

## INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF STRIDES ARCOLAB LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **STRIDES ARCOLAB LIMITED** ("the Company") for the Quarter ended June 30, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
  2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
  3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
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4. Emphasis of Matter:
    - (a) During the period ended March 31, 2014, the Company sold its investment in Agila Specialties Private Limited. The Company and the buyer are currently in discussions with regard to certain claims levied by the buyer on the Company relating to the purchase of the investment, which have not been acknowledged by the Company. The final outcome on these claims would be given effect to in the books of account in the period in which such matters are settled between the parties.
    - (b) We draw attention to Note 8 of the Statement. As explained in the note, the Company is in the process of assessing the potential impact on depreciation under Schedule II of the Companies Act 2013, which has come into effect from April 1, 2014. Pending such assessment, no adjustments have been made in these results.

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**Deloitte  
Haskins & Sells**

- (c) The Company has early adopted Accounting Standard (AS) 30 'Financial Instruments: Recognition and Measurement', AS 31 'Financial Instruments: Presentation' and AS 32 'Financial Instruments: Disclosure', to the extent such standards do not conflict with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014).

Our report is not qualified in respect of the matters stated in paragraph 4(a), 4(b) and 4(c) above.

5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter ended June 30, 2014 of the Statement, from the details furnished by the Management.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 008072S)



**V. Srikumar**  
Partner  
(Membership No. 84494)

BANGALORE, July 25, 2014

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