

INDEPENDENT AUDITOR'S REPORT

**To the Members of M/s Strides Healthcare Private Limited
(Formerly known as Strides Actives Private Limited)**

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Strides Healthcare Private Limited (formerly known as Strides Actives Private Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, 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.

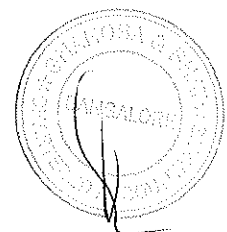
Auditor's Responsibility

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 Rules made there under.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgement, 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. 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.

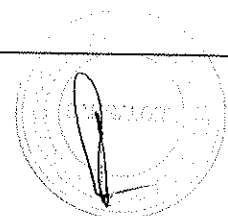
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit Opinion on the financial statements.

Opinion

In our opinion and 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 31st March, 2016, its loss and its cash flows for the year ended on that date.

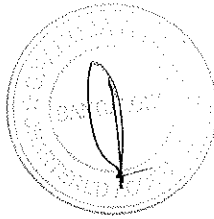
Report on Other Legal and Regulatory Requirements

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** a statement on the matters specified in paragraphs 3 and 4 of the order.
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 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 these books;
 - c. The Balance Sheet, the Statement of Profit & Loss, and the 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 the Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, we give a separate report in the **Annexure-B**; and



- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long term contracts including derivative contracts which require any provision to be made for material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Bangalore
Date : May 11, 2016



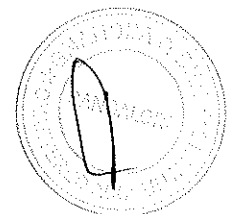
For GNANOBA & BHAT,
Chartered Accountants,
Firm Regn No. 000939S

A handwritten signature in black ink, appearing to read "R. Umesh", written over a horizontal line.

R. UMESH
Partner
M. No. 27892

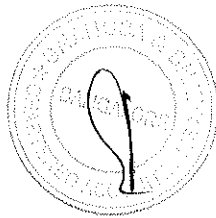
ANNEXURE-A TO AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 OF OUR
REPORT OF EVEN DATE

- (i) In respect of its fixed assets :
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed Assets;
 - b) The Company did not have tangible fixed assets during the year and hence the requirements regarding physical verification of fixed assets are not applicable;
 - c) The company did not own any immovable properties during the year.
- (ii) The Company did not carry any inventories during the year and hence reporting under this clause is not applicable.
- (iii) The Company has not granted loans to any parties listed in the register maintained under section 189 of the Companies Act, 2013 and hence clause (iii) of the Order clause is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions which come under the purview of Section 185 and 186 of the Companies Act, 2013 and hence clause (iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in terms of Chapter-V the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014 and hence reporting under this clause is not applicable.
- (vi) According information given to us, the Central Government has not specified the maintenance of cost records under sub-section 1 or section 148 of the Companies Act, 2013.
- (vii) According to the information and explanations given to us and on the basis of examination of the books and records as produced before us, in respect of statutory dues and other dues :
 - a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Excise Duty, Custom Duty, Service Tax, Value Added Tax, Cess and other statutory dues with the appropriate authorities during the period wherever applicable. There were no undisputed amounts in respect of the above statutory dues, which were in arrears as at 31st March 2016, for a period more than six months from the date they became due.
 - b) There are no statutory dues which were not deposited on account of any dispute.
- (viii) To the best of our knowledge and belief, according to the information and explanations given to us, the company has not borrowed any funds from any financial institution or bank or Government or issued any debentures and hence reporting under this clause is not applicable.



- (ix) The Company has not raised moneys by way of initial public offer, further public offer or any term loans during the year and hence reporting under this clause is not applicable.
- (x) To the best of our knowledge and belief, according to the information and explanations given to us by the Management and the records produced before us, no frauds were noticed or reported during the year.
- (xi) No managerial remuneration was paid by the Company during the year and hence reporting under this clause is not applicable.
- (xii) The Company is not a Nidhi Company and hence this clause is not applicable.
- (xiii) In our opinion and according to the information and explanation given to us and based on our verification of the records and relevant documents, all transactions with related parties entered into by the Company are in compliance with section 188 of the Companies Act where applicable and the details of the same have been disclosed in the financial statements etc as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under this clause is not applicable.
- (xv) According to the information and explanation given to us by the Management and based on our examination of the records of the Company,, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence this clause is not applicable.
- (xvi) In our opinion and according to the information and explanation given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Bangalore
Date : May 11, 2016



For GNANOBA & BHAT,
Chartered Accountants,
Firm Regn No. 000939S

R. UMESH
Partner
M. No. 27892

ANNEXURE-B TO AUDITOR'S REPORT REFERRED TO IN PARAGRAPH F OF OUR REPORT OF EVEN DATE

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 the financial reporting of M/s Strides Healthcare Private Limited (Formerly Strides Actives Pvt Ltd) as on 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended as 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 (ICAI).

