

# AMARNATH KAMATH & ASSOCIATES

## CHARTERED ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

To the Members of M/s Fagris Medica Private Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of **Fagris Medica Private Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year 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 are 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

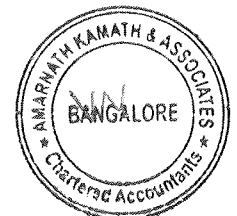
Our responsibility is to express an opinion on these financial statements based on our audit.

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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such control. 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

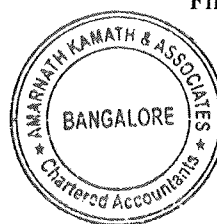
In our opinion and the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, the Loss for the year ended on that date 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, 2015, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure** a statement on the matters specified in paragraphs 3 and 4 of the order.
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 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. 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.
    - 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 19, 2015

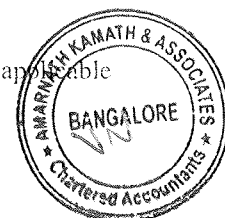
For Amarnath Kamath & Associates,  
Chartered Accountants,  
Firm Regn No. 000099S



*V. Narayanan*  
V Narayanan  
Partner  
M. No. 219265

**ANNEXURE 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) As explained to us, the fixed assets were physically verified during the year by the Management during the course of capitalization. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its Inventory :
- a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - b) In our opinion and according to the Information and explanations given to us, the procedures of physically verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the Company.
- (iii) The Company has not granted any loan, secured or unsecured, to the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control systems.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits 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 to the records produced and information given to us, the provisions of Section 148(1) of the Companies Act, 1956 regarding maintenance of cost records are applicable to the company and the company has maintained the records as required.
- (vii) According to the information and explanations given to us and according to the books and records as produced and examined by us, in respect of statutory dues and other dues :
- a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Excise Duty, Custom Duty, Service Tax, Cess and other statutory dues with the appropriate authorities during the period wherever applicable.
  - b) No disputed amounts in respect of statutory dues, including Provident Fund, Income Tax Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became due.
  - c) As per the information and explanation given to us, the Company is not required to transfer any amount to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and the rules made there under.
- (viii) Since the company is registered for a period less than five years, clause (viii) of the Order is not applicable for the company;



- (ix) Since the company has not borrowed any funds from any financial institution or bank or issued any debentures, clause (ix) of the Order is not applicable for the company;
- (x) According to the information and explanation given to us, the Company has not given any guarantee and hence reporting under this clause is not applicable to the Company.
- (xi) Since the company has not taken any term loans, clause (xi) of the Order is not applicable for the company;
- (xii) To the best of our knowledge and belief, according to the information and explanation given to us by the Management, no frauds were noticed or reported during the year.

For Amarnath Kamath & Associates Chartered  
Accountants  
Firm Regn No. 000099S

Place: Bangalore  
Date : May 19, 2015



*V. Narayanan*  
V Narayanan  
Partner  
M. No. 219265

**FAGRIS MEDICA PRIVATE LIMITED**

**BALANCE SHEET AS AT MARCH 31,2015**

Amount in INR

| Particulars                        | Note No | 31 <sup>st</sup> March 2015 | 31 <sup>st</sup> March 2014 |
|------------------------------------|---------|-----------------------------|-----------------------------|
| <b>I. EQUITY &amp; LIABILITIES</b> |         |                             |                             |
| <b>Share Holders Funds :</b>       |         |                             |                             |
| (a) Share Capital                  | 3       | 1,000,000                   | 1,000,000                   |
| (b) Reserves & Surplus             | 4       | (7,289,346)                 | (3,059,310)                 |
| <b>Non Current Liabilities :</b>   |         |                             |                             |
| (a) Long Term Borrowings           | 5       | 10,674,620                  | 4,518,682                   |
| (b) Long Term Provisions           | 6       | 14,890                      | 120,570                     |
| <b>Current Liabilities :</b>       |         |                             |                             |
| (a) Trade Payables                 | 7       | 3,237,837                   | 2,098,236                   |
| (b) Other Current Liabilities      | 8       | 3,115,315                   | -                           |
| <b>TOTAL</b>                       |         | <b>10,753,316</b>           | <b>4,678,179</b>            |

