

Independent Auditors' Report

To
The Designated Partners of
Argus Salud Pharma LLP
Chennai 600 017

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Argus Salud Pharma LLP** (“the Firm”), which comprise of the balance sheet as at March 31, 2021, and the Statement of Profit and Loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the applicable laws and regulations to a Limited Liability Partnership 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 Firm as at March 31, 2021, and its profit for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. 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 Firm in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Firm as it is not a listed entity.

Emphasis of Matter

The Firm has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Firm expects to recover the carrying amount of these assets. The Firm continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the CoVid-19 pandemic which may be different from that estimated as at the date of approval of the financial results. The Firm will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Our opinion is not modified in respect of this matter.

Management's responsibility for the financial statements

The Firm's partners are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Firm in accordance with the accounting principles generally accepted in India, including the accounting standards specified by ICAI. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Firm and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable

and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management (representing the Firm's partners) is responsible for assessing the Firm'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 management either intends to liquidate the Firm or to cease operations, or has no realistic alternative but to do so.

The designated partners are also responsible for overseeing the Firm's financial reporting process.

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 SAs 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Firm's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Firm to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

for CNGSN & Associates LLP
Chartered Accountants
Firm's Registration No.: 04915S/S200036

Place : Chennai
Date : 05th May 2021

K Parthasarathy
Partner
Membership No. : 018394
UDIN : 21018394AAAAEV6940

ARGUS SALUD PHARMA LLP

BALANCE SHEET AS AT MARCH 31, 2021

	Notes		As at 31-03-2021 Rs.		As at 31-03-2020 Rs.
SOURCES OF FUNDS					
SHARE HOLDERS' FUNDS					
Partners' Capital Account	1				
Caplin Point Laboratories Ltd		99,00,000		99,00,000.00	
May India Properties P Ltd		10,000		10,000.00	
			99,10,000		99,10,000
Partners' Share of Profit / (Loss)	2				
Caplin Point Laboratories Ltd		-26,51,709		-27,37,264	
May India Properties P Ltd		7,19,466		7,19,380	
			-19,32,244		-20,17,883
TOTAL			79,77,756		78,92,117
APPLICATION OF FUNDS					
CURRENT ASSETS, LOANS & ADVANCES					
Trade Receivables	3		-		27,12,070
OTHER CURRENT ASSETS	4		1,90,213		26,402
Cash & Bank balances	5		1,43,04,031		44,99,611
Loans, Advances & Deposits	6		10,35,919		10,31,953
			1,55,30,162		82,70,036
CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	7		74,82,287		2,71,635
Provisions	8		70,119		1,06,284
			75,52,406		3,77,919
NET CURRENT ASSETS			79,77,756		78,92,117
TOTAL			79,77,756		78,92,117

The accompanying notes are an integral part of the stand alone financial statements.

For and on behalf
ARGUS SALUD PHARMA LLP

As per our report of even dated attached
for CNGSN & Associates
Chartered Accountants
Firm Registration No: 4915S/ S200036

K. PARTHASARATHY
Partner
ICAI Membership No: 018394

on behalf of
May India Property Pvt Ltd
Designated Partner

on behalf of
Caplin Point Laboratories Ltd
Designated Partner

Place : Chennai
Date : May 05, 2021

ARGUS SALUD PHARMA LLP

STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

	Notes	For the Year ended 31-03-2021 Rs.	For the Year ended 31-03-2020 Rs.
INCOME			
Revenue from Operations	9	-	26,81,155
Other income	10	1,78,708	2,67,144
TOTAL		1,78,708	29,48,299
EXPENSES			
Cost of Goods Sold	11	-	24,64,812
Administrative Expenses	12	43,068	1,11,713
Selling Expenses	13	-	31,355
TOTAL		43,068	26,07,880
PROFIT BEFORE DEPRECIATION AND TAX		1,35,640	3,40,419
Depreciation and Amortisation		-	-
PROFIT BEFORE TAX		1,35,640	3,40,419
Provision for Taxation - Current		50,000	1,06,284
- Earlier years		-	-
- Deferred Tax		-	-
Add: MAT credit entitlement			-
PROFIT AFTER TAX		85,640	2,34,135
Balance carried to Partners' Capital a/c		85,640	2,34,135
Caplin Point Laboratories Ltd		85,554	2,33,901
May India Properties P Ltd		86	234
		85,640	2,34,135

The accompanying notes are an integral part of the stand alone financial statements.