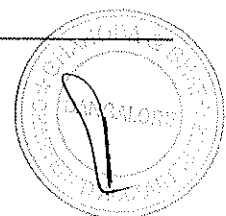
These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and 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.

Auditor's 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 and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those 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. Our audit of internal financial controls over financial reporting included 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 judgement, 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.



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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, that receipt and expenditures of the company are being made only in accordance with authorisations of management and directors of the company.
- (3) 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.

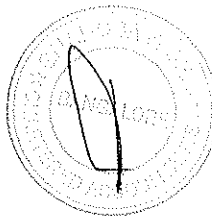
Inherent Limitations of Internal Financial Controls over Financial Reporting

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, 2016, 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.

Place: Bangalore
Date : May 11, 2016



For GNANOBA & BHAT,
Chartered Accountants,
Firm Regn No. 000939S

R. UMESH
Partner
M. No. 27892

STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)

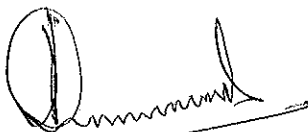
BALANCE SHEET AS AT MARCH 31, 2016

		Amount in INR		
	Particulars	Note No.	31-Mar-16	31-Mar-15
I.	Equity and Liabilities			
	(1) Shareholders' funds			
	(a) Share capital	3	433,33,310	433,33,310
	(b) Reserves and surplus	4	5413,30,892	5847,20,289
			5846,64,202	6280,53,599
	(2) Non - Current Liabilities			
	(a) Other long- term liabilities	5	3,44,831	3,03,250
	(b) Long- term provisions	6	1,05,476	-
			4,50,307	3,03,250
	(3) Current Liabilities			
	(a) Short Term Borrowings	7	198,30,130	255,22,904
	(b) Trade payables	8	4,45,820	10,45,006
	(c) Other current liabilities	9	50,62,130	39,44,051
	(d) Short-term provisions	10	23,036	59,695
			253,61,116	305,71,656
	TOTAL		6104,75,625	6589,28,505
II.	Assets			
	(1) Non-Current Assets			
	(a) Fixed assets			
	(i) Intangible assets	11	5671,41,771	6338,53,581
	(b) Deferred tax asset	12	292,42,390	93,31,373
			5963,84,161	6431,84,954
	(2) Current assets			
	(a) Trade receivables	13	70,17,458	92,26,685
	(b) Cash and cash equivalents	14	44,07,015	8,56,674
	(c) Short-term loans and advances	15	26,66,991	12,55,997
	(d) Other current assets	16	-	44,04,195
			140,91,464	157,43,551
	TOTAL		6104,75,625	6589,28,505

See accompanying notes forming part of the Financial Statements

In terms of our report attached
For Gnanoba & Bhat
 Chartered Accountants
 Firm Registration no. 0009395

For and on behalf of Board of Directors



R Umesh
 Partner
 Mem. No. 27892



Place :Bangalore
 Date: May 11, 2016



Ravi Shankar C.
 Director
 DIN 06944927



Joe Thomas
 Director
 DIN 00468077

STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

		Amount in INR		
	Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
I	Revenue from operations	17	133,97,513	104,79,372
II	Total Revenue		133,97,513	104,79,372
III	Expenses			
	Employee benefits expense	18	34,53,861	23,70,053
	Finance costs	19	22,83,335	18,41,349
	Other expenses	20	42,48,920	43,38,604
	Depreciation and amortisation expense	11	667,11,810	332,64,519
	Total		766,97,926	418,14,525
IV	Profit / (Loss) before taxes (II-III)		(633,00,414)	(313,35,153)
V	Tax Expense:			
	(1) Current tax		-	-
	(2) Deferred tax Liability / (Asset)		(199,11,017)	(93,31,373)
VI	Profit / (Loss) for the year after tax (IV-V)		(433,89,397)	(220,03,780)
VII	Earnings per Equity Share:			
	- Basic & Diluted		(10.01)	(10.06)