**II ASSETS**

|                                   |    |                   |                  |
|-----------------------------------|----|-------------------|------------------|
| <b>Non Current Assets :</b>       |    |                   |                  |
| (a) Fixed assets                  |    |                   |                  |
| (i) Tangible assets               | 9  | 37,602            | 73,380           |
| (ii) Intangible assets            |    | -                 | 37,402           |
| (b) Deferred Tax Assets (net)     |    | -                 | 12,473           |
| (c) Other Non current Assets      | 10 | -                 | 438,723          |
| <b>Current Assets :</b>           |    |                   |                  |
| (a) Inventories                   | 11 | 5,737,125         | 451,364          |
| (b) Trade receivables             | 12 | 2,298,387         | 2,871,938        |
| (c) Cash and cash equivalents     | 13 | 1,078,217         | 87,745           |
| (d) Short-term loans and advances | 14 | 1,601,985         | 705,154          |
| <b>TOTAL</b>                      |    | <b>10,753,316</b> | <b>4,678,179</b> |

See accompanying notes forming part of the Financial Statements

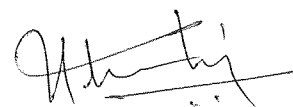
In terms of our report attached

For **Amarnath Kamath & Associates**

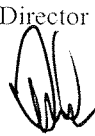
Chartered Accountants

Firm Regn No. 000099S

For and on Behalf of the Board

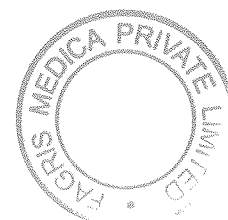
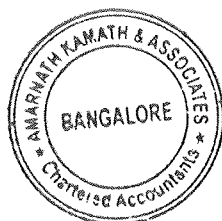


Mohan Kumar Pillai  
Director

  
Joe Thomas  
Director



V Narayanan  
Mem No 219265  
19<sup>th</sup> May 2015



**FAGRIS MEDICA PRIVATE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

Amount in INR

| Particulars   | Note No | For the year ended 31 <sup>st</sup><br>March 2015 | For the year ended 31 <sup>st</sup><br>March 2014 |
|---|---------|---|---|
| I Revenue from Operations   | 15      | 7,297,038   | 8,776,689   |
| II Other Income   | 16      | 177,462   | 45,350  |
| <b>III Total Revenue (I+II)</b>   |         | <b>7,474,500</b>                                  | <b>8,822,039</b>                                  |
| <b>IV Expenses :</b>  |         |   |   |
| Cost of Materials Consumed  | 17      | 4,319,111   | 4,589,289   |
| Changes in Inventories of Finished Goods                                      |         |   |   |
| Work In Progress and Stock in Trade   | 18      | (1,650,550)                                       | -   |
| Employee Benefits   | 19      | 533,550   | 345,835   |
| Finance costs   | 20      | 567,943   | 5,795.00  |
| Depreciation and Amortisation   | 21      | 28,065  | 35,035  |
| Other Expenses  | 22      | 7,893,944   | 3,346,633   |
| <b>Total</b>  |         | <b>11,692,063</b>                                 | <b>8,322,587</b>                                  |
| <b>V Profit before exceptional and extraordinary items and tax (III – IV)</b> |         | <b>(4,217,563)</b>                                | <b>499,452</b>                                    |
| VI Exceptional items  |         | -   | -   |
| VII Profit before extraordinary items and tax (V – VI)                        |         | (4,217,563)                                       | 499,452   |
| VIII Extraordinary items  |         | -   | -   |
| IX Profit before tax (VII- VIII)  |         | (4,217,563)                                       | 499,452   |
| X Tax expense:  |         |   |   |
| Current tax   |         | -   | 97,100  |
| Deferred tax  | 23      | 12,473  | 135   |
| XI Profit / (Loss) for the year (IX - X)                                      |         | (4,230,036)                                       | 402,217   |
| <b>XII Earnings per share (of Rs 10/- each)</b>                               |         |   |   |
| - Basic   |         | (42.30)   | 4.02  |
| - Diluted   |         | (42.30)   | 4.02  |

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **Amarnath Kamath & Associates**

