

## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of Laurus Generics SA (Pty) Ltd**

### **Report on the Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **Laurus Generics SA (Pty) Ltd** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, its cash flows and the changes in equity for the year ended on that date. These Audited Financial Statements is issued only for the limited purpose of incorporating in Consolidated Financial Statements and statutory filings.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company 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 under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 Company'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 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.

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.

### **Report on Other Requirements**

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) 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.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

**For Ramasamy Koteswara Rao & Co.**  
**Firm Registration Number: 0103969S**  
Chartered Accountants

**Murali Krishna Reddy Telluri**  
**Partner**  
**M.No. 223022**  
**Place: Hyderabad**  
**Date: April 23, 2021**

# Laurus Generics SA (Pty) Ltd.

Balance Sheet as at March 31,2021

Particulars	Amount in ZAR	Amount in INR
<b>ASSETS</b>		
<b>Current Assets</b>		
Inventories		
Financial Assets		
Cash and cash equivalents	1,066	5,271
	<u>1,066</u>	<u>5,271</u>
<b>Total Assets</b>	<u><u>1,066</u></u>	<u><u>5,271</u></u>
<b>EQUITY and LIABILITIES</b>		
<b>Shareholders' Funds</b>		
Share Capital	2,000	9,886
Other Equity		
Retained earnings	(50,909)	(2,51,654)
	<u>(48,909)</u>	<u>(2,41,768)</u>
<b>Total Equity</b>	<u><u>(48,909)</u></u>	<u><u>(2,41,768)</u></u>
<b>Current Liabilities</b>		
Financial Liabilities		
Trade Payables	49,975	2,47,039
	<u>49,975</u>	<u>2,47,039</u>
<b>Total Equity and Liabilities</b>	<u><u>1,066</u></u>	<u><u>5,271</u></u>
<hr/>		
Summary of significant accounting policies	2.2	

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

As per our report of even date

**For Ramasamy Koteswara Rao and Co LLP**

Chartered Accountants

Firm Registration Number :010396S/S200084

**For and on behalf of the Board of Directors**

**Laurus Generics SA (Pty) Ltd.**

**C V Koteswara Rao**

Partner

Membership No.028353

**Dr. Satyanarayana C**

Director

**Babchand N**

Director

Place: Hyderabad

Date: April 23, 2021

Place: Hyderabad

Date: April 23, 2021

# Laurus Generics SA (Pty) Ltd.

## Statement of Profit and Loss Account for the year ended March 31,2021

Particulars	Amount in ZAR	Amount in INR
<b>INCOME</b>		
I. Revenue from Operations	99,976	4,84,674
Other Income	-	-
<b>Total Revenue ( I )</b>	<b>99,976</b>	<b>4,84,674</b>
<b>EXPENSES</b>		
II. Cost of Materials Consumed	-	-
Employee Benefits Expenses	-	-
Other Expenses	1,47,076	7,13,015
<b>Total Expenses ( II )</b>	<b>1,47,076</b>	<b>7,13,015</b>
<b>Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)</b>	<b>(47,101)</b>	<b>(2,28,341)</b>
III. Depreciation and Amortisation	-	-
Finance Expenses	3,808	18,460
IV. <b>Loss Before Tax for the period</b>	<b>(50,909)</b>	<b>(2,46,802)</b>
Summary of significant accounting policies	2.2	

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

As per our report of even date

**For Ramasamy Koteswara Rao and Co LLP**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**Laurus Generics SA (Pty) Ltd.**

**C V Koteswara Rao**  
Partner  
Membership No.028353

**Dr. Satyanarayana C**  
Director

**Babchand N**  
Director

Place: Hyderabad  
Date: April 23, 2021

Place: Hyderabad  
Date: April 23, 2021

**Laurus Generics SA (Pty) Ltd.**  
**Cash Flow Statement for the year ended March 31, 2021**

Particulars	Amount in ZAR	Amount in INR
<b>Loss before tax</b>	<b>(50,909)</b>	<b>(2,46,802)</b>
<b>Cash Flows from operating activities</b>		
Adjustments for :		
Depreciation and amortisation	-	-
Interest expense	3,808	18,460
<b>Operating profit before working capital changes</b>	<b>(47,101)</b>	<b>(2,28,341)</b>
Foreign currency translation adjustments	-	(4,853)
<b>Movement in working capital:</b>		
Increase in trade payables	49,975	2,47,039
<b>Cash generated from operations</b>	<b>2,874</b>	<b>13,845</b>
Income tax paid	-	-
<b>Net cash flows from operating activities (A)</b>	<b>2,874</b>	<b>13,845</b>
<b>Cash flows used in investing activities</b>		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	-	-
<b>Net cash flows used in investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>Net cash flows from financing activities</b>		
Proceeds from issue of equity shares	2,000	9,886
Interest paid	(3,808)	(18,460)
<b>Net cash flows from/(used in) financing activities (C)</b>	<b>(1,808)</b>	<b>(8,574)</b>
Net increase in cash and cash equivalents (A+B+C)	1,066	5,271
Cash and cash equivalents at the beginning of the year	-	-
<b>Cash and cash equivalents at the year end</b>	<b>1,066</b>	<b>5,271</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	-	-
Balances with banks		
On current accounts	1,066	5,271
<b>Total cash and cash equivalents</b>	<b>1,066</b>	<b>5,271</b>

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

As per our report of even date

**For Ramasamy Koteswara Rao and Co LLP**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
Laurus Generics SA (Pty) Ltd.

