

# AmarnathKamath&Associates CharteredAccountants

### **Auditors' Report**

The Board of Directors Strides Arcolab Limited Bangalore

We have examined the attached Balance sheet of Strides Pharma Botswana (Pty) Limited a subsidiary of Strides Arcolab Limited (SAL), as at March 31, 2015 and the related Statement of Profit and Loss for the year ended on that date, annexed thereto, together referred to as 'Financial Statements'.

These Financials Statements have been prepared by the management of SAL based on the Management reporting package of the Company prepared underBotswana Generally Accepted Accounting Principles.

Based on the above examination and according to the additional information and explanations furnished to us, we report that:

- > We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our examination of the Financial Statements
- > These financial statements mainly set out the information required in Schedule III of the Companies Act, 2013 for the purpose of consolidation of Group accounts.
- > In our opinion, necessary adjustments have been made by the management of SAL to ensure that the Financial Statements:
  - comply with the Accounting Standards referred to in section 133 of the Indian Companies Act, 2013 and

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are fit for consolidation into Strides Arcolab Limited.

For Amarnath Kamath & Associates **Chartered Accountants** (Firm Registration No. 000099S)

Sudhakar S. Prabhu

**Partner** 

M.No:024015

Place: Bangalore

Date:

`CAREWELHOUSE',MuniswamappaLayout,6<sup>th</sup>Cross,Opp.TOTALMall,OffHALAirportRoad, Bangalore 560017. Phone: 918025264700

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# Strides Pharma Botswana (Pty) Ltd BALANCE SHEET AS AT MARCH 31, 2015

BALANCE SHEET A	Schedule	, 2015 <u>Mar-15</u> <u>BWP</u>	<u>Mar-15</u> <u>INR</u>
A . EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share capital	1	1,597,444	10,024,273
b) Reserves and Surplus	2	-	10,024,273
	·	1,597,444	10,024,273
2. Share application money pending allotment		-	-
3. Minority Interest		-	-
4. Non Current Liabilities			
a) Long Term borrowing	3	1,696,465	10.045.040
b) Deferred Tax liabilities (Net)	Ū	1,030,403	10,645,648
c) Other Long Term Liabilities	4		•
d) Long Term Provisions	5	-	-
	-	1,696,465	10,645,648
5. Current Liabilities	-	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	10,045,048
Short Term borrowing	6	3,869,310	04.000.070
b) Trade Payables	7	0,009,310	24,280,673
c) Other Current Liabilities	8	<del>-</del>	-
d) Short Term Provisions	9	-	-
	<del></del>	3,869,310	24,280,673
Total of Liabilities		3,000,010	24,200,073
rotal of Liabilities		7,163,219	44,950,593
B. ASSETS			
1 . NON CURRENT ASSETS			
a. Fixed Assets	10		
i) Tangible Assets			
ii) Intangible Assets			-
iii) Capital Work in Progress iv) Intangible Assets Under Development		7,040,640	44,181,392
v) Fixed Assets blid for Sale		-	-
, and the same	-	7,040,640	44 404 000
h Non Current Investor	****	7,040,040	44,181,392
b. Non Current Investments c. Deferred Tax Assets (Net)	11		-
d. Long Term Loans and Advances	12		
e. Other Non Current Assets	13 14	-	-
			-
2 . CURRENT ASSETS			**************************************
a Current investments			
b Inventories	15		-
c Trade receivables	16 17	-	-
d Cash and cash equivalents	18	- 122,578	700.000
e Short-term loans and advances	19	122,070	769,202
f Other current assets	20		•
		122,578	769,202
Total of Assets	***************************************	7,163,219	44.050.500
As per our report of even Salt		7,100,218	44,950,593

For Amarnath Kamath & Associates Chartered Accountants (Firm Registration No. 000099S)

Sudhakar S. Prabhu Partner M.No:024015

Place: Bangalore Date:



#### Strides Pharma Botswana (Pty) Ltd **PROFIT & LOSS ACCOUNT**

		For the perio	od ended
<u>Particulars</u>		<u>Mar-15</u>	<u>Mar-15</u>
A. CONTINUING OPERATIONS	<u>Schedule</u>	<u>BWP</u>	<u>INR</u>
Revenue from Operations (Gross)     Less: Excise Duty     Revenue from Operations Net	21 21 _	- - -	-
2. Expenses			
a. Cost of Materials consumed     b. Purchases of Stock in Trade     c. Changes in inventories of finished goods,	22.1 22.2	-	-
work-in-progress and stock-in-trade d. Employee benefits expense f. Other expenses	22.3 23 24		•
Total Expenses		-	_
3. Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1 - 2)		-	-
4. Finance Cost	25	-	•
5. Depreciation and amortisation expense	10		
6. Other Income	26		•
7. Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4- 5 + 6)	***************************************	-	-
8. Exceptional Items			-
8. Profit / (Loss) before tax (7 – 8)	Prince	•	-
9. Tax Expense a Current tax expense for current year b (Less): MAT credit (where applicable) c Current tax expense relating to prior years d Net current tax expense e Deferred tax		- - - - -	- - - - -

