we opine that the Company has not obtained any Loan from Bank or Financial Institution. It does not have outstanding Debentures. Hence the question of reporting about defaults in repayment does not arise.

#### **V. Public Deposits:**

Based on the information provided to us and the verification conducted by us we opine that the company has not accepted deposits under sections 73 to 76 of the Act during the period.

#### **VI. Costing Records:**

Based on the information provided to us The Maintenance of Cost Records under section 148(1) of the act is not prescribed for the company.





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### **VII. Statutory Masters:**

a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with appropriate authorities.

b) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no instances of the company not depositing dues of any Taxes, Duties, Cess or other amounts due to disputes or other reason.

c) The company has not declared any dividend since its incorporation. So there is no question in transferring of unclaimed dividend to Investors Education and Protection Fund in accordance with Companies Act 2013 and rules made there under.

### **VIII. Frauds**

Based on the information provided to us and the verification conducted by us we opine that there is no instances of any Fraud or suspected fraud on or by the company is noticed or reported during the period.

### **IX. Nidhi & NBFC Companies**

The Company is not a Nidhi Company nor is legally required to register under Section 45-IA of Reserve Bank of India Act. Therefore commenting on Clause 3(xii) and 3(xvi) of CARO, 2016 does not arise.

### **X. Issue of Shares**

The company has not issued any shares during the year, therefore commenting under Clause 3(ix) and Clause 3(xiv) of CARO 2016 does not arise.

### **XI. Managerial Remuneration**

The company has not paid any remuneration to its directors during the year, therefore reporting under Clause 3(xi) does not arise.

### **XII. Related Party Transactions**

The company has transacted with related parties at arms length price. In our opinion, the company has complied with Section 177 and 188 of Companies Act, 2013 and also made needed disclosures under Indian Accounting Standards relating to Transactions with Related Parties which forms part of the Notes to Accounts.





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## XIII. Non Cash Transactions with Directors

The company has not done any non-cash transactions with the Directors or persons with whom Directors are interested during the year and hence reporting under Clause 3(xv) does not arise.

**For Amarnath Kamath & Associates  
Chartered Accountants**

**V. Narayanan, FCA-219265**

**Partner – FRN 000099S**

**Date : July 14, 2020**

**UDIN : 20219265AAAAEN7024**





# Amarnath Kamath & Associates Chartered Accountants

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## Appendix B : Auditors' Report on Internal Financial Control Over Financial Reporting

### 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 financial reporting of FAGRIS MEDICA PRIVATE LIMITED, ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended 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. 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.

#### Auditors' 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. We have also carried out the responsibilities prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. These 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 by 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





# Amarnath Kamath & Associates Chartered Accountants

## 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 -

- a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c. 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, 2020; 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."

**For Amarnath Kamath & Associates  
Chartered Accountants**

**V. Narayanan, FCA-219265  
Partner – FRN 000099S**

**Date : July 14, 2020**

**UDIN : 20219265AAAAEN7024**



FAGRIS MEDICA PRIVATE LIMITED  
BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	31 Mar 20	Amount in INR 31 Mar 19
<b>A ASSETS</b>			
<b>I Current assets</b>			
(a) Financial assets			
(i) Trade receivables	3	-	15,925
(ii) Cash and cash equivalents	4	767,174	931,467
(iii) Other financial assets	5	-	254,894
(b) Other current assets	6	895,777	890,412
<b>Total current assets</b>		<u>1,662,951</u>	<u>2,092,698</u>
<b>TOTAL ASSETS</b>		<u>1,662,951</u>	<u>2,092,698</u>
<b>B EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity share capital	7	10,400,000	10,400,000
(b) Other equity	8	(9,399,202)	(9,068,167)
<b>Total equity</b>		<u>1,000,798</u>	<u>1,331,833</u>
<b>II Liabilities</b>			
<b>1 Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	9		
- Total outstanding dues of micro enterprises and small enterprises		33,600	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		550,566	710,424
(ii) Other financial liabilities	10	30,925	10,319
(b) Current tax liabilities	11	47,062	40,122
		<u>662,153</u>	<u>760,865</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,662,951</u>	<u>2,092,698</u>