Chartered Accountants

Firm Regn No. 000099S

V Narayanan

Mem No 219265

19<sup>th</sup> May 2015



For and on Behalf of the Board

*Mohan Kumar Pillai*

Mohan Kumar Pillai  
Director

*Joe Thomas*

Joe Thomas  
Director

FAGRIS MEDICA PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

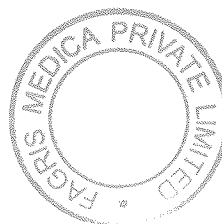
Amount in INR

| Sl No   | Particulars                                       | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|---|---|------------------------------------|------------------------------------|
| <b>I</b>  | <b>CASH FROM OPERATING ACTIVITIES :</b>           | <b>(4,573,894)</b>                 | <b>637,295</b>                     |
|   | Nett Profit / (Loss) as per Profit & Loss Account | (4,230,036)                        | 402,217                            |
|   | [+/-] Non Cash & Non Operating Items :-           |                                    |                                    |
|   | Assets Written Off                                | 93,745                             | -                                  |
|   | Depreciation & Amortisation                       | 28,065                             | 35,035                             |
|   | Interest Paid                                     | 542,942                            | -                                  |
|   | Interest Received                                 | -                                  | (22,421)                           |
|   | Preoperative Expenses Written Off                 | 438,723                            | 87,744                             |
|   | Provision for Deferred Tax                        | 12,473                             | 135                                |
|   | Provision for Income Tax                          | -                                  | 97,100                             |
|   | <b>Sub Total</b>                                  | <b>1,115,948</b>                   | <b>197,593</b>                     |
|   | [+/-] Working Capital Variations :-               |                                    |                                    |
|   | Inventory   | (5,285,761)                        | 547,290                            |
|   | Investments Current                               |                                    | 1,400,000                          |
|   | Long Term Provisions                              | (105,680)                          |                                    |
|   | Other Current Liabilities                         | 3,115,315                          |                                    |
|   | Short Term Loans & Advances                       | (896,831)                          | (399,840)                          |
|   | Trade Payables                                    | 1,139,601                          | (187,128)                          |
|   | Trade Receivables                                 | 573,550                            | (1,322,837)                        |
|   | <b>Sub Total</b>                                  | <b>(1,459,806)</b>                 | <b>37,485</b>                      |
| <b>II</b>   | <b>CASH FROM INVESTING ACTIVITIES :</b>           | <b>(48,630)</b>                    | <b>22,421</b>                      |
|   | Interest Received                                 |                                    | 22,421                             |
|   | Purchase of Fixed Assets                          | (48,630)                           |                                    |
| <b>III</b>  | <b>CASH FROM FINANCING ACTIVITIES :</b>           | <b>5,612,996</b>                   | <b>(1,168,744)</b>                 |
|   | Long Term Borrowings                              | 6,155,938                          | (1,168,744)                        |
|   | Interest Paid                                     | (542,942)                          | -                                  |
| <b>(I + II + III) TOTAL CASH GENERATED / (DEPLOYED) DURING THE PERIOD</b> |   | <b>990,472</b>                     | <b>(509,028)</b>                   |
|   | Cash & Cash Equivalents :-                        |                                    |                                    |
|   | Opening Balance                                   | 87,745                             | 596,773                            |
|   | Closing Balance                                   | 1,078,217                          | 87,745                             |

As per our Report of Even date  
For Amarnath Kamath & Associates  
Chartered Accountants  
Firm Regn No. 000099S

*V. Narayanan*

V Narayanan  
Mem No 219265  
19<sup>th</sup> May 2015



For and on Behalf of the Board

*Mohan Kumar Pillai*

Mohan Kumar Pillai  
Director

*Joe Thomas*  
Joe Thomas  
Director

**FAGRIS MEDICA PRIVATE LIMITED**

**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2015**

**NOTE No-1**

**COMPANY INFORMATION**

Fagris Medica Private Limited is a pharmaceutical company which is headquartered in Bangalore, India. The company is engaged in business of marketing and commercializing OTC products in CIS countries.

**NOTE No-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 the Accounting Standards specified by National Advisory Committee for Accounting Standards, 2006 and the mandatory accounting standards issued by the Institute of Chartered Accountants of India.

**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. INVENTORIES**

Inventories are valued at lower of cost and net realisable value. Cost is determined on 'First In First Out' (FIFO) basis. The cost of goods comprises of the purchase cost, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses.

**D. FIXED ASSETS**

Fixed Assets are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenditure relating to the acquisition such as cost of installation / erection and interest up to the date of commissioning of the asset as applicable.