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For Gnanoba & Bhat

Chartered Accountants

Firm Registration no. 000939S



R Umesh
Partner
Mem. No. 27892

Place :Bangalore
Date: May 11, 2016



For and on behalf of Board of Directors



Ravi Shankar C.
Director
DIN 06944927



Joe Thomas
Director
DIN 00468077

STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(633,00,414)		(313,35,153)
Depreciation and amortisation	667,11,810		332,64,519	
Finance costs	22,83,335		18,40,618	
Provision for gratuity & Leave Encashment	1,10,398		-	
		691,05,543		351,05,137
Operating profit / (loss) before working capital changes		58,05,129		37,69,984
<i>Changes in working capital:</i>				
Trade receivables	22,09,227		(92,26,685)	
Short-term loans and advances	(14,10,994)		(12,55,997)	
Other current assets	44,04,195		(44,04,195)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(5,99,186)		10,62,235	
Other current liabilities	(17,52,624)		22,63,193	
		28,50,618		(115,61,449)
Cash flow from extraordinary items		86,55,748		(77,91,465)
Cash generated from operations		-		-
Net cash flow from / (used in) operating activities (A)		86,55,748		(77,91,465)
B. Cash flow from investing activities				
Capital expenditure on fixed assets including capital advance	-		(6671,18,100)	
		-		(6671,18,100)
Net cash flow from / (used in) investing activities (B)				(6671,18,100)
C. Cash flow from financing activities				
Proceeds from issue of preference shares				
Borrowings / (Repayment) from / to Parent Company	(28,22,071)		275,07,012	
Proceeds from issue of share warrants				
Proceeds from Issue of Share Capital	-		6499,99,845	
Finance cost	(22,83,335)		(18,40,618)	
		(51,05,406)		6756,66,239
Net cash flow from / (used in) financing activities (C)		(51,05,406)		6756,66,239
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		35,50,341		7,56,674
Cash and cash equivalents at the beginning of the year		8,56,674		1,00,000
Cash and cash equivalents at the end of the year		44,07,016		8,56,674
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 14)		44,07,015		8,56,674
Less: Bank balances not considered as Cash and cash equivalents as defined in AS-3 Cash Flow Statements		-		-
Cash and cash equivalents at the end of the year *		44,07,015		8,56,674
* Comprises:				
(a) Cash on hand		-		-
(b) Balances with banks - in current accounts		44,07,015		8,56,674
(c) Balances with banks - in Fixed Deposits		-		-
		44,07,015		8,56,674

As per our report of even date

for Gnanoba & Bhat

Chartered Accountants

Firm Registration no. 000939S



R Umesh

Partner

Mem. No. 27892



For and on behalf of the Board



Ravi Shankar C.

Director

DIN 06944927



Joe Thomas

Director

DIN 00468077

Place :Bangalore

Date: May 11, 2016

STRIDES HEALTHCARE PRIVATE LIMITED
(FORMERLY STRIDES ACTIVES PRIVATE LIMITED)

DISCLOSURES AS PER ACCOUNTING STANDARDS

NOTE – 1

COMPANY INFORMATION

Strides Healthcare Private Limited (Formerly Strides Actives Private Limited) is a pharmaceutical company which is headquartered in Bangalore, India. The Company trades in pharmaceutical formulations for human consumption in India. The Company is yet to commence its trading activity.

NOTE – 2

SIGNIFICANT ACCOUNTING POLICIES

A. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The accounts have been prepared under the historical cost convention and on the basis of the going concern, 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.

The preparation of financial statements in conformity with Generally Accepted Accounting Practices requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements, and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates.

The Financial statements are in conformity with accordance with the Generally Accepted Accounting Principles (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 / the Companies Act, 1956, as applicable.

B. CASH FLOW STATEMENTS

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.

C. INTANGIBLE ASSETS

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price including duties and taxes (other than those refundable subsequently from the authorities), and directly attributable expenditure incurred for making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefit in excess of its originally



Re/s

assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case, such expenditure is added to the cost of the asset.

D. DEPRECIATION

Intangible assets comprising Registration and Brands are depreciated / amortised over their useful lives as assessed by the Management under the Straight Line Method basis as prescribed under Schedule II of the Companies Act, 2013.

