



CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To

The Partners,
Argus Salud Pharma LLP
Chennai-17.

Report on the Financial Statements

We have audited the accompanying financial statements of Argus Salud Pharma LLP (the LLP), which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that gives true and fair view of the financial position and financial performance of the LLP in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. These procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the LLP's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing opinion on the LLP's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Limited Liability Partnership Act, 2008 and Limited Liability Partnership Rules, 2009 (As Amended) 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 LLP as at March 31, 2019; and its net Profit for the year ended on that date

Report on Other Legal and Regulatory Requirements

We report that:

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion proper books of account as required by law have been kept by the LLP so far as it appears from our examination of those books.
3. The Balance Sheet and the Profit and Loss Account, dealt with by this Report are in agreement with the books of account.
4. In our opinion, the aforesaid financial statements comply with the Accounting Standards issued by ICAI.

Place: Chennai
Date: 21-05-19

For M/s CNGSN & Associates LLP
Chartered Accountants
Firm Regn.No: 4915S/S200036



K. Parthasarathy
K. Parthasarathy
Partner
Membership No: 018394

ARGUS SALUD PHARMA LLP
BALANCE SHEET AS AT MARCH 31, 2019

	Notes		As at 31-03-2019 Rs.		As at 31-03-2018 Rs.
SOURCES OF FUNDS					
SHARE HOLDERS' FUNDS					
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		(29,71,165)		(26,86,169)	
May India Properties P Ltd		7,19,146		7,19,081	
			(22,52,019)		(19,67,088)
TOTAL			76,57,981		79,42,912
APPLICATION OF FUNDS					
CURRENT ASSETS, LOANS & ADVANCES					
Cash & Bank balances	3		54,78,862		58,23,369
Loans, Advances & Deposits	4		21,99,119		21,39,543
			76,77,981		79,62,912
CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	5		20,000		-
Provisions	6				20,000
			20,000		20,000
NET CURRENT ASSETS			76,57,981		79,42,912
TOTAL			76,57,981		79,42,912

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: 49155/ S200036

K. Parthasarathy

K. PARTHASARATHY
Partner
ICAI Membership No: 018394



Place : Chennai
Date : May 21, 2019

May India Property Pvt Ltd
on behalf of
May India Property Pvt Ltd
Designated Partner

Caplin Point Laboratories Ltd
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, 2019

	Notes	For the Year ended	For the Year ended
		31-03-2019	31-03-2018
		Rs.	Rs.
INCOME			
Sales		-	-
Export Incentives		-	-
Other Income	7	1,38,192	32,670
TOTAL		1,38,192	32,670
EXPENSES			
Cost of Goods Sold	8	-	-
Direct Expenses	9	-	1,76,902
Payments to and Provision for employees	10	-	37,600
Administrative Expenses	11	73,123	25,92,873
Interest and Finance Charges	12	-	25,152
Selling Expenses	13	-	-
TOTAL		73,123	28,32,527
PROFIT BEFORE DEPRECIATION AND TAX		65,069	(27,99,857)
Depreciation and Amortisation		-	-
PROFIT BEFORE TAX		65,069	(27,99,857)
Provision for Taxation - Current		-	-
- Earlier years		-	-
- Deferred Tax		-	-
Add: MAT credit entitlement		-	-
PROFIT AFTER TAX		65,069	(27,99,857)
Balance carried to Partners' Capital a/c		65,069	(27,99,857)
Caplin Point Laboratories Ltd		65,004	(27,97,057)
May India Properties P Ltd		65	(2,800)
		65,069	(27,99,857)

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

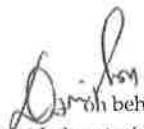

K. PARTHASARATHY

Partner
ICAI Membership No: 01839

Place : Chennai
Date : May 21, 2019




on behalf of
May India Property Pvt Ltd
Designated Partner


on behalf of
Caplin Point Laboratories Ltd
Designated Partner

Notes to the Standalone financial statements for the Year ended March 31, 2019

<u>Note 1 -- PARTNERS' SHARE CAPITAL</u>		As at March-19 Rs.		As at 31-03-2018 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

<u>Note 2 -- PARTNERS' SHARE of Profit</u>		As at March-19 Rs.		As at 31-03-2018 Rs.
Caplin Point Laboratories Ltd	Opening	(26,86,169)	4,63,58,650	
	For the year	65,004	(27,97,057)	
		(26,21,165)	4,35,61,593	
Less: Amount transferred from Partners Current Account		3,50,000	(29,71,165)	4,62,47,762
May India Properties P Ltd	Opening	7,19,081	27,21,881	(26,86,169)
	For the year	65	(2,800)	
		7,19,146	27,19,081	
Less: Amount transferred from Partners Current Account		-	20,00,000	
		7,19,146		7,19,081
		(22,52,019)		(19,67,088)

<u>Note 3 -- CASH & BANK BALANCES</u>		As at March-19 Rs.		As at 31-03-2018 Rs.
(i) Cash on Hand		50,021		50,021
(ii) Balance with banks in Current Accounts		11,82,543		56,68,348
in Deposit Accounts		42,46,298		1,05,000
		54,78,862		58,23,369



Notes to the Standalone financial statements for the Year ended March 31, 2019

<u>Note 4 -- LOANS, ADVANCES & DEPOSITS</u>	As at March-19 Rs.	As at 31-03-2018 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	9,67,883	9,70,988
Advances - Others	8,77,464	8,76,427
Deposits	3,53,773	2,92,128
	21,99,119	21,39,543