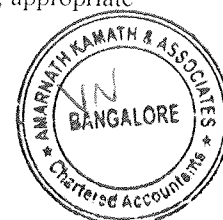
**Capital Work-in-progress**

Projects under which assets are not ready for its intended use and other Capital Work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributed finance costs.

**E. DEPRECIATION**

During the current financial year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has estimated the useful life of its assets to align the useful life with those specified in Schedule II.

In respect of certain assets, the useful life assessed internally by the Company's Management / technical team differs from that specified in Schedule II of the Companies Act, 2013. In all such cases, appropriate documentation of the technical evaluation with justifications for the same has been maintained





**F. REVENUE RECOGNITION**

Sales revenue is recognized on the transfer of the title in the goods which coincides with the dispatch of same to the customers. Interest Income and Export Incentives are recognized on accrual basis.

**G. TAXATION**

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

**H. FOREIGN CURRENCY TRANSACTIONS**

Transactions denominated in Foreign Currencies are recorded using the exchange rates prevailing on the date of transaction. The difference if any, on actual payment/ realization is charged off to revenue. Amount receivable / payable as at the close of the year is accounted at the prevailing rates and the difference if any, on receipt / while making actual payment due to fluctuation in the rate of exchange is charged to revenue in that year.

**I. 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.
- ii. Gratuity liability is a defined benefit obligation and is provided based on an actuarial valuation carried out as the end of the fiscal year using the Projected Unit Credit Method, with the actuarial valuation being carried out at each balance sheet. The liability is not funded.
- iii. Provision for Leave Encashment has been made based on an actuarial valuation carried out as the end of the fiscal year with the actuarial valuation being carried out at each balance sheet. The liability is not funded.

**J. 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. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**K. IMPAIRMENT OF ASSETS**

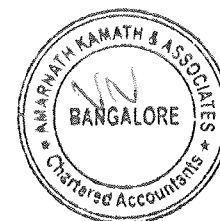
An asset is treated as impaired with the current carrying cost of the same exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in the prior accounting periods is reversed if there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

**L. CONTINGENCIES**

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

**M. 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.



**Fagris Medica Private Limited**

**Notes forming part of Financial Statements**

| Note No | Share Capital  | Amount in INR                     |                                   |
|---------|--|-----------------------------------|-----------------------------------|
|         |  | As at 31 <sup>st</sup> March 2015 | As at 31 <sup>st</sup> March 2014 |
| 3       |  |                                   |                                   |
|         | Equity Share Capital :   |                                   |                                   |
|         | Authorised -   |                                   |                                   |
|         | 105000 Equity Shares of Rs.10/- each                                 | 1,050,000                         | 1,050,000                         |
|         | 6% 5000 Redeemable non cumulative Preference Shares of Rs.10/- each. | 50,000                            | 50,000                            |
|         |  | <b>1,100,000</b>                  | <b>1,100,000</b>                  |
|         | Issued, Subscribed & Fully Paid up -                                 |                                   |                                   |
|         | Equity Share Capital   | 1,000,000                         | 1,000,000                         |
|         | [100000 Equity Shares of Rs.10/- each]                               |                                   |                                   |
|         | <b>Total</b>   | <b>1,000,000</b>                  | <b>1,000,000</b>                  |

**Reconciliation of Shares Outstanding at the Beginning & End of the period**

| Particulars                                     | As at 31 <sup>st</sup> March 2015 | As at 31 <sup>st</sup> March 2014 |
|---|-----------------------------------|-----------------------------------|
| Shares Outstanding at the Beginning of the Year | 100,000                           | 100,000                           |
| (+) Shares Issued during the period             | -                                 | -                                 |
| (-) Share Brought back during the period        | -                                 | -                                 |
| <b>Balance</b>                                  | <b>100,000</b>                    | <b>100,000</b>                    |

