

ANNUAL REPORT

2022-2023

GLIMPSES OF LISTING CEREMONY:





SOTAC PHARMACEUTICALS LIMITED

8TH ANNUAL REPORT 2022-23

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Corporate Information
Sotac Pharmaceuticals Limited
CIN: L24230GJ2015PLC085451

BOARD OF DIRECTORS:

Name	DIN	Designation
Mr. Sharadkumar Dashrathbhai Patel	07252252	Chairman & Managing Director
Mr. Dineshkumar Babulal Gelot	07252132	Whole time Director
Mr. Vishalkumar Patel	07252191	Executive Director
Mr. Chetankumar Bachubhai Patel	07252116	Executive Director
Ms. Nidhiben Patel	09820927	Non-Executive Director Independent Director
Ms. Hetal Umangbhai Shah	09829110	Non-Executive Director Independent Director
Ms. Heena Viral Patel	09829226	Non-Executive Director Independent Director

KEY MANAGERIAL PERSONNEL:

Name	PAN	Designation
Ms. Niyati Dipesh Parikh*	CLTPP3237L	Company Secretary and Compliance Officer
Ms. Pooja Bagrecha *	BVKPB8020P	Company Secretary and Compliance Officer
Mr. Brijeshkumar Ranchhodhbhai Patel	BTPPP4289P	Chief Financial Officer

* Ms. Pooja Bagrecha resigned w.e.f. August 05, 2023 and Ms. Niyati Dipesh Parikh appointed w.e.f. August 11, 2023.

REGISTERED OFFICE

Plot No. PF-21, Nr. Acme Pharma, Opp. Teva Pharma Sanand GIDC-II, Sanand Ahmedabad-382110

Tel No. +91-9913562852

Email: compliance@sotacpharma.com;

Web: <https://sotacpharma.com/#>

STATUTORY AUDITOR

M/s. Keyur Shah & Co.

Chartered Accountants

(Firm Registration No. 141173W)

303, Shitiratna, B/s Radisson Blu, Nr Panchvati

Circle, Ambawadi, Ahmedabad-380006.

Tel. No.: +91 99984 84564

Email Id: ca.keyurshah2015@gmail.com

REGISTRAR & SHARE TRANSFER AGENT

KFIN Technologies Limited

Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial

District, Nanakramguda, Serilingampally, Hyderabad – 500
032, Telangana, India.

E-mail: einward.ris@kfintech.com

Tel no. +91 40 6716 2222

BANKERS TO THE COMPANY

Axis Bank Limited

COMMITTEES OF BOARD:

AUDIT COMMITTEE:			
Name	DIN	Designation	Nature of Directorship
Mrs. Hetal Umangbhai Shah	09829110	Chairperson	Independent Director
Mrs. Heena Viral Patel	09829226	Member	Independent Director
Mr. Sharadkumar Dashrathbhai Patel	07252252	Member	Chairman and Managing Director

STAKEHOLDER'S RELATIONSHIP COMMITTEE:			
Name	DIN	Designation	Nature of Directorship
Mrs. Hetal Umangbhai Shah	09829110	Chairperson	Independent Director
Mrs. Heena Viral Patel	09829226	Member	Independent Director
Ms. Nidhiben Patel	09820927	Member	Independent Director

NOMINATION AND REMUNERATION COMMITTEE:			
Name	DIN	Designation	Nature of Directorship
Mrs. Hetal Umangbhai Shah	09829110	Chairperson	Independent Director
Mrs. Heena Viral Patel	09829226	Member	Independent Director
Ms. Nidhiben Patel	09820927	Member	Independent Director

DIRECTOR'S REPORT

Dear Shareholders,

The Board of Directors hereby submits the 8th report of the business and operations of your Company ("the Company"), along with the Standalone & Consolidated Audited Financial Statements, for the Financial Year ended on March 31, 2023.