<u>Note 5 -- CURRENT LIABILITIES</u>	As at March-19 Rs.	As at 31-03-2018 Rs.
Sundry Creditors - Goods		
- Expenses	20,000	-
- Capital goods	-	-
Sundry Creditors - Others	-	-
	20,000	-

<u>Note 6 -- PROVISIONS</u>	As at March-19 Rs.	As at 31-03-2018 Rs.
Provision for Tax	-	20,000
	-	20,000

Notes to the Standalone financial statements for the Year ended March 31, 2018

<u>Note 7 -- INDIRECT INCOME</u>	For the Year ended	
	March-19 Rs.	31-03-2018 Rs.
Interest Income	1,38,192	
Exchange Fluctuation Income (nett)	-	
Miscellaneous income	-	32,670
	1,38,192	32,670



Notes to the Standalone financial statements for the Year ended March 31, 2019

<u>Note 8-- COST OF GOODS SOLD</u>	For the Year ended		For the Year ended	
		31-03-2019. Rs.		31-03-2018 Rs.
Opening Stock:				
Raw Materials	-		-	
Work-in-Progress	-		-	
Finished Goods	-		-	
Add: Purchases:				
Raw Materials (Less Returns)	-		-	
Finished Goods	-		-	
Less: Closing Stock:				
Raw Materials	-		-	
Work-in-Progress	-		-	
Finished Goods	-		-	
		-		-

<u>Note 9 -- DIRECT EXPENSES</u>	For the Year ended		For the Year ended	
		31-03-2019. Rs.		31-03-2018 Rs.
Manufacturing Expenses		-		
Power and Fuel		-		1,76,902
		-		1,76,902

<u>Note 10--PAYMENTS TO AND PROVISION FOR EMPLOYEES</u>	For the Year ended		For the Year ended	
		31-03-2019. Rs.		31-03-2018 Rs.
Salaries, Wages & Bonus		-		-
Contribution to Provident Fund and other funds		-		-
Staff Welfare		-		37,600
		-		37,600



Notes to the Standalone financial statements for the Year ended March 31, 2019

<u>Note 11 -- ADMINISTRATIVE OVERHEADS</u>	For the Year ended		For the Year ended	
		31-03-2019.		31-03-2018
		Rs.		Rs.
Telephone Expenses		-		8,889
Donations		-		-
Professional and Consultancy		-		79,825
Rates & Taxes		-		-
Bad debts		-		-
Subscriptions		-		27,520
Travelling & Conveyance		-		2,61,804
Audit fees		-		20,000
Insurance		-		-
Repairs and Maintenance		-		-
- Building		-		-
- Others		-		6,28,594
Rent & Amenities		-		53,068
Loss on sale of assets		-		-
Exchange Fluctuation Income (nett)		-		13,66,755
Sundry Expenses		73,123		1,46,418
		73,123		25,92,873

<u>Note 12 -- INTEREST AND FINANCE CHARGES</u>	For the Year ended		For the Year ended	
		31-03-2019.		31-03-2018
		Rs.		Rs.
Interest - on Term Loans		-		-
- Others		-		-
Bank Charges		-		25,152
		-		25,152

<u>Note 13 - SELLING OVERHEADS</u>	For the Year ended		For the Year ended	
		31-03-2019.		31-03-2018
		Rs.		Rs.
Advertisement		-		-
Freight outwards		-		-
Other Selling Expenses		-		-
		-		-

ARGUS SALUD PHARMA LLP

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2019

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 bringing 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

- d. Foreign currency transactions are translated at exchange rates prevailing on the date of transactions.
- e. 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

- f. Raw material, Packing materials, stores and spares are valued at cost including duties and taxes. The cost is arrived at FIFO basis.
- g. 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.
- h. 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.
- i. Value of closing stock as on 31st March 2019 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

Lease of assets where the lessor effectively retains all the risks and rewards of ownership are classified as operating leases. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with the respective lease agreements.

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



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) Deposits under lien towards Bank Guarantee – Rs. 105000/-

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. Auditors' Remuneration comprises of fees:

	In Rs. For the Year ended March 31, 2019	In Rs. For the Year ended March 31, 2018
For Statutory Audit	Nil	10000
For Tax Audit	Nil	10000
Total	Nil	20000

6. Sale of Product comprises

Category	Manufactured Goods				Traded Goods			
	2018-19		2017-18		2018-19		2017-18	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Tablets	-	-	-	-	-	-	-	-
Capsules	-	-	-	-	-	-	-	-
Liquids	-	-	-	-	-	-	-	-
Injectables	-	-	-	-	-	-	-	-
Ointments	-	-	-	-	-	-	-	-
Softgels	-	-	-	-	-	-	-	-
Syrup	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-



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 2019	For the year ended 31st March 2018,
Sales to related party	NIL	NIL
Purchase from Related party	NIL	NIL
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**
Chartered Accountants
Firm Registration No. 004915S/S200036

For and on behalf of
ARGUS SALUD PHARMA LLP


K. PARTHASARATHY
Partner


ICAI membership No:018394


Date: May 21, 2019
Place: Chennai




on behalf of
May India Property Private Ltd

Designated Partner


on behalf of
Caplin Point Laboratories Ltd

Designated Partner