**Details of Share Holders holding more than 5% of the Paid of up Capital**

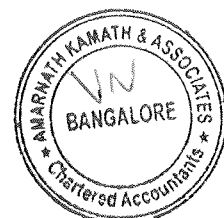
| Particulars                            | % of Holding                      |                                   |
|--|-----------------------------------|-----------------------------------|
|  | As at 31 <sup>st</sup> March 2015 | As at 31 <sup>st</sup> March 2014 |
| Alexander Alexander                    | -                                 | 4.60                              |
| Rohini Mariam Alexander                | 10.00                             | 95.40                             |
| Strides Arcolab Ltd. (Holding Company) | 90.00                             | -                                 |
| <b>Total</b>                           | <b>100</b>                        | <b>100</b>                        |

| 4 | Reserves & Surplus                          | As at 31 <sup>st</sup> March |                    |
|---|---|------------------------------|--------------------|
|   |   | 2015                         | 2014               |
|   | Balance in Profit & Loss Account :-         |                              |                    |
|   | Opening Balance                             | (3,059,310)                  | (3,461,527)        |
|   | [+/-] : Nett Profit / (Loss) for the period | (4,230,036)                  | 402,217            |
|   | <b>Closing Balance</b>                      | <b>(7,289,346)</b>           | <b>(3,059,310)</b> |

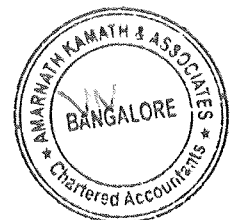
| 5 | Long Term Borrowings                           | As at 31 <sup>st</sup> March |                  |
|---|--|------------------------------|------------------|
|   |  | 2015                         | 2014             |
|   | Related Parties :- (Directors & Share Holders) |                              |                  |
|   | Unsecured Loans                                | 10,674,620                   | 4,518,682        |
|   | <b>Total</b>                                   | <b>10,674,620</b>            | <b>4,518,682</b> |

Borrowings from Strides Arcolab Ltd amounting to Rs.10,01,000/- received during August 2014, carries an interest of 9% per annum.

| 6 | Long Term Provisions     | As at 31 <sup>st</sup> March |                |
|---|--------------------------|------------------------------|----------------|
|   |                          | 2015                         | 2014           |
|   | Provision for Income Tax | 14,890                       | 120,570        |
|   | <b>Total</b>             | <b>14,890</b>                | <b>120,570</b> |



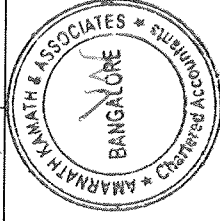
|    |  |   |   |
|----|--|---|---|
| 7  | <b>Trade Payables</b>                            | <b>As at 31<sup>st</sup> March 2015</b> | <b>As at 31<sup>st</sup> March 2014</b> |
|    | Trade Payables                                   |   |   |
|    | - Other than acceptances                         | 3,237,837                               | 2,098,236                               |
|    | <b>Total</b>                                     | <b>3,237,837</b>                        | <b>2,098,236</b>                        |
| 8  | <b>Other Current Liabilities</b>                 | <b>As at 31<sup>st</sup> March 2015</b> | <b>As at 31<sup>st</sup> March 2014</b> |
|    | Advance from Customer                            | 3,032,181                               | -                                       |
|    | Duties & Taxes Payable                           | 83,134                                  | -                                       |
|    | <b>Total</b>                                     | <b>3,115,315</b>                        |   |
| 10 | <b>Other Non Current Assets</b>                  | <b>As at 31<sup>st</sup> March 2015</b> | <b>As at 31<sup>st</sup> March 2014</b> |
|    | Miscellaneous expenditure not written off        | -                                       | 438,723                                 |
|    | <b>Total</b>                                     |   | <b>438,723</b>                          |
| 11 | <b>Inventory</b>                                 | <b>As at 31<sup>st</sup> March 2015</b> | <b>As at 31<sup>st</sup> March 2014</b> |
|    | Raw Materials & Packing Materials                | 4,086,575                               | 451,364                                 |
|    | Finished Goods                                   | 1,650,550                               | -                                       |
|    | <b>Total</b>                                     | <b>5,737,125</b>                        | <b>451,364</b>                          |
| 12 | <b>Trade Receivables</b>                         | <b>As at 31<sup>st</sup> March 2015</b> | <b>As at 31<sup>st</sup> March 2014</b> |
|    | Unsecured Considered Good                        |   |   |
|    | Outstanding for the Period of Less than 6 Months | 1,730,013                               | 1,120,100                               |
|    | Other Outstanding                                | 568,374                                 | 1,751,838                               |
|    | <b>Total</b>                                     | <b>2,298,387</b>                        | <b>2,871,938</b>                        |
| 13 | <b>Cash &amp; Cash Equivalent</b>                | <b>As at 31<sup>st</sup> March 2015</b> | <b>As at 31<sup>st</sup> March 2014</b> |
|    | Cash in Hand                                     | 3,499                                   | 35,612                                  |
|    | Bank Balance                                     | 1,074,718                               | 52,133                                  |
|    | <b>Total</b>                                     | <b>1,078,217</b>                        | <b>87,745</b>                           |
| 14 | <b>Short Term Loans &amp; Advances</b>           | <b>As at 31<sup>st</sup> March 2015</b> | <b>As at 31<sup>st</sup> March 2014</b> |
|    | Unsecured Considered Good                        |   |   |
|    | Prepaid Taxes                                    | 1,587,335                               | 690,904                                 |
|    | Short Term Deposits                              | 14,650                                  | 14,250                                  |
|    | <b>Total</b>                                     | <b>1,601,985</b>                        | <b>705,154</b>                          |



