

ARROW PHARMA (PVT) LTD
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH

	Notes	2019 Rs.	2018 Rs.
Revenue		-	-
Cost of Sales		-	-
Gross Profit		-	-
Other Income	01	-	2,921,650
Administration Expenses	02	(6,808,217)	(5,434,700)
Selling & Distribution Expenses	03	-	(1,440,220)
Other Expenses	04	-	(89,327)
Finance Expense	05	(1)	(38,485)
Profit / (Loss) Before Taxation		(6,808,218)	(4,081,082)
Income Tax Expense	06	-	-
Profit/ (Loss) for the Year		(6,808,218)	(4,081,082)
Earning Per Share (Rs.)	07	(6,808)	(4,081)

ARROW PHARMA (PVT) LTD
STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH

	Notes	2019 Rs.	2018 Rs.
ASSETS			
Non-Current Assets			
Property, Plant and Equipments	08	-	-
		-	-
Current Assets			
Trade & Other Receivables	09	-	6,666,667
Cash & Cash Equivalents	10	1,099,692	1,232,193
Total Current Assets		1,099,692	7,898,860
Total Assets		1,099,692	7,898,860
EQUITY AND LIABILITIES			
Capital & Reserves			
Stated Capital	11	100,000	100,000
Share Application	12	50,362,010	50,362,010
Retained Earnings		(49,650,168)	(42,841,950)
Share Holders' Fund		811,842	7,620,060
Current Liabilities			
Amount Due To Related Parties	13	187,450	187,450
Trade & Other Payable	14	100,400	91,350
Tax Payable	15	-	-
Current Liabilities		287,850	278,800
Total Equity and Liabilities		1,099,692	7,898,860

ARROW PHARMA (PVT) LTD
STATEMENT OF CHANGES IN EQUITY
AS AT 31ST MARCH 2019

	Stated Capital Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 01.04.2017	100,000	(38,760,868)	(38,760,868)
Net Profit for the Year	-	(4,081,082)	(4,081,082)
Balance as at 31.03.2018	<u>100,000</u>	<u>(42,841,950)</u>	<u>(42,841,950)</u>
Balance as at 01.04.2018	100,000	(42,841,950)	(42,841,950)
Net Profit for the Year	-	(6,808,218)	(6,808,218)
Balance as at 31.03.2019	<u>100,000</u>	<u>(49,650,168)</u>	<u>(49,650,168)</u>

ARROW PHARMA (PVT) LTD
STATEMENT OF CASH FLOW

YEAR ENDED 31st MARCH

	2019	2018
	Rs.	Rs.
Cash Flows From Operating Activities		
Net Profit/(Loss) After Taxation	(6,808,218)	(4,081,082)
Adjustments		
Impairment of PPE	-	404,911
Depreciation	-	319,658
Amortizations of Intangible Assets	-	-
Write Back of Payables to Holding Company	-	-
Finance Costs	-	-
Loss on Sale of Property, Plant & Equipment	-	89,327
Operating Profit Before Working Capital Changes	(6,808,218)	(3,267,186)
Changes in Working Capital		
(Increase) / Decrease Trade Receivables	6,666,667	4,700,000
(Increase) / Decrease Other Non-Current Assets	-	-
(Increase / (Decrease) Trade & Other Payables	9,050	(1,334,851)
(Increase / (Decrease) Other Current Liabilities	-	-
(Increase / (Decrease) Other Non Current Liabilities	-	-
Operating Profit After Changes in Working Capital	6,675,717	3,365,149
Tax Paid	-	(70,325)
Net Cash Generated From Operating Activities	(132,501)	27,638
Cash Flows From Investing Activities		
Purchase of Property, Plant & Equipment	-	-
Sales Proceeds from Sale of PPE	-	30,000
Net Cash used in Investing Activities	-	30,000
Cash Cash Flow From Financing Activities		
Equity Share Application Money Received	-	-
Proceeds from Borrowings	-	-
Repayment Of Borrowings	-	-
Interest on Borrowings Paid	-	-
Net Cash used in Financing Activities	-	-
Net Increase in Cash and Cash Equivalents	(132,501)	57,638
Cash and Cash Equivalents At The Beginning Of The Year	1,232,193	1,174,555
Cash and Cash Equivalents At The End Of The Year	1,099,692	1,232,193
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet	1,099,692	1,232,193
Add: Current investments considered as part of cash and cash equivalents (as		
Cash and cash equivalents at the end of the year*	1,099,692	1,232,193
• Comprises:		
(a) Cash in hand	-	30,000
(b) Balances with banks - in current accounts	1,099,692	1,202,193
	1,099,692	1,232,193

ARROW PHARMA (PRIVATE) LIMITED

NOTE TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2019

1. CORPORATE INFORMATION

1.1 Domicile and Legal Form

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

1.2 Principal Activities and Nature of Operations

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

2. General Policies

2.1 Basis Of Preparation

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

2.1.1 Statement of Compliance

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

2.1.2 Going Concern

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

2.2 Summary Of Significant Accounting Policies

2.2.1 Foreign Currency Translation

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

2.2.2 Taxation

The provision for income tax is based on this element of income and expenditure as reported in the financial statements & computed in accordance with the provision of the Inland Revenue Act. No. 10 of 2006.