Accordingly, intangible assets are amortised over a period of 10 years from the date of acquisition.

E. REVENUE RECOGNITION

Revenue from royalty under manufacturing and licensing agreements with customers is recognized and accrued based on the terms of the agreements.

F. TAXATION

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

Minimum alternate tax paid in accordance with the tax laws, which gives future economic benefits in the nature of 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 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.

G. PROVISIONS

A provision is recognized when the enterprise has a present obligation as a result of past event(s) which may result in a probable outflow of resources to settle the obligation and in respect of which a reasonable estimate can be made. Provisions are not discounted to their present value and are determined on the basis of the best estimate of the resources 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.

H. IMPAIRMENT OF ASSETS

An asset is treated as impaired if the current carrying cost of the same exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in the prior accounting periods is reversed if there is any change in the estimate of recoverable amount. The recoverable amount is the greater of the net selling price or the value in use.



Re/s

I. CONTINGENCIES

Contingent liabilities are shown by way of note to the financial statement.

J. EARNINGS PER SHARE

Earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) 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 (including the post-tax effect of extraordinary items, if any) 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 at a later date.

K. EMPLOYEE BENEFITS

- i. Retirement benefits in the form of Provident Fund and Pension Schemes are charged on an accrual basis to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the Regional Provident Fund Commissioner.
- ii. Gratuity liability is a defined benefit obligation and is provided based on the amount determined as actually due and at the end of the fiscal year. The liability is not funded.
- iii. Provision for Leave Encashment has been made based on the amount determined as actually due and at the end of the fiscal year. The liability is not funded.

For and on behalf of the Board

Place : Bangalore

Date: May 11, 2016



Ravi Shankar C.
Director
DIN 06944927



Joe Thomas
Director
DIN 00468077



STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

Note

No.

3 Share capital

Particulars	Amount in INR	
	31-Mar-16	31-Mar-15
Authorised 5,000,000 (Previous year 5,00,000) Equity shares of Rs. 10/- each with voting rights	50,000,000	50,000,000
Total	50,000,000	50,000,000
Issued, subscribed and fully paid-up 4,333,331 (Previous year 4,333,331) Equity shares of Rs. 10/- each with voting rights	43,333,310	43,333,310
Total	43,333,310	43,333,310

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

Particulars	31-Mar-16		31-Mar-15	
	No. of Shares	Rs. In Million	No. of Shares	Rs. In Million
Equity share of Rs. 10/- each				
Opening balance	4,333,331	43,333,310	10,000	100,000.00
Issued during the year	-	-	4,323,331	43,233,310
Closing balance	4,333,331	43,333,310	4,333,331	43,333,310

3(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. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting. 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.

3(c) Details of equity shares held by each shareholder holding more than 5% of shares:

Particulars	31-Mar-16		31-Mar-15	
	No. of Shares	%	No. of Shares	%
Strides Arcolab Limited	3,206,665	74.00%	3,206,665	74.00%
Bafna Pharmaceuticals Limited	1,126,666	26.00%	1,126,666	26.00%

3(d) Shares allotted as fully paid up for consideration other than cash:

Of the above, 11,26,666 equity shares were issued as fully paid up to Bafna Pharmaceuticals Limited pursuant to the Business Transfer Agreement between the companies for acquisition of specified business including intangible assets.



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STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

