

INDEPENDENT AUDITOR'S REPORT

To the Members of Caraco Pharmaceuticals Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Caraco Pharmaceuticals Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") 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 Company as at March 31, 2023, its profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, 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 audit opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Ind AS 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 Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting

records in accordance with the provisions of the Act for safeguarding of 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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. 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 with reference to financial statements 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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 the Statement of 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) No managerial remuneration has been paid by the Company during the year.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 22 to the Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 22 to the Ind AS financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Amit Singh
Partner
Membership Number: 408869
UDIN: 23408869BGXKKI9265
Place of Signature: Pune
Date: 24 May,2023

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Caraco Pharmaceuticals Private Limited ("the Company")

- i. (a)

(A) According to the information and explanations given by the management, the Company does not hold any property, plant and equipment. Accordingly, the requirement to report on clause 3(i)(a)(A) of the Order is not applicable to the Company and hence not commented upon.

(B) According to the information and explanations given by the management, the Company does not hold any intangible asset. Accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company and hence not commented upon.

(b) The Company does not hold any property, plant and equipment and accordingly, the requirement to report on clause 3(i)(b) of the Order is not applicable to the Company and hence not commented upon.

(c)/(d) There is no immovable property held by the Company and accordingly, the requirement to report on clause 3(i)(c) and 3(i)(d) of the Order is not applicable to the Company and hence not commented upon.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The Company does not hold any inventory. Accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company and hence not commented upon.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company and hence not reported upon.
- iii. During the year the Company has not made any investments in, provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) to (f) of the Order is not applicable to the Company and hence not commented upon.
- iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013 for the company. Accordingly, the requirement to report on clause 3(vi) of the order is not applicable to the company and hence not reported upon.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax and income tax, where applicable. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of goods and services tax and income tax which have not been deposited on account of any dispute.

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a)/(c) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e)/(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)e and 3(ix)f of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- xiii. Transactions with related parties are in compliance with section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon by us.
- xiv. (a)/(b) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and (b) of the Order is not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

- xvii. The Company has incurred cash losses in the current financial year of Rs. 58.5 thousand. In the immediately preceding financial year, the Company incurred cash losses of Rs. 54.2 thousand.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note 19 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, considering the Company's accumulated losses exceeds the shareholder's funds by INR 284.0 thousand, based on continuing operational and financial support from the Ultimate Holding Company, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a)/(b) The provisions of section 135 of the Act are not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Amit Singh
Partner
Membership Number: 408869
UDIN: 23408869BGXKKI9265
Place of Signature: Pune
Date: 24 May, 2023

Annexure 2 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Caraco Pharmaceuticals Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS financial statements of Caraco Pharmaceuticals Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Ind AS Financial Statements

A company's internal financial controls with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial

controls with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Amit Singh
Partner
Membership Number: 408869
UDIN: 23408869BGXKKI9265
Place of Signature: Pune
Date: 24 May, 2023

CARACO PHARMACEUTICALS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

₹ in Thousand

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Current assets			
Financial assets			
(i) Cash and cash equivalents	3	8.3	20.9
Total current assets		8.3	20.9
TOTAL ASSETS		8.3	20.9
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	4	100.0	100.0
(b) Other equity	5	(384.0)	(325.5)
Total equity		(284.0)	(225.5)
LIABILITIES			
Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	6	-	195.1
(ii) Other financial liabilities	7	-	10.3
Total non current liabilities		-	205.4
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	8	205.1	-
(ii) Trade payables			
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises	15	63.9	39.9
(iii) Other financial liabilities	9	22.0	-
(b) Other current liabilities	10	1.3	1.1
Total current liabilities		292.3	41.0
TOTAL LIABILITIES		292.3	246.4
TOTAL EQUITY AND LIABILITIES		8.3	20.9

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

**For and on behalf of the Board of Directors of
CARACO PHARMACEUTICALS PRIVATE LIMITED**

per Amit Singh
Partner
Membership no. : 408869
Mumbai, May 24, 2023

Chandrakant K. Agrawal
Director
DIN: 02525499
Mumbai, May 24, 2023

Sanjay Jerry
Director
DIN: 06834466
Mumbai, May 24, 2023

CARACO PHARMACEUTICALS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

₹ in Thousand

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
(I) Income			
Other income		-	-
(II) Total income		-	-
(III) Expenses			
Finance costs	11	13.1	11.4
Other expenses	12	45.4	42.8
(IV) Total expenses		58.5	54.2
(V) Loss before tax (II - IV)		(58.5)	(54.2)
(VI) Tax expenses	13	-	-
(VII) Loss for the year (V - VI)		(58.5)	(54.2)
(VIII) Other comprehensive income		-	-
(IX) Total comprehensive income for the year		(58.5)	(54.2)
Earnings per equity share (face value per equity share ₹ 10)	14		
Basic (in ₹)		(5.85)	(5.42)
Diluted (in ₹)		(5.85)	(5.42)

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

**For and on behalf of the Board of Directors of
CARACO PHARMACEUTICALS PRIVATE LIMITED**

per Amit Singh
Partner
Membership no. : 408869
Mumbai, May 24, 2023

Chandrakant K. Agrawal
Director
DIN: 02525499
Mumbai, May 24, 2023

Sanjay Jerry
Director
DIN: 06834466
Mumbai, May 24, 2023

CARACO PHARMACEUTICALS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

₹ in Thousand

Particulars	Equity share capital	Other equity		Total
		Reserve and surplus		
		Retained earnings		
Balance as at April 1, 2021	100.0	(271.3)	(171.3)	
Loss for the year	-	(54.2)	(54.2)	
Total comprehensive income for the year	-	(54.2)	(54.2)	
Balance as at March 31, 2022	100.0	(325.5)	(225.5)	
Loss for the year	-	(58.5)	(58.5)	
Total comprehensive income for the year	-	(58.5)	(58.5)	
Balance as at March 31, 2023	100.0	(384.0)	(284.0)	

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

For and on behalf of the Board of Directors of
CARACO PHARMACEUTICALS PRIVATE LIMITED

per Amit Singh
Partner
Membership no. : 408869
Mumbai, May 24, 2023

Chandrakant K. Agrawal
Director
DIN: 02525499
Mumbai, May 24, 2023

Sanjay Jerry
Director
DIN: 06834466
Mumbai, May 24, 2023

CARACO PHARMACEUTICALS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

₹ in Thousand

Particulars	Year ended		Year ended	
	March 31, 2023		March 31, 2022	
A) Cash flow from operating activities				
Loss before tax	(58.5)		(54.2)	
Adjustment for:				
Finance cost	13.1		11.4	
Operating loss before working capital changes	(45.4)		(42.8)	
Movement in working capital :				
Increase / (decrease) in trade payables	24.0		3.6	
Increase / (decrease) in current liabilities	(1.2)		-	
Cash used in operations	(22.6)		(39.2)	
Income tax paid (net of refund)	-		-	
Net cash used in operating activities (A)		(22.6)		(39.2)
B) Cash flow from investing activities (B)		-		-
C) Cash flow from financing activities				
Proceeds from borrowings	10.0		50.0	
Net cash generated from financing activities (C)		10.0		50.0
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(12.6)		10.8
Cash and cash equivalents at beginning of the year		20.9		10.1
Cash and cash equivalents at the end of the year		8.3		20.9

Cash and cash equivalents comprises of : (refer note 3)

₹ in Thousand

Particulars	As at	
	March 31, 2023	March 31, 2022
Cash on hand	-	0.8
Balances with banks		
In current accounts	8.3	20.1
	8.3	20.9

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. : 324982E/E300003

**For and on behalf of the Board of Directors of
CARACO PHARMACEUTICALS PRIVATE LIMITED**

per Amit Singh

Partner

Membership no. : 408869

Mumbai, May 24, 2023

Chandrakant K. Agrawal

Director

DIN: 02525499

Mumbai, May 24, 2023

Sanjay Jerry

Director

DIN: 06834466

Mumbai, May 24, 2023

CARACO PHARMACEUTICALS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. General Information

Caraco Pharmaceuticals Private Limited ("the Company") is a private limited company incorporated and domiciled in India, having its registered office at FP 145 Ram Mandir Road Vile Parle East Mumbai – 400057, Maharashtra. The Company is a 100% subsidiary of Faststone Mercantile Company Private Limited.

The financial statements were approved for issue in accordance with a resolution of the directors on May 24, 2023.

2. Summary of significant accounting policies

2.1 Statement of compliance

The Company has prepared financial statements for the year ended March 31, 2023 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, together with the comparative period data as at and for the year ended March 31, 2022.

2.2 Basis of preparation and presentation

The financial statements are presented in ₹ and all values are rounded to the nearest Thousand (₹ 000) upto one decimal, except when otherwise indicated.

The financial statements have been prepared on an historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

A. Current vs Non-current

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

B. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities are measured at amortised cost using the effective interest method.

C. Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

D. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements.

E. Cash and cash equivalents

Cash and cash equivalents 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.

F. Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

G. Borrowings costs

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.3 Recent Accounting pronouncements:

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

NOTE : 3

CASH AND CASH EQUIVALENTS

₹ in Thousand

Particulars	As at	
	March 31, 2023	March 31, 2022
Cash on hand	-	0.8
Balances with banks In current accounts	8.3	20.1
	8.3	20.9

NOTE : 4

EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	₹ in Thousand	Number of shares	₹ in Thousand
Authorised share capital				
Equity shares of ₹ 10 each	50,000	500.0	50,000	500.0
	50,000	500.0	50,000	500.0
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	10,000	100.0	10,000	100.0
	10,000	100.0	10,000	100.0

(a) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of reporting period

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	₹ in Thousand	Number of shares	₹ in Thousand
Reconciliation of fully paid equity shares				
Opening balance	10,000	100.0	10,000	100.0
Closing balance	10,000	100.0	10,000	100.0

(b) Details of shareholders holding more than 5% of capital in the Company / Shares held by Holding Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	%	Number of shares	%
In Equity Shares				
Faststone Mercantile Company Private Limited	10,000	100%	10,000	100%

(c) Rights, preference and restrictions attached to equity shares: The equity shares of the Company, having par value of ₹ 10 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

(d) No equity shares have been issued as bonus or shares issued for consideration other than cash or bought back during the period of five years immediately preceding the reporting date.

NOTE : 5

Other equity

₹ in Thousand

Particulars	As at	
	March 31, 2023	March 31, 2022
Reserves and surplus		
Retained earnings	(384.0)	(325.5)
	(384.0)	(325.5)

Refer statement of changes in equity for detailed movement in other equity balance.

NOTE : 6

BORROWINGS (NON CURRENT)

₹ in Thousand

Particulars	As at	
	March 31, 2023	March 31, 2022
Unsecured		
Loan from related parties (refer note 20 and 21)	-	195.1
	-	195.1

NOTE : 7

OTHER FINANCIAL LIABILITIES (NON CURRENT)

₹ in Thousand

Particulars	As at	
	March 31, 2023	March 31, 2022
Interest accrued (refer note 20)	-	10.3
	-	10.3

CARACO PHARMACEUTICALS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE : 8

BORROWINGS (CURRENT)

₹ in Thousand

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured Loan from related parties (refer note 20 and 21)	205.1	-
	205.1	-

NOTE : 9

OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in Thousand

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued (refer note 20)	22.0	-
	22.0	-

NOTE : 10

OTHER CURRENT LIABILITIES

₹ in Thousand

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory remittances	1.3	1.1
	1.3	1.1

NOTE : 11

FINANCE COSTS

₹ in Thousand

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense for financial liabilities carried at amortised cost	13.1	11.4
	13.1	11.4

NOTE : 12

OTHER EXPENSES

₹ in Thousand

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rates and taxes	2.5	2.5
Professional, legal and consultancy	24.1	22.6
Payment to auditors (net of input credit, wherever applicable)	18.8	17.7
	45.4	42.8

NOTE : 13

TAX RECONCILIATION

₹ in Thousand

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Reconciliation of tax expense		
Loss before tax	(58.5)	(54.2)
Enacted income tax rate (%) *	25.168%	25.168%
Income tax calculated at income tax rate	(14.7)	(13.6)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	14.7	13.6
Total tax expense recognised in the Statement of Profit and Loss	-	-

* The tax rate used for reconciliation above is the corporate tax rate of 25.168% (March 31, 2022: 25.168%) at which the company is liable to pay tax on taxable income under the Indian Tax Law.

NOTE : 14

EARNINGS PER EQUITY SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loss for the year (₹ in Thousand)- used as numerator for calculating earnings per share	(58.5)	(54.2)
Weighted average number of shares used in computing basic earnings per share	10,000	10,000
Face value per share (in ₹)	10	10
Basic earnings per share (in ₹)	(5.85)	(5.42)
Diluted earnings per share (in ₹)	(5.85)	(5.42)

NOTE : 15

a) DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. The company has not received any memorandum (as required to be filed by the suppliers with notified authority under the Micro, Small and Medium Enterprises Development Act 2006) from vendor claiming the status as micro or small enterprise, hence no disclosures have been made.

b) Trade payable ageing

₹ in Thousand

	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Outstanding dues of other than micro and small enterprises	63.9	-	-	-	-	63.9
	63.9	-	-	-	-	63.9

₹ in Thousand

	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
Outstanding dues of other than micro and small enterprises	39.9	-	-	-	-	39.9
	39.9	-	-	-	-	39.9

NOTE : 16

CATEGORIES OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY

₹ in Thousand

Particulars	As at March 31, 2023		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	8.3
Financial liabilities			
Borrowing	-	-	205.1
Interest accrued on borrowings	-	-	22.0
Trade payables	-	-	63.9

₹ in Thousand

Particulars	As at March 31, 2022		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	20.9
Financial liabilities			
Borrowing	-	-	195.1
Interest accrued on borrowings	-	-	10.3
Trade payables	-	-	39.9

NOTE : 17

FINANCIAL RISK MANAGEMENT

Commensurate with the size of the Company, its risk management assessment, policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

Market risk

The Company does not have any market risk such as foreign exchange risk and interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The table below provides details regarding the contractual maturities of significant undiscounted financial liabilities :

₹ in Thousand

Particulars	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2023
Borrowing	205.1	-	-	205.1
Trade payables	63.9	-	-	63.9
Other financial liabilities	22.0	-	-	22.0
	291.0	-	-	291.0

₹ in Thousand

Particulars	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2022
Borrowing	-	195.1	-	195.1
Trade payables	39.9	-	-	39.9
Other financial liabilities	-	10.3	-	10.3
	39.9	205.4	-	245.3

NOTE : 18

As on March 31, 2023, the Company's accumulated loss of ₹ 384.0 Thousand (March 31, 2022 : ₹ 325.5 Thousand) exceeds the shareholders' funds. As the Company is continuing operational and financial support from its Ultimate Holding Company, these financial statements have been prepared on the 'going concern' assumption.

NOTE : 19
RATIO

Particular	Remarks	As at		Variance (in %)
		March 31, 2023	March 31, 2022	
(a) Current ratio = (current assets) / (current liabilities)	Change due to increase in current liabilities.	0.03	0.51	(94.4%)
(b) Debt equity ratio = (long-term borrowings + short-term borrowings and lease liabilities) / Total equity		(0.72)	(0.87)	(16.5%)
(c) Debt service coverage ratio = {profit/(loss) after tax but before finance costs, depreciation and amortisation and exceptional items} / (finance costs + short-term borrowings + short term Lease liabilities)	Change due to increase in short term borrowings	(0.21)	(3.76)	(94.5%)
(d) Return on equity ratio (%) = net profit/(loss) after tax / equity share capital		(58.50%)	(54.17%)	8.0%
(e) Inventory turnover ratio = (cost of materials consumed + purchase of stock-in-trade + changes in inventories of finished goods, stock-in-trade and work-in-progress) / average inventory		Not applicable	Not applicable	-
(f) Trade receivables turnover ratio in no. of days = (average trade receivables * no. of days) / revenue from contracts with customers		Not applicable	Not applicable	-
(g) Trade payable turnover ratio in no. of days = (average trade payable * no. of days) / purchases during the		Not applicable	Not applicable	-
(h) Net capital turnover ratio = revenue from contracts with customers / (current assets - current liabilities)		Not applicable	Not applicable	-
(i) Net profit ratio (%) = net profit/(loss) after tax / total revenue from operations		Not applicable	Not applicable	-
(j) Return on capital employed (%) = net profit / (loss) after tax / (total assets - total liabilities - intangible assets - intangible assets under development - goodwill + long-term borrowings + short-term borrowings + lease liabilities)	Change due to increase in borrowings and other current liabilities	74.14%	178.13%	(58.4%)
(k) Return on investment (%) = income generated from FVTPL investment / weighted average FVTPL investment		Not applicable	Not applicable	-

NOTE : 20

DISCLOSURE PURSUANT TO IND AS 24 'RELATED PARTY DISCLOSURES':

(A) Name of related parties and description of relationship:

(i) Ultimate Holding Company:

Sun Pharmaceutical Industries Limited

(ii) Holding Company:

Faststone Mercantile Company Private Limited

(iii) Fellow Subsidiary Company :

Sun Pharma Laboratories Limited

(iv) Key management personnel

Name

Mr. Chandrakant K. Agrawal
Mr. Sunil R. Ajmera (upto January 28, 2022)
Mr. Ashok I. Bhuta
Mr. Sanjay Jerry (w.e.f. January 28, 2022)

Designation

Director
Director
Director
Additional Director

(B) Summary of the transaction with related parties as per Ind AS 24

₹ in Thousand

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Loan taken from :		
Sun Pharma Laboratories Limited	10.0	50.0
Interest on loan taken from		
Sun Pharma Laboratories Limited	13.1	11.4

(C) Outstanding balance with related parties as per Ind AS 24

₹ in Thousand

Particulars	As at	
	March 31, 2023	March 31, 2022
Loan taken from :		
Sun Pharma Laboratories Limited	205.1	195.1
Interest Accrued on borrowing		
Sun Pharma Laboratories Limited	22.0	10.3

CARACO PHARMACEUTICALS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on an arm's length basis. Outstanding trade balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

As per Ultimate Holding Company RPT disclosure policy, there are no material related party transactions during the year ended March 31, 2023.

NOTE : 21

Unsecured loan from related party ₹ 205.1 Thousand (March 31, 2022: ₹ 195.1 Thousand). The loan is repayable by March 25, 2024. The loan has been availed at 6.50%.

NOTE : 22

OTHER MATTERS

- a) No proceeding have been initiated or pending against the Company under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder.
- b) The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- c) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- d) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs either severally or jointly with any other person.
- e) No funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the
- f) No funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- h) The Company has not been sanctioned working capital limits from banks or financial institutions during any point of time of the year on the basis of security of current assets.
- i) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

NOTE : 23

On March 1, 2023, the ultimate holding Company "Sun Pharmaceutical Industries Limited" disclosed an information security incident that impacted some of the Company's IT assets. The Company promptly took steps to contain and remediate the impact of the information security incident, including employing appropriate containment protocols to mitigate the threat, employing enhanced security measures and utilizing global cyber security experts to ensure the integrity of the Company's IT systems' infrastructure and data. As part of the containment measures, the Company proactively isolated its network and initiated recovery procedures. As a result of these measures, certain business operations were also impacted.

Based on the Company's investigation, the Company currently believes that the incident's effects on its IT system include a breach of certain file systems and the theft of Company data and personal data. A ransomware group has claimed responsibility for this incident.

The Company has since strengthened its cybersecurity infrastructure and is in the process of implementing improvements to its cyber and data security systems to safeguard against such risks in the future. The Company is also implementing certain long-term measures to augment its security controls systems across the organization. The ultimate holding Company worked with legal counsel across relevant jurisdictions to notify applicable regulatory and data protection authorities, where considered required, and the Company believes there is no material legal non-compliance by the Company on account of the information security incident. The Company believes that all known impacts on its financial statements for the year ended March 31, 2023 on account of this incident have been considered.

NOTE : 24

Previous year's figure has been regrouped and reclassified, wherever necessary.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per Amit Singh
Partner
Membership no. : 408869
Mumbai, May 24, 2023

For and on behalf of the Board of Directors of
CARACO PHARMACEUTICALS PRIVATE LIMITED

Chandrakant K. Agrawal
Director
DIN: 02525499
Mumbai, May 24, 2023

Sanjay Jerry
Director
DIN: 06834466
Mumbai, May 24, 2023