10. Profit / (Loss) from continuing operations (11 + 12)

For Amarnath Kamath & Associates
Chartered Accountants
(Firm Registration No. 000099S)

Sudhakar S. Prabhu Partner

M.No:024015

Place: Bangalore

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Date:

### Strides Pharma Botswana (Pty) Ltd

Schedules forming part of the Consolidated Balance She	et	<u>Mar-15</u>	<u>Mar-15</u>
SCHEDULE 1		<u>BWP</u>	INR
SHARE CAPITAL			
1. Authorised			
a) Equity			
b) Preference			
b) i toleichee			
2. Issued, subscribed and paid-up			
a) Equity			
a) Preference		1,597,444	10,024,273
a) Frederence			
		•	-
	Total	1,597,444	10,024,273
SCHEDULE 2		1,557,444	10,024,273
RESERVES AND SURPLUS			
1. General Reserve			
Opening Balance			
Add: Exchange Gain/(Loss) on Opening Balance Add: Transfer from Profit and loss account			•
Closing Balance			
		-	-
2. Capital Reserve			
Opening Balance			
Add: Transfer from Profit and loss account			
Closing Balance			
3. Securities Premium Account			
Opening Balance			
Add: Premium on Shares issued during the year			
Add: Exchange Gain/(Loss) on Opening Balance			•
Less: Utilisation during the Year			_
Closing Balance			•
4. Profit & Loss Account			
Opening Balance			
Add:			
Exchange Gain/(Loss) on Pre Acquisition Profits			
Profit/(Loss) for the Year			-
Less:		•	•
Proposed Dividend Equity Share Holders			_
Proposed Dividend Preference Share Holders			
Tax on dividend		•	-
Transferred to :			
General Reserve		•	
Capital Redemption reserve Debenture Redemption reserve		•	-
Other reserves (Details)		•	-
Exchange Rate Difference on Appropriation		•	-
Closing Balance			
•		-	-
5. Other Reserves (Please Specify and Link it from TB)		-	
			•
6. Exchange reserve (on consolidation)		-	-
	Total	+	+
			-



# Strides Pharma Botswana (Pty) Ltd Schedules forming part of the Consolidated Release Share

NON	CURRENT LIABILITIES		<u>Mar-15</u> <u>BWP</u>	<u>Mar-14</u> INR
Long	Term Borrowings 3			
Secu	red			
	a) Term Loans from Banks			
	b) Term Loans From Financial institutions		•	
	c) Loans and advances from related parties		-	
	d) Deposits e) Long-term maturities of finance lease obligations.		-	
	e) Long-term maturities of finance lease obligations f) Other loans and advances			
Unsec	cured		-	
í	a) Term Loans from Banks			
	Term Loans From other parties		•	
(	Loans and advances from related parties		•	
	d) Deposits			
	Long-term maturities of finance lease obligations		•	
f;	Other loans and advances		1,696,465	10,645,6
			1,696,465	10,645,6
		Total	1,696,465	10,645,6
Other I	Long Term Liabilities 4			
a) Trad	e Payables:			
b) Othe	ers:		-	
(i) P	ayables on purchase of fixed assets			
(II) C	ontractually reimbursable expenses		•	
(iv) Ir	nterest accrued but not due on borrowings nterest accrued on trade payables		•	
(v) In	terest accrued on others		•	
(vi) Ti	rade / security deposits received		•	
(vii) A	Advances from customers		•	
(viii) I	ncome received in advance (Unearned revenue)			
(IX) O	thers (specify nature)	Total		
		Total	•	
on <b>a T</b> e	erm Provisions 5			
) Provis	sion for employee benefits:			
(i) Pro	ovision for compensated absences			
(ii) Pr	ovision for gratuity rovision for Deferred Employee Compensation		-	
(iv) P	rovision for other defined benefit plans		-	
(v) P	rovision for other employee benefits		-	,
			•	•
	sion - Others:			
(i) P10	vision for expenses long term her Long Term provisions		-	
(iii) Pro	vision for warranty		•	
(iv) Pro	vision for estimated losses on operous contracts		-	•
(v) Pro	vision for other contingencies		-	-
(vi) Pro	vision - others (give details)			-
		Total	-	-
ort Te	rm Borrowings 6			
cured				
a)	Loans repayable on demand from Banks			
	Loans repayable on demand from Financial Institutions		•	•
b)			•	-
c)	Loans and advances from related parties		3.869.310	24,280 673
c) d)	Loans and advances from related parties Deposits		3,869,310	24,280,673
c)	Loans and advances from related parties		3,869,310 - 3,869,310	24,280,673 - - 24,280,673