For and on behalf
ARGUS SALUD PHARM. ARGUS SALUD PHARMA LLP

As per our report of even dated attached
for CNGSN & Associates

Chartered Accountants

Firm Registration No: 4915S/ S200036

on behalf of
May India Property Pvt Ltd
Designated Partner

on behalf of
Caplin Point Laboratories Ltd
Designated Partner

K. PARTHASARATHY

Partner

ICAI Membership No: 018394

Place : Chennai

Date : May 05, 2021

Notes to the Standalone financial statements for the Year ended March 31, 2021

Note 1 -- PARTNERS' SHARE CAPITAL		As at 31-Mar-21 Rs.		As at 31-Mar-20 Rs.
Caplin Point Laboratories Ltd	99,00,000		99,00,000	
May India Properties P Ltd	10,000	99,10,000	10,000	99,10,000
		99,10,000		99,10,000

Note 2 -- PARTNERS' SHARE of Profit		As at 31-Mar-21 Rs.		As at 31-Mar-20 Rs.
Caplin Point Laboratories Ltd				
Opening	-27,37,264		(29,71,165)	
For the year	85,554		2,33,901	
	(26,51,709)		(27,37,264)	
Less: Amount transferred from Partners Current Account	-	(26,51,709)	-	(27,37,264)
May India Properties P Ltd				
Opening	7,19,380		7,19,146	
For the year	86		234	
	7,19,466		7,19,380	
Less: Amount transferred from Partners Current Account	-		-	
		7,19,466		7,19,380
		(19,32,244)		(20,17,883)

Note 3 TRADE RECEIVABLES		As at March-21 Rs.		As at March-20 Rs.
(Unsecured considered good unless otherwise stated)				
Trade Receivables		-		27,12,070
		-		27,12,070

Note 4 OTHER CURRENT ASSETS		As at March-21 Rs.		As at March-20 Rs.
Interest Accrued on Deposits		1,90,213		26,402
	For and on behalf	1,90,213		26,402

ARGUS SALUD PHARMA LLI

Note 5 - CASH & BANK BALANCES		As at March-21 Rs.		As at March-20 Rs.
(i) Cash on Hand		46,691		46,691
(ii) Balance with banks				
in Current Accounts		26,28,958		43,24,538
in Deposit Accounts		1,16,28,382		1,28,382
		1,43,04,031		44,99,611

Note 6 - LOANS, ADVANCES & DEPOSITS		As at March-21 Rs.		As at March-20 Rs.
(Unsecured, considered good unless otherwise stated)				
Advances Recoverable in cash or in kind or for value to be received				
Deposits with Statutory / Govt. Authorities				
Balance with Tax Authorities		1,49,654		1,56,649
Advances - Others		8,86,265		8,75,304
Deposits				-
		10,35,919		10,31,953

Notes to the Standalone financial statements for the Year ended March 31, 2021

<u>Note 7 -- CURRENT LIABILITIES</u>	As at March-21 Rs.	As at March-20 Rs.
	Sundry Debtors - Advance	72,54,320
Sundry Creditors - Goods & Expenses	2,27,217	2,71,635
- Capital goods	-	-
Sundry Creditors - Others	750	-
	74,82,287	2,71,635

<u>Note 8 -SHORT TERM PROVISIONS</u>			
Provision for Tax		50,000	1,06,284
Others		20,119	-
		70,119	1,06,284

<u>Note 9 Revenue from Operations</u>	For the Year ended		For the Year ended	
		March-21 Rs.		March-20 Rs.
Sale of products		-		26,81,155
Export Incentives		-		-
		-		26,81,155

<u>Note 10 - Other income</u>	For the Year ended		For the Year ended	
		March-21 Rs.		March-20 Rs.
Interest Income		1,78,708		1,70,895
Exchange Fluctuation Income (nett)		-		31,364
Miscellaneous income		-		-
Other operating revenues		-		64,885
Export Incentives		-		-
		1,78,708		2,67,144

Notes to the Standalone financial statements for the Year ended March 31, 2021

Note 11-- COST OF GOODS SOLD	For the Year ended		For the Year ended	
		March-21		March-20
		Rs.		Rs.
Opening Stock:				
Raw Materials		-		-
Work-in-Progress		-		-
Finished Goods		-		-
Add: Purchases:		-		24,64,812
Raw Materials (Less Returns)		-		-
Finished Goods		-		-
		-		24,64,812
Less: Closing Stock:				
Raw Materials		-		-
Work-in-Progress		-		-
Finished Goods		-		-
		-		24,64,812