**FAGRIS MEDICA PRIVATE LIMITED**

**Note 9 :- Fixed Assets**

| Particulars                 | Gross Block              |                              |                | Depreciation     |                     |                   | Net block      |                     |                     |
|-----------------------------|--------------------------|------------------------------|----------------|------------------|---------------------|-------------------|----------------|---------------------|---------------------|
|                             | Balance on<br>01.04.2014 | Additions during<br>the year | Deletions      | As at 31.03.2015 | As at<br>01.04.2014 | For the<br>period | Withdrawn      | As at<br>31.03.2015 | As at<br>31.03.2014 |
| <b>Tangible Assets :-</b>   |                          |                              |                |                  |                     |                   |                |                     |                     |
| Air Conditioner             | 20,600                   | -                            | -              | 20,600           | 10,860              | 9,740             | -              | 20,600              | 9,740               |
| Computer                    | 112,696                  | -                            | 112,696        | -                | 105,467             | -                 | 105,467        | -                   | 7,229               |
| Fridge                      | 15,427                   | -                            | -              | 15,427           | 8,131               | 7,296             | -              | 15,427              | 7,296               |
| Furniture & Fixtures        | 57,214                   | -                            | 57,214         | -                | 39,801              | -                 | 39,801         | -                   | 17,413              |
| Laptop                      | 37,803                   | 28,750                       | 37,803         | 28,750           | 34,864              | 6,854             | 34,866         | 21,898              | 2,939               |
| Mobile                      | 18,466                   | 19,880                       | 18,466         | 19,880           | 4,318               | 4,175             | 4,317          | 15,704              | 14,148              |
| Printer                     | 6,455                    | -                            | 6,455          | -                | 3,402               | -                 | 3,402          | -                   | 3,053               |
| Telephone                   | 968                      | -                            | 968            | -                | 511                 | -                 | 511            | -                   | 457                 |
| TV                          | 15,990                   | -                            | 15,990         | -                | 8,428               | -                 | 8,428          | -                   | 7,562               |
| Water Cooler                | 7,491                    | -                            | 7,491          | -                | 3,948               | -                 | 3,948          | -                   | 3,543               |
| <b>Sub Total</b>            | <b>293,110</b>           | <b>48,630</b>                | <b>257,083</b> | <b>84,657</b>    | <b>219,730</b>      | <b>28,065</b>     | <b>200,740</b> | <b>47,055</b>       | <b>73,380</b>       |
| <b>Intangible Assets :-</b> |                          |                              |                |                  |                     |                   |                |                     |                     |
| Software                    | 13,500                   | -                            | 13,500         | -                | 12,450              | -                 | 12,450         | -                   | 1,050               |
| Trademark                   | 158,303                  | -                            | 158,303        | -                | 125,011             | -                 | 125,011        | -                   | 33,292              |
| Website                     | 39,350                   | -                            | 39,350         | -                | 36,290              | -                 | 36,290         | -                   | 3,060               |
| <b>Sub Total</b>            | <b>211,153</b>           | <b>-</b>                     | <b>211,153</b> | <b>-</b>         | <b>173,751</b>      | <b>-</b>          | <b>173,751</b> | <b>-</b>            | <b>37,402</b>       |
| <b>Total</b>                | <b>504,263</b>           | <b>48,630</b>                | <b>468,236</b> | <b>84,657</b>    | <b>393,481</b>      | <b>28,065</b>     | <b>47,055</b>  | <b>47,055</b>       | <b>110,782</b>      |
| <b>Previous year</b>        |                          |                              |                |                  |                     |                   |                |                     |                     |
| Tangible Assets             | 293,108                  |                              |                | 293,108          | 201,701             | 18,027            |                | 219,728             | 91,407              |
| Intangible Assets           | 211,154                  |                              |                | 211,154          | 156,743             | 17,008            |                | 173,751             | 54,411              |