The accompanying notes are an integral part of the financial statements

As per our report of even date attached  
For **Amarnath Kamath & Associates**  
Chartered Accountants  
Firm Registration No. 000099S

For and on behalf of Board of Directors

**V Narayanan**  
Partner  
Mem. No. : 219265

  
**Alexander A**  
Director  
DIN: 02276597

  
**Sormistha Ghosh**  
Director  
DIN: 07669095

Place : Bengaluru  
Date: July 14, 2020  
UDIN : 20219265AAAAEN7024



FAGRIS MEDICA PRIVATE LIMITED  
STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED MARCH 31, 2020

	Note No.	Amount in INR	
		31 Mar 20	31 Mar 19
1 Revenue from operations		-	-
2 Other income	12	45,181	998,135
<b>3 Total revenue (1+2)</b>		<b>45,181</b>	<b>998,135</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed		-	-
(b) Employee benefits expenses		-	-
(c) Finance costs	13	11,799	33,145
(d) Other expenses	14	352,126	623,132
<b>Total</b>		<b>363,925</b>	<b>656,277</b>
<b>5 Profit before exceptional items and tax (3-4)</b>		<b>(318,744)</b>	<b>341,858</b>
6 Exceptional items gain / (loss) (net)		-	-
<b>7 Profit before tax (5+6)</b>		<b>(318,744)</b>	<b>341,858</b>
8 Tax expense	15	12,291	-
<b>9 Profit for the year (7-8)</b>		<b>(331,035)</b>	<b>341,858</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>(331,035)</b>	<b>341,858</b>
<b>12 Earnings per share (of Rs. 10/- each)</b>			
- Basic		(0.32)	0.33
- Diluted		(0.32)	0.33

The accompanying notes are an integral part of the financial statements

As per our report of even date attached  
For **Amarnath Kamath & Associates**  
Chartered Accountants  
Firm Registration No. 0000995

For and on behalf of Board of Directors

**V Narayanan**  
Partner  
Mem. No.: 219265

  
**Alexander A**  
Director  
DIN: 02276597

  
**Sormistha Ghosh**  
Director  
DIN: 07669095



Place : Bengaluru  
Date: July 14, 2020  
UDIN :  
20219265AAAAEN7024

FAGRIS MEDICA PRIVATE LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEARS ENDED MARCH 31, 2020 AND MARCH 31, 2019

A) Equity share capital

Particulars	Amount in INR
Balance as at April 1, 2018	10,400,000
Changes in equity share capital during the year	-
Balance as at March 31, 2019	10,400,000
Changes in equity share capital during the year	-
Balance as at March 31, 2020	10,400,000

(B) Other equity

Particulars	Reserves and surplus		Total
	Capital reserve	Retained earnings	
Balance as at April 1, 2018	29,266,229	(38,676,254)	(9,410,025)
Profit/(loss) for the year	-	341,858	341,858
Total comprehensive income	-	341,858	341,858
Balance as at March 31, 2019	29,266,229	(38,334,396)	(9,068,167)
Profit/(loss) for the year	-	(331,035)	(331,035)
Total comprehensive income	-	(331,035)	(331,035)
Balance as at March 31, 2020	29,266,229	(38,665,431)	(9,399,202)

The accompanying notes are an integral part of the financial statements

As per our report of even date attached  
For Amarnath Kamath & Associates  
Chartered Accountants  
Firm Registration No. 000099S