Financial Highlights:

The Company's financial performance (standalone & consolidated) for the year ended on March 31, 2023 is summarized below:

(Rs. in Lakh)

Particulars	Standalone-Year Ended		Consolidated-Year Ended	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
Revenue From Operations	5798.28	7315.17	7,748.32	-
Other Income	24.31	20.76	34.96	-
Total Income	5822.59	7335.93	7783.28	-
Less: Total Expenses before Depreciation, Finance Cost and Tax	4977.48	6699.53	7023.3	-
Profit before Depreciation, Finance Cost and Tax	845.11	636.4	760	-
Less: Depreciation	162.53	112.64	227.78	-
Less: Finance Cost	86.13	55.00	197.55	-
Profit Before Tax	596.45	468.76	392.67	-
Less: Current Tax	168.39	142.50	168.39	-
Less: Deferred tax Liability (Asset)	(21.49)	3.29	(4.33)	-
Profit after Tax	449.55	329.55	228.61	-

Consolidated Previous year figures of March 31, 2022, are not applicable as company formed its subsidiary companies after the closure of FY 21-22.

BUSINESS OVERVIEW:

Financial Performance on Standalone Basis:

The total income of the Company for the year ended March 31, 2023 was Rs. 5822.59 Lakh as against the total income of Rs. 7335.93 Lakh for the previous year ended March 31, 2022. The Total Income of the company was decreased by 20.62% over previous year.

The major decrease in total income of the Company was due to decrease in the rate of one of our Product namely Paracetamol. The Revenue from Operation decreased about 20.73% as compared to previous Financial Year 2021-22. However Production has been increased in comparison to last year.

The Company has earned a Net Profit after Tax of Rs. 449.55 Lakh for the year under review as compared to Net Profit of Rs. 329.55 Lakh in the previous year. The profit of the Company increased about 36.41% as compared to previous financial year. The major increase in profit is due to decrease in total expenses of the company and profit margin from the product remain same Hence Profit after tax increased as during the year ended March 31, 2023 as compared to previous year.

Financial Performance on Consolidate Basis:

The Consolidated Financial Statements presented by the Company include the financial results of following Subsidiary Companies:



- i. Sotac Healthcare Private limited,
- ii. Sotac Research Private limited,
- iii. Sotac Lifesciences Private limited,

The total income of the Company was Rs. 7783.28 Lakh, The Revenue from Operation of the Company was Rs. 7,748.32 Lakh and The Company has earned a Net Profit after Tax of Rs. 960.15 Lakh for the year ended March 31, 2023.

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated financial statements of the Company for the financial year 2022-23 are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards ("AS") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI (LODR) Regulations, 2015") which form part of this Annual Report.

Dividend:

With a view to conserve and save the resources for future prospects of the Company, the Directors have not declared any dividend for the financial year 2022-23.

Pursuant to the provisions of Sections 124 and 125 of the Act, there is no amount of Dividend remaining unclaimed / unpaid for a period of 7 (seven) years and/or unclaimed Equity Shares which are required to be transferred to the Investor Education and Protection Fund (IEPF).

Transfer to General Reserve:

During the year, the Company has not apportioned any amount to other reserve. Total amount of net profit is carried to the Reserves & Surplus as shown in the Balance Sheet of the Company.

Company Background:

Our Company was originally formed and registered as a Partnership Firm under the Partnership Act, 1932 ("Partnership Act") in the name and style of "M/s Sotac Pharmaceuticals", pursuant to a deed of partnership dated October 28, 2015. Thereafter "M/s. Sotac Pharmaceuticals" was converted from Partnership Firm to a Private Limited Company under Part I (Chapter XXI) of the Companies Act, 2013 in the name of "Sotac Pharmaceuticals Private Limited" and received a certificate of incorporation dated December 18, 2015 from the Registrar of Companies, Gujarat. Later on our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on November 12, 2022 and the name of our Company was changed to "Sotac Pharmaceuticals Limited". A fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company dated November 22, 2022 was issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is L24230GJ2015PLC085451.