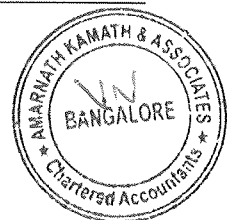


**Fagris Medica Private Limited**

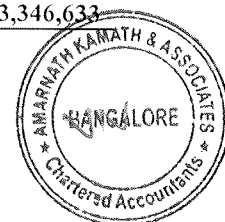
**Notes forming part of Financial Statements**

Amount in INR

| Note No |  | year ended on 31 <sup>st</sup><br>March 2015 | year ended on 31 <sup>st</sup><br>March 2014 |
|---------|--|--|--|
| 15      | <b>Revenue from Operations</b>                 |  |  |
|         | Export Sales                                   | 7,235,256                                    | 8,108,142                                    |
|         | Discounts & Drawback                           | 61,782                                       | 668,547                                      |
|         | <b>Total</b>                                   | <b>7,297,038</b>                             | <b>8,776,689</b>                             |
| 16      | <b>Revenue from Others</b>                     |  |  |
|         | Interest Received                              | -  | 22,421                                       |
|         | Foreign Exchange Fluctuations                  | 177,462                                      | 22,930                                       |
|         | <b>Total</b>                                   | <b>177,462</b>                               | <b>45,350</b>                                |
| 17      | <b>Cost of Materials Consumed</b>              |  |  |
|         | Opening Stock                                  | 451,364                                      | 998,654                                      |
|         | Add:- Purchases                                | 7,954,322                                    | 4,041,999                                    |
|         | Less:- Closing Stock                           | 4,086,575                                    | 451,364                                      |
|         | <b>Total</b>                                   | <b>4,319,111</b>                             | <b>4,589,289</b>                             |
| 18      | <b>Change in Value of Finished Goods</b>       |  |  |
|         | Opening Stock                                  | -  | -  |
|         | Closing Stock                                  | 1,650,550                                    | -  |
|         | <b>Total</b>                                   | <b>(1,650,550)</b>                           |  |
| 19      | <b>Employee Costs</b>                          |  |  |
|         | Salaries, Allowances & Other Employee Benefits | 508,700                                      | 333,335                                      |
|         | Bonus  | 14,744                                       | 12,500                                       |
|         | Staff Welfare                                  | 10,106                                       |  |
|         | <b>Total</b>                                   | <b>533,550</b>                               | <b>345,835</b>                               |