Note 12 -- ADMINISTRATIVE OVERHEADS	For the Year ended		For the Year ended	
		March-21		March-20
		Rs.		Rs.
Telephone Expenses		-		-
Donations		-		-
Professional and Consultancy		10,000		36,660
Rates & Taxes		21,400		27,878
Bad debts		-		-
Subscriptions		-		21,535
Travelling & Conveyance		-		-
Audit fees		-		-
Insurance		-		4,728
Repairs and Maintenance		-		-
- Building		-		-
- Others		-		-
Rent & Amenities		-		-
Loss on sale of assets		-		-
Exchange Fluctuation Income (nett)		-		579
Sundry Expenses		11,668		20,333
		43,068		1,11,713

Note 13 - SELLING OVERHEADS	For the Year ended		For the Year ended	
		March-21		March-20
		Rs.		Rs.
Advertisement		-		-
Freight outwards		-		31,355
Other Selling Expenses		-		-
		-		31,355

ARGUS SALUD PHARMA LLP

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2021

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

The accounts are prepared on historical costs convention and in accordance with the accounting principles generally accepted in India comprising the accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013 to the extent applicable. The Financial Statements are drawn up on accrual basis.

2. Recognition of Income and Expenditure

The firm adopts mercantile system of accounting and recognizes income and expenditure on accrual basis in accordance with the applicable accounting standards

3. Revenue Recognition

Sale of goods is recognized when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch of goods. Export sales are accounted for on the basis of date of bill of lading.

4. Fixed Assets

Fixed assets are valued at original cost of acquisition less depreciation. The actual cost capitalized includes freight, installation cost, duties and taxes, and other incidental expenses attributable to bring the asset to its working condition.

5. Depreciation

- a. Depreciation on Fixed Assets is calculated at rates prescribed in Schedule XIV of the Companies Act, 2013, on original cost of the asset. Additions to fixed assets costing less than Rs. 5000/- are fully charged off as depreciation in the year of addition.
- b. The cost and accumulated depreciation for fixed assets sold, retired or otherwise disposed off are removed from the stated values and the resulting gains and losses are included in the Profit and Loss account.
- c. Depreciation has been calculated, on additions, in pro-rata to the number of months for which they have been in existence.

6. Foreign Currency Transactions

- a. Foreign currency transactions are translated at exchange rates prevailing on the date of transactions.
- b. Foreign currency monetary assets and liabilities are reported at the closing rate. Gain and losses arising on account of difference in foreign exchange rates on settlement/translation of Monetary Assets and Liabilities on the closing date are recognized in the Profit and Loss Account.

7. Inventories

- a. Raw material, Packing materials, stores and spares are valued at cost including duties and taxes. The cost is arrived at FIFO basis.
- b. The finished goods inventories are valued on the principles of cost or net realizable value whichever is lower. The cost includes the cost of raw materials, packing materials and other related expenses.
- c. Work in progress is valued on the same basis as finished goods and is inclusive of their cost of raw materials, packing materials and other related expenses.
- d. Value of closing stock as on 31st March 2021 is as certified by the management.

8. Retirement benefits

a. Defined Contribution Plans

Contributions paid/payable under defined contribution plans are recognized in the Profit and Loss Account each year. Contribution plan is for Provident Fund administered and managed by the Government of India. The Company makes monthly contributions and has no further obligations under the plan beyond its contributions

b. Short-term employment benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service. These benefits include compensated absences such as paid annual leaves and performance incentives.

9. Leases

The Firm does not have any lease commitment during the period.

10. Contingent liabilities are not provided for, but disclosed in the Notes on Accounts

7. Operating Leases

The Company has not entered into any non cancelable operating leases and finance leases.

8. Disclosure in accordance with the Accounting Standard 18 – “Related Party disclosures” issued by the Institute of Chartered Accountants of India as identified by the company and relied upon by the auditors.

(a) Related parties and nature of relationship

- Caplin Point Laboratories Ltd (Holding Company)

(b) Transactions that have taken place during the year with related parties by the company:

In Rs.

	For the year ended 31st March 2021	For the year ended 31st March 2020
Sales to related party	Nil	53,000/-
Purchase from Related party	Nil	2,43,000/-
Share of profit of related party	NIL	NIL

9. The firm operates in one segment only viz., pharmaceutical formulations.

10. Previous year’s figures have been regrouped wherever necessary.

As per our report of even dated attached
for CNGSN & Associates LLP
Chartered Accountants
Firm Registration No. 004915S/S200036

For and on behalf of
ARGUS SALUD PHARMA LLP

K. PARTHASARATHY

Partner

ICAI membership No:018394

on behalf of

May India Property Private Ltd

Designated Partner

on behalf of

Caplin Point Laboratories Ltd

Designated Partner

Date: May 05,2021

Place: Chennai