Note No.	Particulars	31-Mar-16	31-Mar-15
4	Reserves and surplus		Amount in INR
	Securities Premium Account		
	Opening Balance	6067,66,535	-
	Add : Premium on shares issued during the year	-	6067,66,535
	Closing balance	6067,66,535	6067,66,535
	Surplus in Statement of Profit and Loss		
	Opening Balance	(220,46,246)	(42,466)
	Add: (Loss) for the year	(433,89,397)	(220,03,780)
	Closing balance	(654,35,643)	(220,46,246)
	Total	5413,30,892	5847,20,289
5	Other non- current liabilities		Amount in INR
	Particulars	31-Mar-16	31-Mar-15
	Gratuity	3,44,831	3,03,250
	Total	3,44,831	3,03,250
6	Long-term provisions		Amount in INR
	Particulars	31-Mar-16	31-Mar-15
	Provision for leave salary	1,05,476	-
	Total	1,05,476	-
7	Short Term Borrowings		Amount in INR
	Particulars	31-Mar-16	31-Mar-15
	Related Parties:		
	Payable on Demand - Strides Shasun Limited	198,30,130	255,22,904
	Total	198,30,130	255,22,904
	Note: The above loan carried an interest of 9.00% p.a.		
8	Trade payables		Amount in INR
	Particulars	31-Mar-16	31-Mar-15
	Other than acceptances	4,45,820	10,45,006
	Total	4,45,820	10,45,006
9	Other current liabilities		Amount in INR
	Particulars	31-Mar-16	31-Mar-15
	Related Parties:		
	Payable to Strides Shasun Limited	48,54,811	19,84,108
	Other payables:		
	- Statutory remittances	2,07,319	19,59,943
	Total	50,62,130	39,44,051
10	Short-term provisions		Amount in INR
	Particulars	31-Mar-16	31-Mar-15
	Provision for leave salary	23,036	59,695
	Total	23,036	59,695



STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)

Notes forming part of the financial statements

Note 11 Fixed assets

Particulars	Gross block				Accumulated amortisations			Net block	
	As at April 01, 2015	Additions	Deletions	As at March 31, 2016	As at April 1, 2015	Amortisation expense for the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
<u>Intangible assets:</u>									
<u>Owned</u>									
Registrations & brands	667,118,100	-	-	667,118,100	33,264,519	66,711,810	99,976,329	567,141,771	633,853,581
Total	667,118,100	-	-	667,118,100	33,264,519	66,711,810	99,976,329	567,141,771	633,853,581
Previous Year	-	667,118,100	-	667,118,100	-	33,264,519	33,264,519	633,853,581	-



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STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

Note
No.

12 Deferred tax asset		Amount in INR	
Particulars	31-Mar-16	31-Mar-15	
Items constituting deferred tax liabilities			
- On difference between book balance and tax balance of fixed assets	39,967,765	41,256,137	
- Disallowances under sec 43B etc.	8,843	-	
	39,976,608	41,256,137	
Items constituting deferred tax assets			
- Provision for bonus, leave encashment and preliminary expenses	250,982	24,008	
- Unabsorbed depreciation	68,968,016	50,563,502	
	69,218,998	50,587,510	
Total	29,242,390	9,331,373	

13 Trade receivables		Amount in INR	
Particulars	31-Mar-16	31-Mar-15	
Unsecured, considered good			
Outstanding for a period exceeding six months from the date they were due for payment	-	-	
- Unsecured considered good	-	-	
Others			
- Unsecured considered good - Strides Shasun Limited	7,017,458	9,226,685	
- Doubtful	-	-	
	7,017,458	9,226,685	
Less: Provision for doubtful trade receivables	-	-	
	7,017,458	9,226,685	
Total	7,017,458	9,226,685	

14 Cash and cash equivalents		Amount in INR	
Particulars	31-Mar-16	31-Mar-15	
Balance with banks in current account	4,407,015	856,674	
Total	4,407,015	856,674	

15 Short-term loans and advances		Amount in INR	
Particulars	31-Mar-16	31-Mar-15	
Unsecured, considered good			
Loans and advances to employees	105,420	162,084	
Loans and advances to Bafna Pharmaceuticals Limited	-	10,000	
Prepaid Expenses	-	35,976	
Advance Tax (net of provision for tax of Rs. Nil)	2,387,691	1,047,937	
- Service tax credit receivable	173,880	-	
	2,666,991	1,255,997	

16 Other Current Assets		Amount in INR	
Particulars	31-Mar-16	31-Mar-15	
Unsecured, considered good			
Others -			
- Amount receivable from Bafna Pharmaceuticals Limited	-	4,404,195	
	-	4,404,195	



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STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes forming part of the financial statements

Note
No

17 Revenue from operations		Amount in INR	
Particulars	31-Mar-16	31-Mar-15	
Royalty income	15,294,504	11,774,622	
Less: Service tax paid	(1,896,991)	(1,295,250)	
Total	13,397,513	10,479,372	

18 Employee benefit expenses		Amount in INR	
Particulars	31-Mar-16	31-Mar-15	
Salaries and wages	3,295,498	2,180,037	
Contributions to provident and other funds	158,363	190,016	
Total	3,453,861	2,370,053	

