

Independent Auditors' Report

To the Board of Directors of
Caplin Point Laboratories Colombia SAS.

Opinion

I have audited the financial statements of **Caplin Point Laboratories Colombia SAS** which comprise the Statement of Financial Position as of March 31, 2021, the Statement of Income, the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, such financial statements present fairly in all material aspects, the financial position of **Caplin Point Laboratories Colombia SAS.**, as of March 31, 2021, and the results of operations and its cash flows for the year then ended, in conformity with the legal regulations, such as, among others, Law 222 of 1995 and according to the law 1413 of 2009, regulated by decree 3022 of December 27, 2013, including its corresponding disclosures that form an indivisible whole with these.

Basis of opinion

I conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the company in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professionals Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Colombia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Management's responsibility for the financial statements and those responsible for the government of the entity in relation to the financial statements

Management is responsible for the preparation and fair presentation of the accompanying financial statements and for such internal control as management determines 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, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease its operations, or has no realistic alternative but to do so. Those charged with management are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

My objective is 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 auditors' report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an Audit conducted in accordance with ISA 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 ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion.

- My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the company 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.

I communicate with those charged with management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with management with a statement that I 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 my independence, and where applicable, related safeguards.

Caplin Point Laboratories Colombia SAS. | 3

Certified Public Accountant

Jose Eliberto Pedroza BAEZ

TP. 191599-T

Colombia,

28th April , 2021

CAPLIN POINT LABORATORIES COLOMBIA SAS

Balance Sheet as at 31st March, 2021
(All amounts are in Colombian Pesos)

Particulars	Note No	As at 31st March, 2020	As at 31st March, 2021
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	4	35,15,286	23,92,811
(b) Financial Assets			
(i) Loans & Advances	5	18,010	18,010
Sub-total-Non current assets		35,33,296	24,10,821
(2) Current Assets			
(a) Inventories	6	-	7,31,05,883
(b) Financial Assets			
(i) Cash and Cash equivalents	7	8,22,33,324	3,37,32,202
(ii) Loans & Advances	8	42,77,000	1,69,89,314
Sub-total-Current assets		8,65,10,324	12,38,27,399
Total		9,00,43,620	12,62,38,220
Equity and Liabilities			
(1) Equity			
Equity Share capital	9	88,74,55,000	1,07,08,52,240
Other Equity	10	(62,59,14,807)	(96,64,68,492)
Current Year results		(34,05,53,685)	(8,64,32,628)
Equity attributable to shareholders of the company		(7,90,13,492)	1,79,51,120
Sub-total-Total Equity		(7,90,13,492)	1,79,51,120
(2) Liabilities			
(B) Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	11	15,35,95,837	7,35,41,001
(ii) Other Current Liabilities	12	1,41,31,861	3,12,70,899
(b) Provisions	13	4,75,200	4,75,200
(C) Income tax liabilities (Net)	14	8,54,215	30,00,000
Sub-total-Current liabilities		16,90,57,112	10,82,87,100
Total		9,00,43,620	12,62,38,220

Certified Public Accountant (CPA)

**Legal Representative of Caplin Point Laboratories Colombia
SAS**

Jose Eliberto Pedroza BAEZ
 TP. 191599-T
 Place: Colombia

Angelica Maria Lozano Nunez

CAPLIN POINT LABORATORIES COLOMBIA SAS		Amounts in Colombian Peso	
Statement of Profit and Loss for the period April to March, 2021			
(All amounts are in Colombian Pesos)			
Particulars	Sch No	April 2019 to March, 2020	April 2020 to March, 2021
I . INCOME			
(a) Revenue from Operations	15	-	26,50,75,184
(b) Other income	16	80,394	13,19,70,912
Total Income		80,394	39,70,46,097
II . EXPENSES			
(a) Cost of Goods Sold	17	-	13,75,01,387
(d) Employee benefits expense	18	19,18,75,222	21,68,66,590
(f) Depreciation and Amortisation Expenses	19	12,98,484	11,22,475
(h) Other expenses	20	14,74,60,373	12,49,88,272
Total Expenses		34,06,34,079	48,04,78,724
III . Profit before exceptional Items and tax		(34,05,53,685)	(8,34,32,628)
IV. Exceptional Items		-	-
V . Profit before tax		(34,05,53,685)	(8,34,32,628)
VI . Provision for taxation			
- Current Tax		-	30,00,000
VII . Profit After Tax for the Year		(34,05,53,685)	(8,64,32,628)
Certified Public Accountant (CPA)		Legal Representative of Caplin Point Laboratories Colombia SAS	
Jose Eliberto Pedroza BAEZ		Angelica Maria Lozano Nunez	
TP. 191599-T			
Place: Colombia			
Caplin Point Laboratories Colombia SAS. 5			

Caplin Point Laboratories Colombia SAS

Cash Flow statement for the period ended 31st March, 2021

(All amounts are in Colombian Pesos)