Initial Public Offer and Listing of Equity Shares:

The Board of Directors had, in its meeting held on Saturday, December 31, 2022, proposed the Initial Public Offer not exceeding 3400000 equity shares at such price as may be decided by the Board of Directors in consultation with the Merchant Banker. The Members of the Company had also approved the proposal of the Board of Directors in their Extra-ordinary General Meeting held on Thursday, January 05, 2023.

Pursuant to the authority granted by the Members of the Company, the Board of Directors appointed Beeline Capital Advisors Private Limited as Lead Manager and KFin Technologies Limited as Registrar to the Issue and Share Transfer Agent for the proposed Public Issue.

The Company applied to National Stock Exchange of India Limited ("NSE") for in-principle approval for listing its equity shares on the Emerge Platform of the NSE. National Stock Exchange of India Limited has, vide its letter dated, March 02, 2023, granted it's In- Principle Approval to the Company.

The Company had filed Prospectus to the Registrar of the Company, Ahmedabad on April 08, 2023. The Public Issue was opened on Wednesday, March 29, 2023 and closed on Monday, April 03, 2023. The Basis of Allotment was finalized by Company, Registrar to the issue and merchant banker in consultation with the NSE on April 10, 2023. The Company has applied for listing of its total equity shares to NSE and it has granted its approval vide its letter dated April 12, 2023. The trading of equity shares of the Company commenced on April 13, 2023 at Emerge Platform of NSE.

The Equity Shares of the Company are listed on the Emerge Platform of NSE. The Company confirms that the annual listing fees to the stock exchange for FY 2023-24 have been paid.

Utilisation of IPO Proceeds:

The Company raised funds of Rs. 3,330.00 Lakhs through Initial Public Offering (IPO). The gross proceeds of IPO has been utilized in the manner as proposed in the Offer Document, the details of which are hereunder:

(Rs.in Lakhs)

Sr. No.	Original Object	Original Allocation	Funds Utilized upto June 30, 2023
1.	To meet Working Capital Requirements	1,080.00	1,080.00
2.	Investment in Subsidiary	700.00	700.00
3.	Upgradation / Construction of Existing /New Building in the Existing Premises	590.01	590.01
4.	General Corporate Purpose	739.99	739.99
5.	Public Issue Related Expenses	220.00	220.00
	Total	3,330.00	3,330.00

Further, there is no deviation/variation in the utilization of the gross proceeds raised through IPO.

Change in Nature of Business:

During the year, the Company has not changed its business or object and continues to be in the same line of business as per the main object of the Company.

Share Capital:

During the year under review, the Following changes were made in the Authorized and Paid-up share capital of the Company.

- Authorized Capital of the Company increased from Rs. 2,30,00,000/- (Rupees Two Crores Thirty Lakhs Only) divided into 23,00,000 (Twenty Three Lakhs Only) equity shares of Rs. 10/- (Rupees Ten Only) each to Rs. 11,50,00,000/- (Rupees Eleven Crores Fifty Lakhs Only) divided into 1,15,00,000 (One Crore Fifteen Lakhs Only) equity shares of Rs. 10/- (Rupees Ten Only) each via Ordinary Resolution passed in Extra Ordinary General Meeting by the shareholders of the Company on Tuesday, November 01, 2022.
- Pursuant to Bonus issue of Equity Shares by the Company, the Board of Directors, in their meeting held on December 30, 2022, has allotted 5750000 Equity Shares out of the securities premium account/or free reserve of the company in the ratio of 5: 2 i.e. 5 (Five) Bonus Equity Shares for every 2 (Two) Equity Share held on December 23, 2022.

After Closure of the financial year;

- Pursuant to the Initial Public Offer of Equity Shares by the Company, the Board of Directors, in their meeting held on April 10, 2023, has allotted total 3000000 Equity Shares Rs. 10/- each at price of Rs. 111/- per Equity Share (Including a share premium of ₹101/- Per Equity Share) to the successful allottees, whose list have been finalized by the Company, the Registrar to the issue and merchant banker in consultation with National Stock Exchange of India Limited.