For and on behalf of Board of Directors

V Narayanan  
Partner  
Mem. No.: 219265

  
Alexander A  
Director  
DIN: 02276597

  
Sormistha Ghosh  
Director  
DIN: 07669095

Place : Bengaluru  
Date: July 14, 2020  
UDIN : 20219265AAAAEN7024



**FAGRIS MEDICA PRIVATE LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED March 31, 2020**

	Amount in INR	
Particulars	31 Mar 20	31 Mar 19
<b>A. Cash flow from operating activities</b>		
Net Profit /(loss) after tax	(331,035)	341,858
<b>Adjustments for:</b>		
-Provision for tax	12,291	-
-Net unrealised exchange (gain) / loss	886,951	(657,257)
	<b>899,242</b>	<b>(657,257)</b>
<b>Operating profit / (loss) before working capital changes</b>	<b>568,207</b>	<b>(315,399)</b>
<b>Changes in working capital:</b>		
(Increase)/decrease in trade and other receivables	(621,497)	14,847,064
Increase/(decrease) in trade and other payables	(132,077)	(7,587,337)
<b>Net change in working capital</b>	<b>(753,574)</b>	<b>7,259,727</b>
<b>Cash generated from operations</b>	<b>(185,367)</b>	<b>6,944,328</b>
Net income tax (paid) / refunds	(5,351)	-
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(190,718)</b>	<b>6,944,328</b>
<b>B. Cash flow from investing activities</b>	-	-
<b>C. Cash flow from financing activities</b>		
Advance from related parties	26,425	(7,280,556)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>26,425</b>	<b>(7,280,556)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(164,293)</b>	<b>(336,228)</b>
Cash and cash equivalents at the beginning of the year	931,467	1,267,695
<b>Cash and cash equivalents at the end of the year</b>	<b>767,174</b>	<b>931,467</b>
<b>Reconciliation of cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 2)	767,174	931,467
Less: Bank balances not considered as Cash and cash equivalents as defined in IndAS 7 statement of cash flow.	-	-
<b>Net Cash and cash equivalents as defined in IND AS 7 statement of cash flows included in Note 2</b>	<b>767,174</b>	<b>931,467</b>
Cash and cash equivalents at the end of the year *	<b>767,174</b>	<b>931,467</b>
* Comprises:		
(a) Cash on hand	3,574	3,574
(b) Balances with banks - in current accounts	763,600	927,893

The accompanying notes are an integral part of the financial statements

As per our report of even date attached  
For **Amarnath Kamath & Associates**  
Chartered Accountants  
Firm Registration No. 000099S

For and on behalf of Board of Directors

**V Narayanan**  
Partner  
Mem. No. : 219265

  
**Alexander A**  
Director  
DIN: 02276597

  
**Sormistha Ghosh**  
Director  
DIN: 07669095

Place : Bengaluru  
Date: July 14, 2020  
UDIN : 20219265AAAAEN7024



## FAGRIS MEDICA PRIVATE LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH 2020

#### **Note No.-1**

##### **COMPANY INFORMATION**

Fagris Medica Private Limited is a pharmaceutical company having corporate office in Bengaluru, India. The company is engaged in business of manufacturing, marketing and commercializing of OTC products in CIS countries.

#### **Note No.-2**

##### **SIGNIFICANT ACCOUNTING POLICIES:**

###### **A. Basis for preparation of Financial statements**

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

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.

###### **COVID-19:**

In March 2020, the World Health Organization declared COVID-19 to be a pandemic. The actual impact of this global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company has adopted measures to curb the spread of infection in order to ensure business continuity with minimal disruption. The Company has considered available internal and external information while finalizing various estimates in relation to its financial statements upto the date of approval of the financial statements by the Board of Directors. The Company will continue to closely monitor any material changes to future economic conditions. However, the pandemic did not have any material impact on the financial statement for the year ended March 31, 2020.

###### **B. Going concern**

The Company had restructured its business during the earlier year. The management's efforts to explore alternate lines of business activities by the Company have not fructified. Accordingly, during the year, the Management has decided to merge the Company's operations with its Holding Company, viz.



Strides Pharma Science Limited under a scheme of arrangement which was approved by the Board of Directors on 11<sup>th</sup> September 2019. Presently, the procedural formalities as directed by the National Company Law Tribunal (NCLT) are underway. Pending completion of these and the receipt of an order from the jurisdictional authority, notwithstanding the fact that 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 and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**D. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities are segregated based on the available information.