#### Strides Pharma Botswana (Pty) Ltd Schedules forming part of the Consolidated Balance Sheet

Unsecur	od	Mar-15 BWP	Mar-14 INR
a)	Euans repayable on demand from Banks		
b)	Loans repayable on demand from Other parties	-	-
c)	Loans and advances from related parties		
ď)	Deposits	-	
f)	Other loans and advances		
			-
	Total	3,869,310	24,280,673
Trade Pa	yables 7		
Accep	tances		
Other to	nan Acceptances		
		***************************************	
Other Cui	rrent Liabilities 8		
(a) C	Current maturities of long-term debt		-
	Current maturities of finance lease obligations	-	-
	nterest accrued but not due on borrowings	-	-
	nterest accrued and due on borrowings ncome received in advance (Unearned revenue)		-
	nclaimed dividends	•	-
	Other payables	•	•
	i) Statutory remittances		-
	ii) Payables on purchase of fixed assets		-
	ii) Contractually reimbursable expenses		-
	iv) Interest accrued on trade payables v) Interest accrued on others		-
	vi) Trade / security deposits received		-
	vii) Advances from customers		-
	iii) Others (specify nature)		
Short Terr	n Provisions 9		
(a) D	rovigion for ampleyed handfile.		
	rovision for employee benefits: ) Provision for bonus		
	i) Provision for compensated absences	-	
	Provision for gratuity	•	
	v) Provision for post-employment medical benefits		_
	v) Provision for other defined benefit plans	•	-
(1	i) Provision for other employee benefits (give details)	•	-
(b) Pr	rovision - Others:		
	Provision for tax (net of advance tax ` (As at 31 March, 20X1 `)		_
(ii	) Provision for premium payable on redemption of bonds	_	
	i) Provision for estimated loss on derivatives		-
	Provision for warranty	•	
	) Provision for estimated losses on onerous contracts	-	
	i) Provision for other contingencies ii) Provision for proposed equity dividend	-	•
	iii) Provision for proposed equity dividend	•	-
	x) Provision for tax on proposed dividends	-	-
	x) Provision - others (give details)		
	•		
		***************************************	
Amou	int due to Related conpanies 10		
	terror Consum Orbina California Elizabeth		
	Intra Group Other Liabilities Elimination Intra group loans payable		•
	Stock found bureaut		



Strides Pharma Botswana (Pty) Ltd Schedules forming part of the Consolidated Balance Sheet	<u>Mar-15</u> BWP	<u>Mar-14</u> INR
1 . NON CURRENT ASSETS  Long Term Loans and Advances 13	<u> bwe</u>	ilvn
(a) Capital advances Secured, considered good Unsecured, considered good Doubtful		· · · · · · · · · · · · · · · · · · ·
Less: Provision for doubtful advances		
(b) Security deposits Secured, considered good Unsecured, considered good Doubtful		
Less: Provision for doubtful deposits		<u> </u>
(c) Loans and advances to related parties Secured, considered good Unsecured, considered good Doubtful		
Less: Provision for doubtful loans and advances	<b>W</b>	-
(d) Loans and advances to employees Secured, considered good Unsecured, considered good Doubtful		- - -
Less: Provision for doubtful loans and advances		
(e) Prepaid expenses - Unsecured, considered good		-
(f) Advance income tax (net of provisions)		
(h) Balances with government authorities Unsecured, considered good (i) CENVAT credit receivable (ii) VAT credit receivable (iii) Service Tax credit receivable (iv) Others		·
(i) Other loans and advances (specify nature) Secured, considered good Unsecured, considered good Doubtful		·
Less: Provision for other doubtful loans and advances		-
Total	*****	-
Other Non Current Assets 14		
(a) Long-term trade receivables Secured, considered good		
Unsecured, considered good Doubtful		-
Less: Provision for doubtful trade receivables		
(b) Unamortised expenses (i) Ancillary borrowing costs (ii) Share issue expenses (where applicable) (iii) Discount on shares (where applicable)	-	
(c) Accruals (i) Interest accrued on deposits (ii) Interest accrued on investments		
(iii) Interest accrued on trade receivables	-	
(d) Others (i) Insurance claims (ii) Receivables on sale of fixed assets (iii) Contractually company sales expanses		
(iii) Contractually reimbursable expenses (iv) Others (specify nature)	-	
	-	



