

Registered number: 05282304

STRIDES ARCOLAB INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

STRIDES ARCOLAB INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	Mr. V Kumar Mr. K T Parthasarathy Mr. M K Pillai (resigned 1 July 2020) Mr R Visvanathan Dr K Santhanam (appointed 1 July 2020)
Registered number	05282304
Registered office	Unit 4 Metro Centre Tolpits Lane Watford Hertfordshire WD18 9SS
Independent auditor	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditor 6th Floor 2 London Wall Place London EC2Y 5AU

STRIDES ARCOLAB INTERNATIONAL LIMITED

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STRIDES ARCOLAB INTERNATIONAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their report and the financial statements for the year ended 31 March 2021.

Principal activity

The principal activity of the company is the holding of investments.

Directors

The directors who served during the year were:

Mr. V Kumar
Mr. K T Parthasarathy
Mr. M K Pillai (resigned 1 July 2020)
Mr R Visvanathan
Dr K Santhanam (appointed 1 July 2020)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

STRIDES ARCOLAB INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Auditor

The auditor, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


Mr. K T Parthasarathy
Director

Date: September 24, 2021

STRIDES ARCOLAB INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRIDES ARCOLAB INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Strides Arcolab International Limited (the 'Company') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting including :

- Reviewing post year end information including board minutes, cash position and management accounts;
- Obtaining letter of support from the parent company;
- Considering the impact of COVID on the future performance.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

STRIDES ARCOLAB INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRIDES ARCOLAB INTERNATIONAL LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

STRIDES ARCOLAB INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRIDES ARCOLAB INTERNATIONAL LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to material misstatement in the financial statements or non-compliance with regulation. This risk increased the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

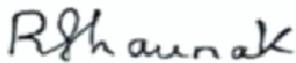
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

STRIDES ARCOLAB INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRIDES ARCOLAB INTERNATIONAL LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Rakesh Shaunak FCA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditor
6th Floor
2 London Wall Place
London
EC2Y 5AU
Date: 24 September 2021

STRIDES ARCOLAB INTERNATIONAL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 \$	2020 \$
Administrative expenses	(2,518,019)	6,238,637
Operating (loss)/profit	(2,518,019)	6,238,637
Interest receivable and similar income	4,825	-
Interest payable and expenses	(2,104,931)	(1,991,842)
(Loss)/profit before tax	(4,618,125)	4,246,795
(Loss)/profit for the financial year	(4,618,125)	4,246,795
Other comprehensive income for the year		
Total comprehensive income for the year	(4,618,125)	4,246,795

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 11 to 19 form part of these financial statements.

STRIDES ARCOLAB INTERNATIONAL LIMITED
REGISTERED NUMBER: 05282304

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 \$	2020 \$
Fixed assets			
Investments	4	104,626,325	104,309,907
		<u>104,626,325</u>	<u>104,309,907</u>
Current assets			
Debtors: amounts falling due within one year	5	6,179,547	3,423,661
Cash at bank and in hand	6	332,621	2,077,657
		<u>6,512,168</u>	<u>5,501,318</u>
Creditors: amounts falling due within one year	7	(5,579,741)	(6,414,279)
Net current assets/(liabilities)		932,427	(912,961)
Total assets less current liabilities		105,558,752	103,396,946
Creditors: amounts falling due after more than one year	8	(39,749,925)	(32,969,994)
Net assets		65,808,827	70,426,952
Capital and reserves			
Called up share capital	10	44,035,560	53,693,211
Share premium account	11	41,250,762	31,593,111
Foreign exchange reserve	11	(606,712)	(606,712)
Profit and loss account	11	(18,870,783)	(14,252,658)
Shareholder's funds		65,808,827	70,426,952

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


Mr. K.T. Parthasarathy
 Director

The notes on pages 11 to 19 form part of these financial statements.