**E. Foreign currency transactions and translations**

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.

**F. Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

**G. Earnings Per Share**

Earnings per share is computed by dividing the profit / (loss) after tax 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 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 later.



#### H. Taxes on income

The current charge for income tax (if any) is calculated in accordance with the relevant tax regulations applicable to the Company. Minimum alternate tax paid (if any) in accordance with the tax laws, which gives future economic benefits 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.

#### I. Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized in the financial statements.

For and on behalf of the Board



Alexander A  
Director  
DIN: 02276597



Sormistha Ghosh  
Director  
DIN: 07669095

Place: Bengaluru  
Date: July 14, 2020



**FAGRIS MEDICA PRIVATE LIMITED**  
Notes forming part of the financial statements

Note  
No.

3 Trade receivables	Amount in INR	
Particulars	31 Mar 20	31 Mar 19
<b>Unsecured</b>		
Considered good	-	15,925
Considered doubtful	-	212,407
	-	228,332
Less: allowance for doubtful trade receivables	-	212,407
<b>Total</b>	-	15,925

4 Cash and cash equivalents	Amount in INR	
Particulars	31 Mar 20	31 Mar 19
Cash on hand	3,574	3,574
Balance with banks:		
- In current account	763,600	927,893
<b>Total</b>	767,174	931,467

5 Other financial assets	Amount in INR	
Particulars	31 Mar 20	31 Mar 19
Receivable from related parties	-	254,894
<b>Total</b>	-	254,894

6 Other current assets	Amount in INR	
Particulars	31 Mar 20	31 Mar 19
- GST receivables	895,777	890,412
<b>Total</b>	895,777	890,412

7 Equity share capital	Amount in INR	
Particulars	31 Mar 20	31 Mar 19
<b>Authorised</b>		
1,605,000 equity shares of Rs. 10/- each with voting rights (March 31, 2019: 1,605,000 Equity shares of Rs. 10/-each)	16,050,000	16,050,000
6% 5,000 redeemable non cumulative preference shares of Rs.10/- each. (March 31, 2019: 6% 5,000 redeemable non cumulative preference shares of Rs. 10/-each)	50,000	50,000
<b>Total</b>	16,100,000	16,100,000
<b>Issued, subscribed and fully paid-up</b>		
1,040,000 equity shares of Rs.10/- each with voting rights (March 31, 2019 1,040,000 Equity shares of Rs. 10/-each)	10,400,000	10,400,000
<b>Total</b>	10,400,000	10,400,000

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

Particulars	31-Mar-20		31-Mar-19	
	No. of Shares	Amount in INR	No. of Shares	Amount in INR
Equity share of Rs. 10/- each				
Opening balance	1,040,000	10,400,000	1,040,000	10,400,000
Issued during the year	-	-	-	-
<b>Closing balance</b>	1,040,000	10,400,000	1,040,000	10,400,000

(b) Detail of the rights, preferences and 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. 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 each shareholder holding more than 5% of shares:

Particulars	31-Mar-20		31-Mar-19	
	No. of Shares	% Of shares	No. of Shares	% Of shares
Strides Pharma Science Limited	1,040,000	100%	1,040,000	100%
<b>Total</b>	1,040,000	100%	1,040,000	100%



FAGRIS MEDICA PRIVATE LIMITED  
Notes forming part of the financial statements

Note  
No.

8 Other equity	Amount in INR	
Particulars	31 Mar 20	31 Mar 19
<b>Capital reserve</b>		
Opening balance	29,266,229	29,266,229
Closing balance	29,266,229	29,266,229
<b>Surplus in statement of profit and loss</b>		
Opening balance	(38,334,396)	(38,676,254)
Add: Profit /(loss) for the year	(331,035)	341,858
Closing balance	(38,665,431)	(38,334,396)
<b>Total</b>	<b>(9,399,202)</b>	<b>(9,068,167)</b>

