

## **Independent Auditors' Report**

To  
The Designated Partners of  
**Argus Salud Pharma LLP**  
Chennai 600 096

### **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, 2023, 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, 2023, 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.

### **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.

Contd.....

- 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 : 15<sup>th</sup> May 2023

Sd/-  
**K Parthasarathy**  
*Partner*  
Membership No. : 018394  
UDIN:23018394BGWVES3327

**ARGUS SALUD PHARMA LLP**

**BALANCE SHEET AS AT MARCH 31, 2023**

	Notes		As at 31-03-2023 Rs.		As at 31-03-2022 Rs.
<b>SOURCES OF FUNDS</b>					
<b>SHARE HOLDERS' FUNDS</b>					
Partners' Capital Account	1				
Caplin Point Laboratories Ltd		99,00,000		99,00,000	
May India Properties P Ltd		10,000		10,000	
			99,10,000		99,10,000
Partners' Share of Profit / (Loss)	2				
Caplin Point Laboratories Ltd		6,25,019		4,88,197	
May India Properties P Ltd		624		489	
			6,25,643		4,88,686
<b>TOTAL</b>			<b>1,05,35,643</b>		<b>1,03,98,686</b>
<b>APPLICATION OF FUNDS</b>					
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
Trade Receivables	3		-		-
OTHER CURRENT ASSETS	4		4,78,119		6,14,242
Cash & Bank balances	5		1,90,68,395		1,97,64,521
Loans, Advances & Deposits	6		20,46,427		9,62,011
			<b>2,15,92,941</b>		<b>2,13,40,774</b>
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>					
Current Liabilities	7		1,07,73,575		1,07,20,475
Provisions	8		2,83,722		2,21,613
			<b>1,10,57,297</b>		<b>1,09,42,088</b>
<b>NET CURRENT ASSETS</b>			<b>1,05,35,643</b>		<b>1,03,98,686</b>
<b>TOTAL</b>			<b>1,05,35,643</b>		<b>1,03,98,686</b>

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

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

For and on behalf  
 ARGUS SALUD PHARMA LLP

Sd/-  
**K. PARTHASARATHY**  
 Partner  
 ICAI Membership No: 018394

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

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

Place : Chennai  
 Date : May 15, 2023

**ARGUS SALUD PHARMA LLP**

**STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

	Notes	For the Year ended 31-03-2023 Rs.	For the Year ended 31-03-2022 Rs.
<b>INCOME</b>			
Revenue from Operations	9	-	-
Other income	10	9,98,532	8,42,787
<b>TOTAL</b>		<b>9,98,532</b>	<b>8,42,787</b>
<b><u>EXPENSES</u></b>			
Other Expenses	11	89,166	1,32,488
<b>TOTAL</b>		<b>89,166</b>	<b>1,32,488</b>
<b>PROFIT BEFORE DEPRECIATION AND TAX</b>		<b>9,09,366</b>	<b>7,10,299</b>
Depreciation and Amortisation		-	-
<b>PROFIT BEFORE TAX</b>		<b>9,09,366</b>	<b>7,10,299</b>
Provision for Taxation - Current		2,83,722	2,21,613
- Earlier years		-	-
- Deferred Tax		-	-
Add: MAT credit entitlement			
<b>PROFIT AFTER TAX</b>		<b>6,25,644</b>	<b>4,88,686</b>
<b>Balance carried to Partners' Capital a/c</b>		<b>6,25,644</b>	<b>4,88,686</b>
Caplin Point Laboratories Ltd		6,25,019	4,88,197
May India Properties P Ltd		625	489
		<b>6,25,644</b>	<b>4,88,686</b>

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

As per our report of even dated attached

**CNGSN & Associates LLP**

Chartered Accountants

Firm Registration No: 4915S/ S200036

Sd/-

Partheeban Vivek Siddarth

on behalf of

May India Property Pvt Ltd

Designated Partner

Sd/-

**K. PARTHASARATHY**

Partner

ICAI Membership No: 018394

For and on behalf

**ARGUS SALUD PHARMA LLP**

Sd/-

Sridhar Ganesan

on behalf of

Caplin Point Laboratories Ltd

Designated Partner

Place : Chennai

Date : May 15, 2023

<b>Note 1 -- PARTNERS' SHARE CAPITAL</b>		<b>As at 31-Mar-23 Rs.</b>		<b>As at 31-Mar-22 Rs.</b>
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
		<b>99,10,000</b>		<b>99,10,000</b>