| 20 | Finance Costs                           | year ended on 31 <sup>st</sup><br>March 2015 | year ended on 31 <sup>st</sup><br>March 2014 |
|----|---|--|--|
|    | Bank Charges                            | 25,001                                       | 5,795  |
|    | Interest Paid                           | 542,942                                      | -  |
|    | <b>Total</b>                            | <b>567,943</b>                               | <b>5,795</b>                                 |
| 21 | Depreciation & Amortisation             | year ended on 31 <sup>st</sup><br>March 2015 | year ended on 31 <sup>st</sup><br>March 2014 |
|    | Amortisation of Intangibles             | -  | 17,008                                       |
|    | Depreciation                            | 28,065                                       | 18,027                                       |
|    | <b>Total</b>                            | <b>28,065</b>                                | <b>35,035</b>                                |
| 22 | Other Expenses                          | year ended on 31 <sup>st</sup><br>March 2015 | year ended on 31 <sup>st</sup><br>March 2014 |
|    | Export Commission                       | -  | 28,471                                       |
|    | Freight, Transportation & Procurement   | 1,342,006                                    | 1,657,690                                    |
|    | Godown Rent                             | 31,000                                       | 24,000                                       |
|    | Labour Charges                          | 1,218,673                                    | 394,765                                      |
|    | Packing Expenses                        | 1,000  | 110,336                                      |
|    | Advertisement & Business Promotion      | 36,000                                       | 4,800  |
|    | Audit Fee                               |  |  |
|    | - Company Law                           | 65,000                                       | 11,236                                       |
|    | - Taxation                              | 25,000                                       | -  |
|    | - Others                                | 5,618  | -  |
|    | Bad Debts                               | 353,866                                      | 303,598                                      |
|    | Assets Written off                      | 93,745                                       | -  |
|    | Preoperative Expenses Written Off       | 438,723                                      | 87,744                                       |
|    | Communication Charges                   | 58,661                                       | 39,491                                       |
|    | Insurance                               | 7,619  | 8,722  |
|    | Legal & Professional Fees               | 2,445,404                                    | 231,003                                      |
|    | Membership & Subscription               | 11,236                                       | -  |
|    | Miscellaneous Expenses                  | 13,440                                       | 2,221  |
|    | Power Costs                             | 18,618                                       | 11,084                                       |
|    | Printing, Stationery, Postage & Courier | 149,245                                      | 46,699                                       |
|    | Rates & Taxes                           | 542,433                                      | 16,384                                       |
|    | Rent                                    | 90,400                                       | 83,400                                       |
|    | Repair & Maintainance                   |  |  |
|    | - Machinery                             | 158,881                                      | 10,663                                       |
|    | - Others                                | 92,301                                       | 53,788                                       |
|    | Research & Development                  | 263,543                                      | 43,123                                       |
|    | Travelling & Conveyance                 | 431,533                                      | 177,416                                      |
|    | <b>Total</b>                            | <b>7,893,944</b>                             | <b>3,346,633</b>                             |



**Fagris Medica Private Limited**

**Notes forming part of Financial Statements**

**Note No**

**23** Deferred Tax Asset – Since, the Share Holding Pattern of the Company has undergone a change during the period, the company is not eligible to carry forward its Losses under section 72 of Income Tax Act 1961. Hence, it is decided that the Balance of Deferred Tax existing in the books shall be written off during the period. Further, taking into consideration materiality aspects, the company has ignored the timing difference of the Depreciation as per books and the allowable depreciation under the Income Tax Act during the current period. Hence, no deferred tax is recognised during the period.

**24**

- (a) CIF Value of Imports – Nil.
- (b) Expenditure in Foreign Currency - \$ 4,019/- paid to Agency of Intellectual Property Tagbergovna & Partners towards Reimbursement of Expenses & Consultancy Fees on 08/09/2014. INR Equivalent of the same is 2,49,190/-.
- (c) Foreign Exchange Earnings during the Period – \$1,18,309/-.

**25** The amounts are grouped and regrouped wherever necessary. Broad heads have been taken based on materiality and presentation of True and Fair Financial Statements.

**26 Related Party Transactions**

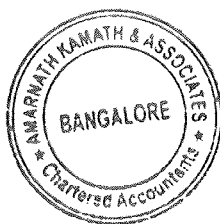
Related party disclosures as required by AS 18 issued by ICAI are given below

- a Shareholding Pattern**
- |                               |    |
|-------------------------------|----|
| Rohini Mariam Alexander       | 10 |
| Strides Arcolab Ltd. (Holding | 90 |
- b Related Party Transactions & balances at year end**

| Sl No | Name of the Party    | Nature of relation | Closing balance as                  |                    | Nature of transaction  |
|-------|----------------------|--------------------|-------------------------------------|--------------------|--|
|       |                      |                    | Transaction during the year 2014-15 | on 31st March 2015 |  |
| 1     | Strides Arcolab Ltd. | Holding company    | 10,185,996                          | 10,185,996         | Long term borrowings availed by Fagris Medica Pvt Ltd from Strides Arcolab Ltd |
| 2     | Strides Arcolab Ltd. | Holding company    | 542,915                             | 488,624            | Interest Paid  |
| 2     | Strides Arcolab Ltd. | Holding company    | 3,032,181                           | 3,032,181          | Advances from Strides Arcolab limited to Fagris Medica Pvt Ltd                 |

As per our Report of Even date  
For Amarnath Kamath & Associates  
Chartered Accountants  
Firm Regn No. 000099S

V Narayanan  
Mem No 219265  
19<sup>th</sup> May 2015



For and on Behalf of the Board

*Mohan Kumar Pillai*

Mohan Kumar Pillai  
Director

Director

*Joe Thomas*  
Joe Thomas  
Director

Director