STRIDES ARCOLAB INTERNATIONAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	\$	\$	\$	\$	\$
At 1 April 2020	53,693,211	31,593,111	(606,712)	(14,252,658)	70,426,952
Comprehensive income for the year					
Loss for the year	-	-	-	(4,618,125)	(4,618,125)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(4,618,125)	(4,618,125)
Total transactions with owners	(9,657,651)	9,657,651	-	-	-
At 31 March 2021	44,035,560	41,250,762	(606,712)	(18,870,783)	65,808,827

The notes on pages 11 to 19 form part of these financial statements.

STRIDES ARCOLAB INTERNATIONAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	\$	\$	\$	\$	\$
At 1 April 2019	41,694,447	31,593,111	(606,712)	(18,499,453)	54,181,393
Comprehensive income for the year					
Profit for the year	-	-	-	4,246,795	4,246,795
Other comprehensive income for the year					
	-	-	-	-	-
Total comprehensive income for the year					
	-	-	-	4,246,795	4,246,795
Shares issued during the year	11,998,764	-	-	-	11,998,764
Total transactions with owners					
	11,998,764	-	-	-	11,998,764
At 31 March 2020	53,693,211	31,593,111	(606,712)	(14,252,658)	70,426,952

The notes on pages 11 to 19 form part of these financial statements.

STRIDES ARCOLAB INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. General information

Strides Arcolab International Limited is a private company limited by shares incorporated in England & Wales within the United Kingdom. The address of the registered office is Unit 4 Metro Centre, Tolpits Lane, Watford, Hertfordshire, WD18 9SS. The financial statements cover a period from 1 April 2020 to 31 March 2021.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The Directors have also considered the availability of continued financial support from the parent company – Strides Pharma Science Limited, in evaluating their assessment. The Strides Group has continued to trade through the COVID-19 pandemic as “essential” categorised entities (being manufacturer and wholesaler of pharmaceutical goods) and the forecasts and budgets suggest the group will continue to do so. In response to the COVID-19 pandemic, the Directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

The Company incurred a loss of \$4,618,125 (2020: \$4,246,795 profit) and, as at the year end date, its net asset position was \$65,808,827 (2020: \$70,426,952). The Company has its investments in subsidiaries operating in the UK and USA markets and the management believes there is huge potential for these subsidiaries to be able to help the Company to realise their assets and discharge their liabilities.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

STRIDES ARCOLAB INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD and the financial statements are rounded to the nearest US\$.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.11 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2020 - 4).

STRIDES ARCOLAB INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. Fixed asset investments

	Investments in subsidiary companies \$	Investments in associates \$	Total \$
Cost or valuation			
At 1 April 2020	82,592,190	23,232,717	105,824,907
Additions	-	2,256,000	2,256,000
Amounts written off	(4,582)	-	(4,582)
At 31 March 2021	<u>82,587,608</u>	<u>25,488,717</u>	<u>108,076,325</u>
Impairment			
At 1 April 2020	-	1,515,000	1,515,000
Charge for the period	-	1,935,000	1,935,000
At 31 March 2021	<u>-</u>	<u>3,450,000</u>	<u>3,450,000</u>
Net book value			
At 31 March 2021	<u>82,587,608</u>	<u>22,038,717</u>	<u>104,626,325</u>
At 31 March 2020	<u>82,592,190</u>	<u>21,717,717</u>	<u>104,309,907</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Strides Pharma Inc	2 Tower Centre Blvd, Suite 1102, East Brunswick, NJ 08816, US	Ordinary	100
Stabilis Pharma Inc	197 State Route 18 #102, East Brunswick, NJ 08816.	Ordinary	100
Strides Pharma Global (UK) Ltd	Unit 4, Metro Centre, Tolpits Lane, Watford, Hertfordshire, United Kingdom, WD18 9SS	Ordinary	90

STRIDES ARCOLAB INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 31 March 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves \$	Profit/(Loss) \$
Strides Pharma Inc	71,424,651	6,521,044
Stabilis Pharma Inc	40,482	(97,113)
Strides Pharma Global (UK) Ltd	15,390,100	(1,777,589)

5. Debtors

	2021 \$	2020 \$
Amounts owed by group undertakings	6,176,270	3,423,661
Other debtors	3,277	-
	6,179,547	3,423,661