**C V Koteswara Rao**  
Partner  
Membership No.028353

**Dr. Satyanarayana C**  
Director

**Babchand N**  
Director

Place: Hyderabad  
Date: April 23, 2021

Place: Hyderabad  
Date: April 23, 2021

# Laurus Generics SA (Pty) Ltd.

## Notes to financial statements for the year ended March 31, 2021

### 1. Corporate information

Laurus Generics SA (Pty) Ltd (LGSA), offers a broad range of Pharmaceutical and related services to the global Pharmaceutical community, situated in South Africa. LGSA, is a Pty Limited, incorporated under the laws of Republic of South Africa. LGSA is a wholly owned subsidiary of Laurus Labs Limited (Laurus). On June 15, 2020, the Laurus acquired 100 % shares of Phekolong Pharmaceuticals Pty Ltd, (renamed as Laurus Generics SA (Pty) Ltd) a wholly owned subsidiary of Pharmicare Limited t/a Aspen Pharmicare, South Africa.

### 2. Significant accounting policies

#### 2.1 Basis of preparation

- (a) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS'), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

#### 2.2 Summary of significant accounting policies

##### (a) Use of Estimates

The preparation of financial statements in conformity with Indian Accounting Standards requires the Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

##### (b) Foreign currencies

The financial statements are presented in South African ZAR, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. The financial statements are translated into Indian rupees for the purpose of preparing Group financial statements.

##### (c) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

##### (d) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations and does not include depreciation and amortisation expense, finance costs and tax expense.

##### (f) foreign currency translation

The company converted the standalone Ind AS financial statements for presentation purposes from the relevant currency i.e ZAR for the business into the presentation currency (INR). The average foreign currency rate applied was 4.847924 ZAR/INR for profit and loss account transactions. The closing foreign currency rate applied was 4.943249 ZAR/INR for Balance sheet items.

##### (g) Related Party Transactions

###### Names of related parties and description of relationship

	March 31, 2021	
	Amount in ZAR	Amount in INR
Holding Company		
a) Transactions During the Year		
i) Laurus Labs Limited		
Revenue	99,976	4,84,674
b) Closing Balances		
i) Laurus Labs Limited		
Disclosed Under Trade Payables	-	-

**For Ramasamy Koteswara Rao and Co LLP**  
Chartered Accountants  
Firm Registration Number :010396S/S200084

**For and on behalf of the Board of Directors**  
Laurus Generics SA (Pty) Ltd.

**C V Koteswara Rao**  
Partner  
Membership No.028353

**Dr. Satyanarayana C**      **Babchand N**  
Director                              Director

Place: Hyderabad  
Date: April 23, 2021

Place: Hyderabad  
Date: April 23, 2021

## Trial Balance

As of March 31,2021

	ZAR	
	Debit	Credit
Equity Share capital paid up		2,000.00
FNB ZAR A/c 62835357551	1,066.39	
Forex loss	315.70	
Bank Charges	3,807.91	
Consultancy Charges - BDO ( INVOICE NO. BDO2021MUM002050 )	82,785.50	
Consultancy Charges - BDO ( INVOICE NO. BDO2021MUM005198 )	49,975.10	
Consultancy Charges - RANDCO (INVOICE NO. 0261)	14,000.00	
Laurus Labs Limited ( INVOICE NO. PTDA -01) - Reimbursement of expenses		97,975.50
Laurus Labs Limited ( INVOICE NO. PTDA -01) - Reimbursement of expenses		2,000.00
Current liabilities - Consultancy charges payable		49,975.10
	<b>1,51,950.60</b>	<b>1,51,950.60</b>

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1,50,884      99,976  
(50,909)





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INVOICE NO	INVOICE DATE	USD	EX RATE	ZAR
BDO2021MUM002050	17 Sep 2020	5,450.00	15.19	82,785.50
BDO2021MUM005198	25 Feb 2021	3,290.00	15.19	49,975.10
261	6 Nov 2020	-	-	14,000.00
1	24 Nov 2020	6,450.00	15.19	97,975.50
2	25 Mar 2021			2,000.00





Nature
Professional fee
Professional fee
Registered office service
Company intial expenses
Product Registration & filings expenses

1,000.00	15.19
14,874	316





15,190.00
14.87

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Range: October 21, 2020 - March 31, 2021 Frequency

Currency I have: South African Rand Currency I want: INR



Period Average

Period High

Period Low

- Mar 31, 2021
- Mar 30, 2021
- Mar 29, 2021
- Mar 28, 2021
- Mar 27, 2021
- Mar 26, 2021
- Mar 25, 2021
- Mar 24, 2021
- Mar 23, 2021

Downloads, and Central Bank Exchange Rates.

Frequency: **Daily** Source: **OANDA Exchange Rates**

+

	<b>INR</b>
	<b>4.847924</b>
	<b>5.053513</b>
	<b>4.490812</b>
	4.943249
	4.914197
	4.863246
	4.850137
	4.851316
	4.845572
	4.862542
	4.895054
	4.904592