	For the Period period March 31, 2020	For the year ended March 31, 2021
<u>A. Cash Flow from Operating Activities</u>		
Profit before tax	(34,05,53,685)	(8,34,32,628)
<u>Adjustments for:</u>		
Depreciation and Amortisation	12,98,484	11,22,475
Unrealised Foreign Exchange Fluctuation Loss (Gain)	-	59,36,810
Interest income	(80,394)	(83,731)
	(33,93,35,595)	(7,64,57,074)
Operating Profit before Working Capital changes		
<u>Adjustments for :</u>		
(Increase) / Decrease in inventories	-	(7,31,05,883)
(Increase) / Decrease in Loans	2,34,86,814	(1,27,12,314)
Increase/(Decrease) in Trade payables ,Current Liabilities & Provisions-Long and Short Term	13,23,91,251	(6,29,15,798)
CASH GENERATED FROM OPERATIONS	(18,34,57,530)	(22,51,91,068)
Income tax Paid	-	(8,54,215)
Net Cash inflow / (outflow) from Operating activities	(18,34,57,530)	(22,60,45,283)
<u>B. Cash Flow from Investing Activities</u>		
Interest received	80,394	83,731
Net Cash inflow / (outflow) from Investing activities	80,394	83,731
<u>C. Cash Flow from Financing Activities</u>		
Proceeds from issue of equity shares	13,44,00,000	18,33,97,240
Net Cash inflow / (outflow) from Financing activities	13,44,00,000	18,33,97,240
Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)	(4,89,77,136)	(4,25,64,312)
Cash and Cash Equivalents as at the beginning of the year	13,12,10,460	8,22,33,324
Effect of exchange rate changes on cash and cash equivalents	-	(59,36,810)
Cash and Cash Equivalents as at the end of the year	8,22,33,324	3,37,32,202
Less: Deposit under Lien	-	-
Net Cash and Cash Equivalents as at the end of the year	8,22,33,324	3,37,32,202
Notes:		
a). Reconciliation of Cash And Cash Equivalents		
Cash And Cash Equivalents As Per Balance Sheet	8,22,33,324	3,37,32,202
Other Bank Balances As Per Balance Sheet	-	-
Total Cash And Cash Equivalents As Per Balance Sheet	8,22,33,324	3,37,32,202
Less: Balance In Unclaimed Dividend Account	-	-
Less: Deposit Under Lien	-	-
Total Cash And Cash Equivalents As Per The Statement Of Cash Flows	8,22,33,324	3,37,32,202

Certified Public Accountant (CPA)

Legal Representative of Caplin Point Laboratories Colombia SAS

Jose Eliberto Pedroza BAEZ

Angelica Maria Lozano Nunez

TP. 191599-T

Place: Colombia

NOTE 1 – ORGANIZATION AND OPERATIONS

Caplin Point Laboratories Colombia SAS is a Private Limited Company incorporated in Colombia which began its operation in 2016. Company has its registered office in Bogota, Colombia. It is a Company with commercial nature. The company is active and its duration is indefinite.

Caplin Point Laboratories Colombia SAS is a subsidiary of Caplin Point Laboratories Limited, India.

NOTE 2 – CURRENCY UNIT

The company maintains its accounting records in Colombian Pesos (Q), the official currency of the Republic of Colombia.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies adopted by the company in accounting for its operations and in the preparation of its financial statements are summarized below:

A - Basis of presentation

The financial statements have been prepared in accordance with the accounting tax base jurisdiction of the Republic of Guatemala. These accounting practices differ from International Financial Reporting Standards (IFRS) Because some transactions are susceptible to various interpretations under the Income Tax law and regulations, the amounts presented in the attached Financial Statements could be subject to subsequent changes, if the tax authorities used different interpretation criteria than those adopted the administration in its preparation.

B – Cash

Cash and cash equivalents include cash and bank availabilities, there are no restrictions on its use.

C - Accounts receivable

Accounts receivable from clients are recorded at invoicing cost and do not earn interests. Uncollectible accounts are recognized using the direct method, that is, when accounts with high delinquencies are identified and all collection procedures have been exhausted, and/or when all tax requirements have been met in order to recognize an account as uncollectible.

D- Inventories and cost of sales

Inventories are valued at acquisition cost or at their net realizable value, whichever is less. The cost is determined by applying the average cost method. Merchandise in transit at invoice value plus relative expenses incurred.

Notes to Financial Statements

For the period 31st March, 2021 and 31st March, 2020

All amounts are in Colombian Pesos

The net realizable value is the estimated sale price in the ordinary course of business minus the estimated cost of completion and selling expenses.

E - Property and Equipment

Property and Equipment are valued at their acquisition cost. Major replacements and improvements are capitalized, as long as these result in a longer useful life of the asset or in a higher return. Maintenance and repair expenses are charged to the results of the period in which they are incurred.