2.2.3 Borrowing Costs

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

2.2.4 Trade and Other Receivables

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

ARROW PHARMA (PRIVATE) LIMITED

NOTE TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2019

2.2.5 Inventories

There are no inventories in the company

2.2.6 Property, Plant and Equipment

(a) Cost/Valuation

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

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

(b) Restoration Cost

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

(c) Depreciation

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

The Principal annual rates used are:

Office Equipment	- 20%
------------------	-------

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

2.2.7 Provisions

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

2.2.8 Retirement Benefit Obligation

(a) Retirement Benefit Plans - Gratuity

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

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

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

2.2.9 Revenue Recognition

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

(a) Sale of Goods

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

(b) Others

Other income is recognized on an accrual basis.

Expenditure Recognition

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

ARROW PHARMA (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH

	2019	2018
	Rs.	Rs.
	<hr/>	<hr/>
01 Other Income		
Write back of payable to holding company	-	2,919,350
Interest Others	-	2,300
	<hr/>	<hr/>
	-	2,921,650
	<hr/> <hr/>	<hr/> <hr/>
02 Administration Expenses		
Audit Fee	60,000	69,802
Depreciation	-	319,658
Professional Fee	39,050	220,351
Tax Computation Fee	12,500	12,500
Miscellaneous Expenses	30,000	-
Provision for Doubtful Debts	6,666,667	-
Provision for Impairment of Assets	-	573,387
Rent-Others	-	39,000
Vehicle Rent	-	750,000
Staff Salaries	-	3,000,000
Contribution - EPF & ETF	-	450,000
Telephone	-	3
	<hr/>	<hr/>
	6,808,217	5,434,700
	<hr/> <hr/>	<hr/> <hr/>
03 Selling & Distribution Expenses		
Marketing, Advertising and Promotion	-	265,220
Business Development Expenses	-	1,175,000
	<hr/>	<hr/>
	-	1,440,220
	<hr/> <hr/>	<hr/> <hr/>

ARROW PHARMA (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST MARCH

	2019	2018
	Rs.	Rs.
04 Other Expenses		
Loss on Sale of Fixed Assets	-	89,327
	-	89,327
05 Finance Expenses		
Bank Charges	1	38,485
	1	38,485
06 Taxation		
Income Tax Provision for the Year	-	-
	-	-
07 Earnings/(Loss) Per Share		
Earnings/(Loss) per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of shares in issue during the year		
Net Profit/(Loss) Attributable to Shareholders	(6,808,218)	(4,081,082)
Weighted average Number Of Ordinary Shares In Issue	1,000	1,000
Earnings/(Loss) Per Share (Rs.)	(6,808)	(4,081)

ARROW PHARMA (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST MARCH 2019

08 Property Plant & Equipment

Cost	Balance As At 01.04.2018 Rs.	Additions During The Year Rs.	Disposals During The Year Rs.	Impairment of Assets The Year Rs.	Balance As At 31.03.2019 Rs.
Office Equipment & Computers	-	-	-	-	-
	-	-	-	-	-
Accumulated Depreciation	Balance As At 01.04.2018 Rs.	Depreciation For The Year Rs.	Depreciation On Disposals Rs.	Impairment of Assets The Year Rs.	Balance As At 31.03.2019 Rs.
Office Equipment & Computers	-	-	-	-	-
	-	-	-	-	-
Written Down Value	-				-

ARROW PHARMA (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST MARCH

	2019	2018
	Rs.	Rs.
09 Trade & Other Receivables		
Receivable from Related Parties	6,666,667	6,666,667
Less: Provision For Doubtful Debts	(6,666,667)	-
	<u>-</u>	<u>6,666,667</u>
10 Cash & Cash Equivalents		
Petty Cash	-	30,000
Balance in Current Account	1,099,692	1,202,193
	<u>1,099,692</u>	<u>1,232,193</u>
11 Stated Capital		
Issued & fully paid	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
12 SHARE APPLICATION		
Monies Pending Alloment	50,362,010	50,362,010
	<u>50,362,010</u>	<u>50,362,010</u>
13 Amount Due to Related Parties		
Strides Pharma Science Ltd	187,450	187,450
	<u>187,450</u>	<u>187,450</u>
14 Trade & Other Payable		
Tax Computation Fee Payable	12,500	12,500
Secretarial Fee	20,000	8,850
Audit Fee	67,900	70,000
	<u>100,400</u>	<u>91,350</u>

ARROW PHARMA (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS

15 Directors Interest in Contract

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

16 Contingent Liabilities

There were no material contingent liabilities existing at the balance sheet date as at 31.03.2019

17 Capital Commitments

There were no material capital commitments outstanding at the balance sheet date as at 31.03.2019

18 Events after the Reporting Period

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

19 Related Party Transactions

Details of significant related party disclosures are as follows:

Arrow Pharma (Private) Limited is Subsidiary Company of Arrow Pharma Pte Ltd -Singapore

RELATED PARTY TRANSACTION:

There are related party transactions disclosed in the financial statements as follows;

19.1 Nature of Related Party Transactions:	31.03.2019	31.03.2018
Arrow Pharma Pte Ltd:		
Advance received	-	2,919,350
Write back of payable to holding company*	-	2,919,350
Strides Pharma Science Ltd:		
Expenses advances received	-	187,450
Auxano Pharma:		
Receipt against Sale of Property, Plant & Equipment	-	4,700,000

*The holding company has decided to waive off the receivable from the company, hence payable to holding company is written back

19.1A Related party Balances

Arrow Pharma Pte Ltd:

Equity Share Application Money Pending allotment	<u>50,362,010</u>	<u>50,362,010</u>
--	-------------------	-------------------

Auxano Pharma:

Receivable for sale of property, Plant & Equipment	<u>-</u>	<u>6,666,667</u>
--	----------	------------------

Strides Pharma Science Ltd

	<u>187,450</u>	<u>-</u>
--	----------------	----------