9 Trade payables	Amount in INR	
Particulars	31 Mar 20	31 Mar 19
Trade payables:		
- Total outstanding dues of micro enterprises and small enterprises	33,600	-
- Total outstanding dues of creditors other than micro and small enterprises	550,566	710,424
<b>Total</b>	<b>584,166</b>	<b>710,424</b>

\* Includes dues to related parties (Refer note 16)

Note:

(i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31 Mar 20	31 Mar 19
(i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year	33,600	-
(ii) Interest due thereon remaining unpaid to any suppliers as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the suppliers	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

10 Other financial liabilities	Amount in INR	
Particulars	31 Mar 20	31 Mar 19
Dues to related parties	26,425	-
Other payables:		
- Statutory remittances	4,500	10,319
<b>Total</b>	<b>30,925</b>	<b>10,319</b>

11 Current tax liabilities	Amount in INR	
Particulars	31 Mar 20	31 Mar 19
Provision for income tax	47,062	40,122
<b>Total</b>	<b>47,062</b>	<b>40,122</b>



**FAGRIS MEDICA PRIVATE LIMITED**  
Notes forming part of the financial statements

Note

No.

12 Other income	Amount in INR	
Particulars	31 Mar 20	31 Mar 19
Net gain on foreign currency transactions	45,181	998,135
<b>Total</b>	<b>45,181</b>	<b>998,135</b>

13 Finance costs	Amount in INR	
Particulars	31 Mar 20	31 Mar 19
Interest expense on:		
- Delayed payment of income tax	1,349	-
Other finance costs	10,450	33,145
<b>Total</b>	<b>11,799</b>	<b>33,145</b>

14 Other expenses	Amount in INR	
Particulars	31 Mar 20	31 Mar 19
Rent	74,877	60,000
Rates and taxes	62,789	467,932
Legal and professional	69,800	60,200
Payments to auditors	35,000	35,000
Miscellaneous expenses	109,660	-
<b>Total</b>	<b>352,126</b>	<b>623,132</b>

(i) Payments to the statutory auditors of the company comprises (net of GST Credit) for:

		Amount in INR	
Particulars	31 Mar 20	31 Mar 19	
Statutory audit fee	35,000	35,000	
<b>Total</b>	<b>35,000</b>	<b>35,000</b>	

15 Tax expenses	Amount in INR	
Particulars	31 Mar 20	31 Mar 19
Current tax expenses	12,291	-
<b>Total</b>	<b>12,291</b>	<b>-</b>



**Note 16****Related party disclosures**

Related party classification	Name of related party
Holding company	Strides Pharma Science Limited
Fellow subsidiary	Arrow Remedies Private Limited
Fellow subsidiary	Strides Pharma (Cyprus) Limited

**Related party transactions during the year ended March 31, 2020**

Nature of transactions	Holding company		Fellow subsidiary	
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
a) Advances - taken / repaid (net)	-	10,763,961	-	-
b) Reimbursement of expenses incurred by	26,425	580	-	-
c) Rental expenses	60,000	60,000	-	-

**Related party balances as at March 31st, 2020**

Nature of Transactions	Holding company		Fellow subsidiary	
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
a) Advances receivables /(payables)	(26,425)	-	-	254,894
b) Trade receivables	-	-	-	-
c) Trade payables	382,611	317,811	-	206,307

**Note 17****Earnings per share**

Particulars	31 Mar 20	31 Mar 19
Net profit after tax (In INR)	(331,035)	341,858
Weighted average number of equity shares (No.s)	1,040,000	1,040,000
Earnings/(loss) per share (In INR)	(0.32)	0.33
Nominal value of equity shares (In INR)	10	10

**Note 18****Foreign currency exposure**

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

Particulars	31 Mar 20		31 Mar 19	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR
Receivables	-	-	-	-
Payables	-	-	-	-
<b>Total</b>	-	-	-	-

**Note 19**

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

For and on behalf of Board of Directors



Alexander A

Director

DIN: 02276597



Sormistha Ghosh

Director

DIN: 07669095

Place : Bengaluru

Date: July 14, 2020