6. Cash and cash equivalents

	2021 \$	2020 \$
Cash at bank and in hand	332,621	2,077,657
	332,621	2,077,657

7. Creditors: Amounts falling due within one year

	2021 \$	2020 \$
Amounts owed to group undertakings	4,000,909	4,902,752
Other taxation and social security	1,493,047	1,499,454
Accruals and deferred income	85,785	12,073
	5,579,741	6,414,279

STRIDES ARCOLAB INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Creditors: Amounts falling due after more than one year

	2021	2020
	\$	\$
Amounts owed to group undertakings	39,749,925	32,969,994
	<u>39,749,925</u>	<u>32,969,994</u>

9. Loans

Analysis of the maturity of loans is given below:

	2021	2020
	\$	\$
Amounts falling due 2-5 years		
Other loans	39,749,925	32,969,994
	<u>39,749,925</u>	<u>32,969,994</u>
	<u>39,749,925</u>	<u>32,969,994</u>

10. Share capital

	2021	2020
	\$	\$
Allotted, called up and fully paid		
30,306,148 (2020 - 28,526,329) Ordinary shares of \$1.00 each	44,035,560	41,694,447
Nil (2020 - 9,122) Pref shares of \$1,000.00 each	-	11,998,764
	<u>44,035,560</u>	<u>53,693,211</u>

STRIDES ARCOLAB INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Reserves

Share premium account

The share premium has arisen on conversion of preference shares to ordinary equity.

Foreign exchange reserve

The foreign exchange reserve arises on the translation of the opening net assets and reserves, with exchange differences arising on translation accumulated in equity. The presentational currency of the accounts was changed from Sterling to USD in a previous year.

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

12. Related party transactions

As the company is a wholly owned subsidiary of Strides Pharma Science Limited, the company has taken advantage of the exemption in FRS102 para 33.1A and has therefore not disclosed transactions or balances with other wholly-owned subsidiaries which form part of the group headed by Strides Pharma Science Limited.

At the balance sheet date, an amount of \$15,470 (2020: \$15,470) was due from Beltapharm S.p.A, a subsidiary company.

At the balance sheet date, an amount of \$26,569 (2020: \$26,569) was due from Strides Global Consumer Healthcare Limited, a subsidiary company.

During the year, Dr K Santhanam was paid directors sitting fees of £4,500 (2019: £Nil), as at the year end no amounts were outstanding in respect of this.

13. Controlling party

The company is 100% owned by Strides Pharma Science Limited, an entity registered in India, which is also the ultimate parent undertaking. The consolidated accounts are available at the registered address of the ultimate parent. The address is 201, Devavrata, Sector 17, Vashi, Navi Mumbai - 400 703, India. There is no ultimate controlling party.

The company is exempt from producing consolidated accounts as the parent, Strides Pharma Science Limited, produces consolidated accounts for the group.

STRIDES ARCOLAB INTERNATIONAL LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 \$	2020 \$
Less: overheads		
Administration expenses	(2,518,019)	6,238,637
Operating (loss)/profit	<u>(2,518,019)</u>	<u>6,238,637</u>
Interest receivable	4,825	-
Interest payable	(2,104,931)	(1,991,842)
(Loss)/Profit for the year	<u><u>(4,618,125)</u></u>	<u><u>4,246,795</u></u>

STRIDES ARCOLAB INTERNATIONAL LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	\$	\$
Administration expenses		
Directors board fees	4,500	-
Legal and professional	56,233	130,522
Auditor's remuneration	14,090	11,455
Bank charges	1,398	2,720
Bad debts	-	2,880
Difference on foreign exchange	506,798	(89,469)
Amortisation - intangible fixed assets	-	9,416
(Profit)/loss on sale of intangible assets	-	(7,821,161)
Impairment charge in associates	1,935,000	1,515,000
	<u>2,518,019</u>	<u>(6,238,637)</u>
	2021	2020
	\$	\$
Interest receivable		
Other interest receivable	4,825	-
	<u>4,825</u>	<u>-</u>
	2021	2020
	\$	\$
Interest payable		
Group interest payable	(2,104,931)	(1,991,842)
	<u>2,104,931</u>	<u>1,991,842</u>