The Share Capital of the Company after these changes stood as follows as on the date of Report:

Authorized Capital

The Authorized Capital of the Company is Rs. 11,50,00,000/- (Rupees Eleven Crores Fifty Lakhs Only) divided into 1,15,00,000 (One Crore Fifteen Lakhs Only) Equity Shares of Rs. 10/-(Rupees Ten Only) each.

Issued, Subscribed & Paid-Up Capital

The present Paid-up Capital of the Company is Rs. 11,05,00,000/- (Rupees Eleven Crore Five Lakh Only) divided into 1,10,50,000 (One Crore Ten Lakh Fifty Thousand Only) Equity Shares of Rs. 10/-(Rupees Ten Only) each.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Constitution of Board:

As on the date of this report, the Board comprises of the following Directors;

Name of Director	Category Cum Designation	Date of Appointment at current Term & designation	Total Director Ships in other co. ²	No. of Committee ¹		No. of Shares held as on March 31, 2023
				in which Director is Members	in which Director is Chairman	
Mr. Sharadkumar Dashrathbhai Patel	Chairman & Managing Director	December 12, 2022	3	1	-	1431500
Mr. Dineshkumar Babulal Gelot	Whole time Director	December 12, 2022	2	-	-	1431500
Mr. Vishalkumar Patel	Executive Director	December 18, 2015	2	-	-	1431500
Mr. Chetankumar Bachubhai Patel	Executive Director	December 18, 2015	2	-	-	1069250
Ms. Nidhiben Patel	Non-Executive Director Independent Director	December 12, 2022	-	2	-	-
Ms. Hetal Umangbhai Shah	Non-Executive Director Independent Director	December 12, 2022	-	3	3	-
Ms. Heena Viral Patel	Non-Executive Director Independent Director	December 12, 2022	-	3	-	-

1 Committee includes Audit Committee, and Shareholders' Grievances & Relationship Committee across all Public Companies including our Company.

2 excluding Section 8 Company, Struck off Company, Amalgamated Company and LLPs

The composition of Board complies with the requirements of the Companies Act, 2013 ("Act"). Further, in pursuance of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is exempted from the requirement of having composition of Board as per Regulation 17 of Listing Regulations. None of the Director of the Company is serving as a Whole-Time Director in any other Listed Company and the number of their directorship is within the limits laid down under section 165 of the Companies Act, 2013.

Board Meeting:

The Board of the Company regularly meets to discuss various Business opportunities. Additional Board meetings are convened, as and when required to discuss and decide on various business policies, strategies and other businesses.

During the year under review, Board of Directors of the Company met 16 (Sixteen) times as on June 28, 2022; September 02, 2022; October 10, 2022; November 08, 2022; November 23, 2022; November 29, 2022; December 12, 2022; December 20, 2022; December 30, 2022; December 31, 2022; January 05, 2023; January 16, 2023; February 01, 2023; February 07, 2023; February 10, 2023 and March 20, 2023.

The details of attendance of each Director at the Board Meetings are given below:

Name of Director	Date of Original Appointment	Date of Cessation	Number of Board Meetings Eligible to attend	Number of Board Meetings attended
Mr. Sharadkumar Dashrathbhai Patel	December 18, 2015	-	16	16
Mr. Vishalkumar Patel	December 18, 2015	-	16	16
Mr. Dineshkumar Babulal Gelot	December 18, 2015	-	16	16
Mr. Chetankumar Bachubhai Patel	December 18, 2015	-	16	16
Ms. Nidhiben Patel	December 12, 2022	-	9	9
Ms. Hetal Umangbhai Shah	December 12, 2022	-	9	9
Ms. Heena Viral Patel	December 12, 2022	-	9	9

The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act.