Strides Pharma Botswana (Pty) Ltd Schedules forming part of the Consolidated Balance Sheet Mar-15 Mar-14 BWP INR 2. CURRENT ASSETS Inventories 16 (a) Raw materials Goods-in-transit (b) Work-in-progress Goods-in-transit (c) Finished goods (other than those acquired for trading) Goods-in-transit (d) Stock-in-trade (acquired for trading) Goods-in-transit (e) Stores and spares Goods-in-transit (f) Loose tools Goods-in-transit (g) Others (Specify nature) Goods-in-transit Trade Receivables 17 Trade receivables outstanding for a period exceeding six months from the date they were due for payment Secured, considered good Unsecured, considered good Doubtful Less: Provision for doubtful trade receivables Other Trade receivables Secured, considered good Unsecured, considered good Doubtful Less: Provision for doubtful trade receivables Cash and Bank Balances 18 Cash and Cash Equivalents (a) Cash on hand (b) Cheques, drafts on hand (c) Balances with banks (i) In current accounts 122,578 769,202 (ii) In EEFC accounts (iii) In deposit accounts (iv) In earmarked accounts Unpaid dividend accounts
 Unpaid matured deposits - Unpaid matured debentures - Share application money received for allotment of securities and due for refund - Other earmarked accounts (d) Others (specify nature) Bank Balances - Balances held as margin money or security against borrowings, guarantee Total 122,578 769,202 Short Term Loans and Advances 19 (a) Security deposits Secured, considered good Unsecured, considered good Less: Provision for doubtful deposits (b) Loans and advances to related parties Secured, considered good Unsecured, considered good .ess: Provision for doubtful loans and advances

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# Strides Pharma Botswana (Pty) Ltd Schedules forming part of the Consolidated Balance Sheet Mar-15 Mar-14 <u>BWP</u> INR (d) Loans and advances to employees Secured, considered good Unsecured, considered good Doubtful Less: Provision for doubtful loans and advances (e) Prepaid expenses - Unsecured, considered good (f) Advance income tax (net of provisions) (h) Balances with government authorities Unsecured, considered good (i) CENVAT credit receivable (ii) VAT credit receivable (iii) Service Tax credit receivable (iv) Others (i) Other loans and advances (specify nature) Secured, considered good Unsecured, considered good Doubtful Less: Provision for other doubtful loans and advances Total Other Current Assets 20 (a) Unbilled Revenue (b) Unamortised expenses (i) Ancillary borrowing costs (iii) Share issue expenses (where applicable) (iii) Discount on shares (where applicable) (iv) Other Deferred Expenses (c) Accruals (i) Interest accrued but not received /Interest receivable (ii) Interest accrued on investments (iii) Interest accrued on trade receivables (d) Others (i) Insurance claims (ii) Receivables on sale of fixed assets (iii) Contractually reimbursable expenses (iv) Others (specify nature)



## Strides Pharma Botswana (Pty) Ltd

### Schedules forming part of the Consolidated Profit & Loss account

			<u>For the ve</u> 31-Mar-15	<u>ar ended</u> 31-Mar-15
			BWP	INR
Reven	ue From Operations 21			
	Sale of products			-
	Sale of Services			-
	Other Operating Revenue Less: Excise duty			-
	Revenue from Operations		*	•
Other	ncome 26			
	Exchange fluctuation gain (net)			-
	Dividend Income			<del>-</del>
	Net gain on sale of Investments Profit on Sale / Disposal of assets			-
	Other Non Operating Income			-
		Total	-	-
Cost C	f Materials Consumed 22.1			
_				
Co	st of Materials Consumed Opening stock			_
	Add : Opening Stock Exchange Rate Difference			-
	Add: Purchases			•
	Less: Closing stock Less: Closing stock Exchange Rate Difference		-	-
	2005. Closing Glock Exchange Hate Pinorenes	Total	*	-
INCRE	ASE / (DECREASE) IN STOCK 22.3			
.,	Operation stock			
i)	Opening stock Work in process			-
	Stock In Trade			-
	Finished goods	,		-
				~- 
ii)	Closing stock			
	Work in process		-	-
	Stock In Trade Finished goods		-	-
	Timonod goods		-	-
****	Funkaria Data Difference on the Steel Items			
iii)	Exchange Rate Difference on the Stock Items			-
		Total	-	-
Employ	vee Benefit Expenses 23			
	Salaries and wages			-
	Contribution to provident and other funds  Expense on employee stock option (ESOP) scheme			-
	Staff welfare expenses			_
		Total	-	-