19 Finance cost		Amount in INR	
Particulars	31-Mar-16	31-Mar-15	
Interest expenses	2,283,335	1,840,618	
Bank Charges & Commission	-	731	
Total	2,283,335	1,841,349	

20 Other expenses		Amount in INR	
Particulars	31-Mar-16	31-Mar-15	
Rent	504,514	359,552	
Rates & Taxes	121,537	1,179,500	
Repairs & Maintenance	-	300,000	
Printing & Stationery	7,725	1,400	
Conveyance & Travelling	225,013	83,866	
Communication expenses	3,642	-	
Support Service Charges	1,206,000	-	
Professional fees	1,980,490	2,284,286	
Payment to Auditors (see note below)	200,000	130,000	
Total	4,248,920	4,338,604	

Note: Payment to auditors comprises: #		Amount in INR	
	31-Mar-16	31-Mar-15	
As auditors - Statutory audit fees	100,000	100,000	
- Tax Audit fees	30,000	30,000	
- For other matters	70,000	-	
Total	200,000	130,000	

excluding service tax



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STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes on Financial Statements for the year ended 31st March 2016

Note - 21

Defined Contribution Plans

a. Employer's contribution to provident fund

During the year, the company recognised the following amounts in the profit and loss account.

Particulars	Amt in Rs.	
	As at 31st March 2016	As at 31st March 2015
Employers' Contribution to Provident Fund	109,715	175,453

b. Gratuity and Leave Encashment

During the year, a sum of Rs. 41,581/- and Rs. 116,894/- have been recognised towards gratuity and leave encashment respectively in the profit and loss account for the year.

Note - 22

Earnings Per share

Particulars	Amt in Rs.	
	31st March 2016	31st March 2015
Net Profit after Tax	(43,389,397)	(22,003,780)
Weighted average number of equity shares (No.s)	4,333,331	2,186,346
Earnings/(Loss) per share	(10.01)	(10.06)
Nominal Value of Equity Shares	10.00	10.00

Note - 23

Leases

The Company had taken premises on lease basis as detailed below:

Details of Leasing Arrangements	Amt in Rs.	
	31st March 2016	31st March 2015
Minimum lease payments debited to Rent account	504,514	359,552
Future Minimum lease Payments;		
- Not later than one year	126,000	120,000
- Later than one year and not later than 5 years		
- Later than five years	-	-

Note - 24

Related Party Transactions

Party where the Control Exists	Name of Related Party
Holding Company	Strides Shasun Limited (e.k.a. Strides Arcolab Ltd)
Enterprise Exercising Control	Bafna Pharmaceuticals Limited

Sl No	Nature of Transaction		Amt in Rs.	
			Holding Company	Enterprise Exercising Control
1	Investment in Equity	2016	-	-
		2015	31,966,650	11,266,660
2	Loans & Advances - Granted / Repaid (net)	2016	(4,404,195)	-
		2015	-	4,404,195
3	Loans & Advances - Taken / Repaid (net)	2016	20,989,875	-
		2015	40,820,005	-
4	Purchase / (Sale) of Business / Assets	2016	-	-
		2015	(16,155,026)	-
5	Royalty Income received / receivable	2016	13,397,513	-
		2015	10,479,372	-
6	Payment for services (including interest on loan)	2016	3,978,357	-
		2015	359,552	-
7	Reimbursement for Expenses incurred by	2016	2,713,072	-
		2015	2,842,033	-



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STRIDES HEALTHCARE PRIVATE LIMITED (FORMERLY STRIDES ACTIVES PRIVATE LIMITED)
Notes on Financial Statements for the year ended 31st March 2016

Related Party Transactions - (contd.)

		Amt in Rs.		
8	Balances Outstanding:			
	a) Receivable	2016	7,017,458	-
		2015	25,381,711	4,404,195
	b) Payable	2016	24,684,941	-
	2015	43,662,038	-	

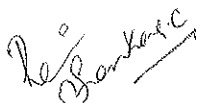
Note - 25

Based on the information with the Company, there are no suppliers who are registered as micro, small or medium enterprises under The Micro, Small and Medium Enterprises Act, 2006 as at 31st March 2016.

Note -26

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

**By Order of the Board of Directors
for Strides Healthcare Private Limited**



Ravi Shankar C.
Director
DIN 06944927



Joe Thomas
Director
DIN 00468077

Place : Bangalore
Date: May 11, 2016

