



Amarnath Kamath & Associates Chartered Accountants

Auditors' Report

The Board of Directors
Strides Arcolab Limited
Bangalore

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

These Financial Statements have been prepared by the management of SAL based on the Management reporting package of the Company prepared under United States Generally Accepted Accounting Principles.

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

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

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



Sudhakar S. Prabhu
Partner

Date:
Place: **Bangalore**

M.No:024015

` CAREWELHOUSE', Muniswamappa Layout, 6th Cross, Opp. TOTAL Mall, Off HALA Airport Road,
Bangalore 560017. Phone: 918025264700

Chennai Branch: 3A, Sree Apartments, 508, TTK Road, Alwarpet, Chennai -
600018 Phone: 04442031748 - Email: vn@amarnathkamath.com

Strides Pharma Inc
BALANCE SHEET AS AT MARCH 31, 2015

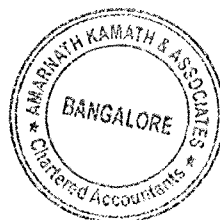
	Schedule	Mar-15 USD	Mar-14 USD	Mar-15 INR	Mar-14 INR
A . EQUITY AND LIABILITIES					
1. Shareholders' funds					
a) Share capital	1	111,150	100,000	6,946,875	5,972,000
b) Reserves and Surplus	2	-680,046	-1,599,275	-42,502,855	-95,508,721
		<u>-568,896</u>	<u>-1,499,275</u>	<u>-35,555,980</u>	<u>-89,536,721</u>
2. Share application money pending allotment					
		-	-	-	-
3. Minority Interest					
		-	-	-	-
4. Non Current Liabilities					
a) Long Term borrowing	3	-	-	-	-
b) Deferred Tax liabilities (Net)		-	-	-	-
c) Other Long Term Liabilities	4	-	-	-	-
d) Long Term Provisions	5	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5. Current Liabilities					
a) Short Term borrowing	6	15,774,489	-	985,905,589	-
b) Trade Payables	7	4,511,302	607,430	281,956,392	36,275,720
c) Other Current Liabilities	8	41,658	8,424,543	2,603,603	503,113,722
d) Short Term Provisions	9	-	-	-	-
		<u>20,327,449</u>	<u>9,031,973</u>	<u>1,270,465,584</u>	<u>539,389,441</u>
Total of Liabilities		<u>19,758,554</u>	<u>7,532,698</u>	<u>1,234,909,604</u>	<u>449,852,720</u>
B . ASSETS					
1 . NON CURRENT ASSETS					
a. Fixed Assets					
i) Tangible Assets	10	1,312	1,533	82,000	91,551
ii) Intangible Assets		-	-	-	-
iii) Capital Work in Progress		-	-	-	-
iv) Intangible Assets Under Development		-	-	-	-
v) Fixed Assets held for Sale		-	-	-	-
		<u>1,312</u>	<u>1,533</u>	<u>82,000</u>	<u>91,551</u>
b. Non Current Investments					
c. Deferred Tax Assets (Net)	11	11,001,000	-	687,562,500	-
d. Long Term Loans and Advances	12	-	-	-	-
e. Other Non Current Assets	13	-	-	-	-
	14	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>11,001,000</u>	<u>-</u>	<u>687,562,500</u>	<u>-</u>
2 . CURRENT ASSETS					
a Current investments	15	-	-	-	-
b Inventories	16	2,484,621	386,394	155,288,825	23,075,428
c Trade receivables	17	1,990,576	67,157	124,410,998	4,010,643
d Cash and cash equivalents	18	91,126	32,034	5,695,355	1,913,062
e Short-term loans and advances	19	4,020,931	7,045,580	251,308,176	420,762,038
f Other current assets	20	168,988	-	10,561,750	-
		<u>8,756,242</u>	<u>7,531,165</u>	<u>547,265,104</u>	<u>449,761,170</u>
Total of Assets		<u>19,758,554</u>	<u>7,532,698</u>	<u>1,234,909,604</u>	<u>449,852,720</u>

As per our report of even date

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

Sudhakar S. Prabhu

Sudhakar S. Prabhu
Partner
M.No:024015



Place: Bangalore
Date:

**Strides Pharma Inc
PROFIT & LOSS ACCOUNT**

<u>Particulars</u>	<u>Schedule</u>	<u>For the period ended</u>			
		<u>Mar-15</u> <u>USD</u>	<u>Mar-14</u> <u>USD</u>	<u>Mar-15</u> <u>INR</u>	<u>Mar-14</u> <u>INR</u>
A . CONTINUING OPERATIONS					
1. Revenue from Operations (Gross)	21	5,244,720	83,185	320,992,141	4,885,887
Less: Excise Duty	21	-	-	-	-
Revenue from Operations Net		5,244,720	83,185	320,992,141	4,885,887
2. Expenses					
a. Cost of Materials consumed	22.1	6,118,626	450,175	374,477,758	26,441,121
b. Purchases of Stock in Trade	22.2	-	-	-	-
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	22.3	-2,098,228	-386,394	-128,417,647	-22,694,917
d. Employee benefits expense	23	1,042,423	355,223	63,799,312	20,864,116
f. Other expenses	24	1,268,735	584,452	77,650,265	34,327,931
Total Expenses		6,331,556	1,003,457	387,509,688	58,938,251
3. Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1 - 2)					
		-1,086,836	-920,272	-66,517,547	-54,052,363
4. Finance Cost	25	758,055	25,367	46,395,163	1,489,957
5. Depreciation and amortisation expense	10	222	18	13,587	1,075
6. Other Income	26	476,853	-755	29,184,771	-44,333
7. Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4- 5 + 6)		-1,368,260	-946,412	-83,741,526	-55,587,728
8. Exceptional Items		-	652,864	-	38,346,087
8. Profit / (Loss) before tax (7 – 8)		-1,368,260	-1,599,275	-83,741,526	-93,933,815
9. Tax Expense					
a Current tax expense for current year		-	-	-	-
b (Less): MAT credit (where applicable)		-	-	-	-
c Current tax expense relating to prior years		1,360	-	83,236	-
d Net current tax expense		1,360	-	83,236	-
e Deferred tax		-	-	-	-
		1,360	-	83,236	-
10. Profit / (Loss) from continuing operations (11 + 12)		-1,369,620	-1,599,275	-83,824,762	-93,933,815

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



Sudhakar S. Prabhu
Partner
M.No:024015

Place: Bangalore
Date: