

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, 2022, 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, 2022, 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 : 10th May 2022

K Parthasarathy
Partner
Membership No. : 018394
UDIN:22018394AJBPRG9520

ARGUS SALUD PHARMA LLP

BALANCE SHEET AS AT MARCH 31, 2022

	Notes		As at 31-03-2022 Rs.		As at 31-03-2021 Rs.
SOURCES OF FUNDS					
SHARE HOLDERS' FUNDS					
Partners' Capital Account	1				
Caplin Point Laboratories Ltd		9,900,000		9,900,000	
May India Properties P Ltd		10,000		10,000	
			9,910,000		9,910,000
Partners' Share of Profit / (Loss)	2				
Caplin Point Laboratories Ltd		488,197		-2,651,709	
May India Properties P Ltd		489		719,466	
			488,686		-1,932,244
TOTAL			10,398,686		7,977,756
APPLICATION OF FUNDS					
CURRENT ASSETS, LOANS & ADVANCES					
Trade Receivables	3		-		-
OTHER CURRENT ASSETS	4		614,242		190,213
Cash & Bank balances	5		19,764,521		14,304,031
Loans, Advances & Deposits	6		962,011		1,035,919
			21,340,774		15,530,162
CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	7		10,720,475		7,482,287
Provisions	8		221,613		70,119
			10,942,088		7,552,406
NET CURRENT ASSETS			10,398,686		7,977,756
TOTAL			10,398,686		7,977,756

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

Place : Chennai

Date : May 10, 2022

Sd/-
on behalf of
May India Property Pvt Ltd
Designated Partner

Sd/-
on behalf of
Caplin Point Laboratories Ltd
Designated Partner

ARGUS SALUD PHARMA LLP

STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

	Notes	For the Year ended 31-03-2022 Rs.	For the Year ended 31-03-2021 Rs.
INCOME			
Revenue from Operations	9	-	-
Other income	10	842,787	178,708
TOTAL		842,787	178,708
EXPENSES			
Other Expenses	11	132,488	43,068
TOTAL		132,488	43,068
PROFIT BEFORE DEPRECIATION AND TAX		710,299	135,640
Depreciation and Amortisation		-	-
PROFIT BEFORE TAX		710,299	135,640
Provision for Taxation - Current		221,613.00	50,000
- Earlier years		-	-
- Deferred Tax		-	-
Add: MAT credit entitlement			
PROFIT AFTER TAX		488,686	85,640
Balance carried to Partners'Capital a/c		488,686	85,640
Caplin Point Laboratories Ltd		488,197	85,554
May India Properties P Ltd		489	86
		488,686	85,640

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

Sd/-
on behalf of
May India Property Pvt Ltd
Designated Partner

Sd/-
on behalf of
Caplin Point Laboratories Ltd
Designated Partner

Place : Chennai
Date : May 10, 2022

Notes to the Standalone financial statements for the Year ended March 31, 2022

Note 1 -- PARTNERS' SHARE CAPITAL		As at 31-Mar-22 Rs.		As at 31-Mar-21 Rs.
Caplin Point Laboratories Ltd	9,900,000		9,900,000	
May India Properties P Ltd	10,000	9,910,000	10,000	9,910,000
		9,910,000		9,910,000

Note 2 -- PARTNERS' SHARE of Profit		As at 31-Mar-22 Rs.		As at 31-Mar-21 Rs.
Caplin Point Laboratories Ltd				
Opening	-2,651,709		(2,737,264)	
Profit for the year	488,197		85,554	
	(2,163,512)		(2,651,709)	
Less: Amount transferred from Partners Current Account	2,651,710	488,197	-	(2,651,709)
May India Properties P Ltd				
Opening	719,466		719,380	
For the year	489		86	
	719,955		719,466	
Less: Amount transferred to Partners Current Account	(719,466)	489	-	719,466
		488,686		(1,932,244)

Note 3 TRADE RECEIVABLES		As at March-22 Rs.		As at March-21 Rs.
(Unsecured considered good unless otherwise stated)				
Trade Receivables		-		-
		-		-

Note 4 OTHER CURRENT ASSETS		As at March-22 Rs.		As at March-21 Rs.
Interest Accrued on Deposits		614,242		190,213
		614,242		190,213

Note 5 - CASH & BANK BALANCES		As at March-22 Rs.		As at March-21 Rs.
(i) Cash on Hand		43,691		46,691
(ii) Balance with banks in Current Accounts		3,374,266		2,628,958
in Deposit Accounts		16,346,564		11,628,382
		19,764,521		14,304,031

Notes to the Standalone financial statements for the Year ended March 31, 2022

Note 6 - LOANS, ADVANCES & DEPOSITS		As at March-22 Rs.		As at March-21 Rs.
(Unsecured, considered good unless otherwise stated)				
<u>Advances Recoverable in cash or in kind or for value to be received</u>				
Deposits with Statutory / Govt. Authorities				
Balance with Tax Authorities		22,073		149,654
Advances - Tax (Net)		939,938		886,265
Deposits		-		-
		962,011		1,035,919

Note 7 -- CURRENT LIABILITIES		As at March-22 Rs.		As at March-21 Rs.
Advance from Customer		10,720,475		7,254,320
Sundry Creditors - Goods & Expenses		-		227,217
Sundry Creditors - Others		-		750.00
		10,720,475		7,482,287

Note 8 -SHORT TERM PROVISIONS		As at 31-Mar-22 Rs.		As at 31-Mar-21 Rs.
Provision for Tax		221,613		50,000
Others		-		20,119
		221,613		70,119

Note 9 Revenue from Operations		As at March-22 Rs.		As at March-21 Rs.
Sale of products		-		-
Export Incentives		-		-
		-		-

Note 10 - Other income		As at March-22 Rs.		As at March-21 Rs.
Interest Income		841,835		178,708
Miscellaneous income		952		-
Other operating revenues				
Export Incentives		-		-
		842,787		178,708

Note 11 -- OTHER EXPENSES		As at March-22 Rs.		As at March-21 Rs.
Telephone Expenses		-		-
Donations		-		-
Professional and Consultancy		9,500		10,000
Rates & Taxes		7,800		21,400
Insurance		5,900		-
Loss on sale of MEIS License		534		-
Sundry Expenses		108,754		11,668
		132,488		43,068

ARGUS SALUD PHARMA LLP

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2022

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. 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.

5. 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 2022 is as certified by the management.

B. NOTES ON ACCOUNTS

1. Contingent Liabilities

(a) Outstanding Bank Guarantee given to the Customs department and others is Nil.

2. Dues to Micro, Small and Medium Enterprises

The Firm has not received information from Vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amount unpaid as at the year end together with Interest Paid / Payable under this Act have not been given.

3. Balances with Scheduled banks in deposit accounts includes:

(a) Fixed Deposits – Rs.1,63,46,564

4. Balances of debtors, loans, advances and deposits, including items which are subject to confirmation, have, in the opinion of the management, a value on realization in the ordinary course of business at least equal to the amount at which they are stated and creditors are stated at the value which they are liable to be paid.

5. 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 2022	For the year ended 31st March 2021
Sales to related party	Nil	Nil
Purchase from Related party	Nil	Nil
Share of profit of related party	NIL	NIL

6. The firm operates in one segment only viz., pharmaceutical formulations.
7. 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. 04915S/S200036

For and on behalf of
ARGUS SALUD PHARMA LLP

Sd/-

Sd/-

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 10,2022
Place: Chennai