# Strides Pharma Botswana (Pty) Ltd Schedules forming part of the Consolidated Profit & Loss account

		<u>Mar-15</u> <u>BWP</u>	<u>Mar-14</u> <u>INR</u>
Other Expenses 24			
Power, fuel & water			-
Consumables			-
Conversion & Processing charges			-
Excise duty paid			=
Freight & forwarding			-
Rent			-
Rates & taxes			-
Communication charges			-
Repairs & maintenance			
- Buildings			-
- Machinery			-
- Others			-
Insurance			-
Traveling & conveyance			-
Advertisement & Selling expenses			-
Commission on sales			-
Legal and Professional fees			-
Other expenses			-
Cost of product rights transferred			-
Provision for doubtful debts			-
Exchange fluctuation Loss (Net of Gains)			-
	Total	•	-
Finance Cost 25			-
Interest Income			
		-	
Finance Cost 26			
Bank charges & commission			
Interest on Borrowings			_
Interest on Trade Payable			_
Other Interest Cost			_
Other Borrowing Cost			_
<b>S</b>	Total	-	-
			_





Strides Pharma Botswana (Pty) Ltd

Schedules forming part of the Consolidated Balance Sheet Note 10 Fixed Assets & Intangible Assets

***			GROSS BLOCK				DEPR	DEPRECIATION/AMORTISATION	NOI		NET BI OCK	I OCK
Particulars	Year Beginning	Consolidation adjustment	Additions During the year	Deletions During the year	Year End	Year Beginning	Consolidation adjustment	Additions During the year	Deletions During the year	Year End	CY Net Block	PY Net Block
Tangible Assets: Freehold Land	•	,			r					,		•
Leasehold Land	•			*******	*	,		,		•	٠	•
Buildings	ı		- Address		•	•		,	•	ť	,	•
Fumiture & Fixtures	,		*		•	•		•		•	•	,
Office Equipments & Computers		·	***************************************	ı	1					,	,	,
Plant & Machinery			•		•	•		•		•	,	,
Motor Vehicles		,	•		•					,		
Intangible Assets:												
Registrations & Brands		1			ı	•				,	•	,
Goodwill		,		•	i	•				,	•	,
Software Licences		•	•		1			•	•	ŧ	•	
Total	5			,	•	1		-		-	•	
Capital work in Progress Intangible assets under development			7,040,640		7,040,640	,		•		1 5	7,040,640	• •
Grand Total	•	-	7,040,640	-	7,040,640		•	-		1	7,040,640	•
Frevious year												

INR Schedules forming part of the Consolidated Balance Sheet

Note 10 Fixed Assets & Intangible Assets

			GROSS BLOCK				DEI	<b>DEPRECIATION/AMORTISATION</b>	TION		NET	NET BLOCK
Particulars		Consolidation	Additions	Deletions			Consolidation	Additions	Deletions			
0.0000000000000000000000000000000000000	Year Beginning	adjustment	During	During	Year End	Year Beginning	adjustment	During	During	Year End	CY Net Block	PY Net Block
Tangible Assets; Freehold Land	•	•	•	•	•	•	•	•	•			
Leasehold Land	•	•	•	,	•	•	•	•	•			, F
Buildings	•		•	1	•	•	•		,	•	· ·	,
Furniture & Fixtures	•	•	•	,	•				•			•
Office Equipments & Computers	,	,		,	,	1	'	,				
Plant & Machinery	1	•	•	•	•	•	1	,			,	,
Motor Vehicles	,	•	•	,	•	•	1	1				1
intangible Assets:												
Registrations & Brands	,	,	•		•	•	,	,			•	A A S. C.
Goodwill	ř	,		,	•	•	•	,	•	8		
Software Licences	•	•	•	•	•	•	•	•			1,000	LES BUILT
Total	1	•	,			1		-	-			E BANCON -
Capital work in Progress Intangible assets under development	• •		44,181,392	, ,	44,181,392			, ,			44,181,392	10 mm
Grand Total	-		44,181,392		44,181,392	•	1	•			- 44,181,392	TO THE PERSON NAMED IN COLUMN TO THE
Previous year												