F – Depreciation

The company depreciates property and equipment using the straight-line method based on the rates set by the Income Tax Law.

G - Income and expenses

The recognition of the Income and Expenses of is under the accrual method.

H - Income Tax

The company calculates and records the current Income Tax based on the the tax regulations in force at the date of the financial statements.

I – Dividends

Dividends are profits that are paid to shareholders as compensation for their investment and will be recognized as a liability in the period in which they are approved by the General Meeting of Shareholders.

Note- 4 Property, Plant and Equipment

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Computers	4,873,750	4,873,750
Furniture & Fittings	5,000,000	5,000,000
Accumulated Depreciation	(6,358,464)	(7,480,939)
Total	3,515,286	2,392,811

Note- 5 Long Term Loans & Advances

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Security Deposit	18,010	18,010

Notes to Financial Statements
For the period 31st March, 2021 and 31st March, 2020

All amounts are in Colombian Pesos

Note- 6 Inventories

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Inventory - Import	-	73,105,883

Note- 7 Cash and Cash Equivalents

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Cash Balances	600,000	600,000
Bank Balances	81,633,324	33,132,202
Total	82,233,324	33,732,202

Note- 8 Loans

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Advances recoverable in Cash or kind	2,250,000	14,376,314
Balance with Statutory authorities	2,027,000	2,613,000
Total	4,277,000	16,989,314

Note- 9 Share Capital

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Equity Share Capital	887,455,000	1,070,852,240

Note-10 Other Equity

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
RETAINED EARNINGS	(625,914,807)	(966,468,492)
Current Year results	(340,553,685)	(86,432,628)
Total	(966,468,492)	(1,052,901,120)

Note-11 Trade Payables

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Trade payables for goods & services	153,595,837	73,541,001

Notes to Financial Statements
For the period 31st March, 2021 and 31st March, 2020
All amounts are in Colombian Pesos

Note-12 Other Current Liabilities

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Salaries Payable	8,006,251	7,246,639
Statutory dues payable	6,125,610	24,024,260
Total	14,131,861	31,270,899

Note-13 Short Term Provisions

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Provision for employee Benefit	475,200	475,200

Note-14 Income Tax (Liabilities)

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Provision - Current Tax_ FY 2020-21		3,000,000

Note-15 Revenue from Operations

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Sale of products		265,075,184

Note-16 Other Income

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Interest Income	77,521	83,731
Miscellaneous Income	2,873	131,887,181
Total	80,394	131,970,912

Note-17 Cost of Goods Sold

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Cost of Goods Sold	-	137,501,387

Notes to Financial Statements
For the period 31st March, 2021 and 31st March, 2020
All amounts are in Colombian Pesos

Note-18 Employee Benefit Expenses

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Salaries	154,805,032	142,560,000
Contribution to statutory & other funds	37,070,190	74,306,590
Total	191,875,222	216,866,590

Note-19 Depreciation

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Depreciation	1,298,484	1,122,475

Note-20 Other Expenses

Particulars	For the Period period March 31, 2020	For the year ended March 31, 2021
Bank Charges	915,032	160,151
Forex Loss - Unrealised	-	5,936,810
Lease Rent	4,648,812	3,214,987
Miscellaneous Expenses	1,183,051	37,846
Professional Charges	90,563,995	39,318,578
Software & License Expense	-	1,183,331
Taxes, License & Fees	4,566,532	1,900,174
Telephone Charges	1,407,894	1,576,127
TT Bank Charges	-	1,003,643
Insurance Expenses	650,513	744,163
Repair & Maintenance	19,075,627	11,610,296
Power & Fuel Expenses	182,340	330,690
Office Maintenance expenses	5,518,581	5,674,816
Product registration expenses	18,747,996	52,296,659
Total	147,460,373	124,988,272

NOTE 21 – ACCOUNTING RECORDS

The information used to prepare the financial statements as of and for the periods ended March 31, 2021 and 2020 was obtained from the auxiliary records kept by the company, and from the updated legal books.

NOTE 22 - SUBSEQUENT EVENTS

Due to the COVID-19 pandemic, during March 2020 the Colombian government implemented measures to restrict the free movement of the population, which has

Notes to Financial Statements

For the period 31st March, 2021 and 31st March, 2020

All amounts are in Colombian Pesos

significantly affected economic activity. Due to the type of operation, Caplin Point Laboratories Colombia SAS., has not had significant economic impacts as of the date of this report.

NOTE 23 – DATE OF APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements as of March 31, 2021 were approved for issuance by the Administration on April 28, 2021.

Certified Public Accountant

Substitute Legal Representative

Jose Eliberto Pedroza BAEZ

Angelica Maria Lozano Nunez

TP. 191599-T

C.C. 1057575548

Colombia,
28th April , 2021