<b>Note 2 -- PARTNERS' SHARE of Profit</b>		<b>As at 31-Mar-23 Rs.</b>		<b>As at 31-Mar-22 Rs.</b>
Caplin Point Laboratories Ltd				
Opening	4,88,197		-26,51,709	
Profit for the year	6,25,019		4,88,197	
	<b>11,13,216</b>		<b>(21,63,512)</b>	
Less: Amount transferred from Partners Current Account	<b>4,88,197</b>	<b>6,25,019</b>	26,51,710	<b>4,88,197</b>
May India Properties P Ltd				
Opening	489		7,19,466	
For the year	625		489	
	<b>1,114</b>		<b>7,19,955</b>	
Less: Amount transferred from Partners Current Account	489		(7,19,466)	
		<b>625</b>		<b>489</b>
		<b>6,25,644</b>		<b>4,88,686</b>

<b>Note 3 TRADE RECEIVABLES</b>		<b>As at 31-Mar-23 Rs.</b>		<b>As at 31-Mar-22 Rs.</b>
(Unsecured considered good unless otherwise stated)				
Trade Receivables		-		-
		-		-

<b>Note 4 OTHER CURRENT ASSETS</b>		<b>As at 31-Mar-23 Rs.</b>		<b>As at 31-Mar-22 Rs.</b>
Interest Accrued on Deposits		4,78,119		6,14,242
		<b>4,78,119</b>		<b>6,14,242</b>

<b>Note 5 - CASH &amp; BANK BALANCES</b>		<b>As at 31-Mar-23 Rs.</b>		<b>As at 31-Mar-22 Rs.</b>
(i) Cash on Hand		31,641		43,691
(ii) Balance with banks				
in Current Accounts		25,45,551		33,74,266
in Deposit Accounts		1,64,91,203		1,63,46,564
		<b>1,90,68,395</b>		<b>1,97,64,521</b>

<b>Note 6 - LOANS, ADVANCES &amp; DEPOSITS</b>		<b>As at 31-Mar-23 Rs.</b>		<b>As at 31-Mar-22 Rs.</b>
(Unsecured, considered good unless otherwise stated)				
<b>Advances Recoverable in cash or in kind or for value to be received</b>				
Deposits with Statutory / Govt. Authorities				
Balance with Tax Authorities		30,713		22,073
Advances - Tax (Net)		19,64,005		9,39,938
Deposits - License		51,709		-
		<b>20,46,427</b>		<b>9,62,011</b>

<u>Note 7 -- CURRENT LIABILITIES</u>		As at 31-Mar-23 Rs.		As at 31-Mar-22 Rs.
Advance from Customer		1,07,20,475		1,07,20,475
Sundry Creditors - Goods & Expenses		48,600		-
Sundry Creditors - Others		4,500		-
		<b>1,07,73,575</b>		<b>1,07,20,475</b>

<u>Note 8 -SHORT TERM PROVISIONS</u>		As at 31-Mar-23 Rs.		As at 31-Mar-22 Rs.
Provision for Tax		2,83,722		2,21,613
Others		-		-
		<b>2,83,722</b>		<b>2,21,613</b>

<u>Note 9 -Revenue from Operations</u>		As at 31-Mar-23 Rs.		As at 31-Mar-22 Rs.
Sale of Products		-		-
Export Incentives		-		-
		<b>-</b>		<b>-</b>

<u>Note 10 - Other income</u>		As at 31-Mar-23 Rs.		As at 31-Mar-22 Rs.
Interest Income		9,46,824		8,41,835
Miscellaneous income		-		952
Export Incentives		51,709		-
<b>Other operating revenues</b>				
Export Incentives		-		-
		<b>9,98,532</b>		<b>8,42,787</b>

<u>Note 11 -- OTHER EXPENSES</u>		As at 31-Mar-23 Rs.		As at 31-Mar-22 Rs.
Professional and Consultancy		45,000		9,500
Rates & Taxes		39,750		7,800
Insurance		-		5,900
Loss on sale of MEIS License		-		534
Sundry Expenses		1,416		1,08,754
Certification Charges		3,000		-
		<b>89,166</b>		<b>1,32,488</b>

## **ARGUS SALUD PHARMA LLP**

### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2023**

#### **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 31<sup>st</sup> March 2023 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.1,64,91,203

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)
- May India Properties Pvt Ltd

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

In Rs.

	<b>For the year ended 31st March 2023</b>	<b>For the year ended 31st March 2022</b>
Sales to related party	Nil	Nil
Purchase from Related party	Nil	Nil
Share of profit- Caplin Point Laboratories Ltd	6,25,019	4,88,197
Share of profit- May India Properties Pvt Ltd	625	489

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/-  
**K. PARTHASARATHY**

Sd/-  
**Partheeban Vivek Siddarth**

Sd/-  
**Sridhar Ganesan**

**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 15,2023**  
**Place: Chennai**