General Meetings:

During the year under review, the following General Meetings were held, the details of which are given as under:

Sr. No.	Type of General Meeting	Date of General Meeting
1	Annual General Meeting	September 30, 2022
2	Extra Ordinary General Meeting	November 01, 2022
3	Extra Ordinary General Meeting	November 12, 2022
4	Extra Ordinary General Meeting	December 19, 2022
5	Extra Ordinary General Meeting	December 26, 2022
6	Extra Ordinary General Meeting	January 05, 2023
7	Extra Ordinary General Meeting	February 03, 2023

Disclosure by Directors:

The Directors on the Board have submitted notice of interest under Section 184(1) of the Companies Act, 2013 i.e. in Form MBP-1, intimation under Section 164(2) of the Companies Act, 2013 i.e. in Form DIR 8 and declaration as to compliance with the Code of Conduct of the Company.

Independent Directors:

In terms of Section 149 of the Companies Act, 2013 and rules made there under, the Company has three Non-Promoter Non-Executive Independent Directors in line with the act. The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Act. Further, all the Independent Directors of the Company have registered themselves in the Independent Director Data Bank.

A separate meeting of Independent Directors was held on March 20, 2023 to review the performance of Non-Independent Directors and Board as whole and performance of Chairperson of the Company including assessment of quality, quantity and timeliness of flow of information between Company management and Board.

Information on Directorate:

During the year under review, there was following change in constitution of the Board of Directors of the Company.

Change in Board Composition

Changes in Board Composition during the financial year 2022-23 and up to the date of this report is furnished below:

a) Appointment of Directors during the financial year 2022-23:-**i. In the Board Meeting held November 29, 2022:**

- Mr. Bhavesh Pravinbhai Patel (DIN: 09807221) was appointed as an Additional Director (Independent) on the Board of the company w.e.f. November 29, 2022 to hold office till the conclusion of the ensuing General Meeting and subject to the approval of the members in the ensuing General Meeting, for appointment as an Independent Director to hold office for a term upto 5 consecutive years from the date of ensuing General Meeting.
- Mr. Sureshbhai Sitarambhai Sadhu (DIN: 09807222) was appointed as an Additional Director (Independent) on the Board of the company w.e.f. November 29, 2022 to hold office till the conclusion of the ensuing General Meeting and subject to the approval of the members in the ensuing General Meeting, for appointment as an Independent Director to hold office for a term upto 5 consecutive years from the date of ensuing General Meeting.
- Ms. Ahir Rasila Vinubhai (DIN: 09807716) was appointed as an Additional Director (Independent) on the Board of the company w.e.f. November 29, 2022 to hold office till the conclusion of the ensuing General Meeting and subject to the approval of the members in the ensuing General Meeting, for appointment as an Independent Director to hold office for a term upto 5 consecutive years from the date of ensuing General Meeting.

ii. In the Board Meeting held on December 12, 2022:-

- Ms. Ami Nikkikumar Patel (DIN: 09820896) was appointed as an Additional Director (Independent) on the Board of the company w.e.f. December 12, 2022 to hold office till the conclusion of the ensuing General Meeting and subject to the approval of the members in the ensuing General Meeting, for appointment as an Independent Director to hold office for a term upto 5 consecutive years from the date of ensuing General Meeting.
- Ms. Heena Viral Patel (DIN: 09829226) was appointed as an Additional Director (Independent) on the Board of the company w.e.f. December 12, 2022, to hold office till the conclusion of the ensuing General Meeting and subject to the approval of the members in the ensuing General Meeting, for appointment as an Independent Director. Further Members of the Company vide their EGM held on December 19, 2022 have approved approval of Ms. Heena Viral Patel as an Independent Director for a period of five (5) years up to December 18, 2027, liable to retire by rotation.
- Ms. Nidhiben Patel (DIN: 09820927) was appointed as an Additional Director (Independent) on the Board of the company w.e.f. December 12, 2022, to hold office till the conclusion of the ensuing General Meeting and subject to the approval of the members in the ensuing General Meeting, for appointment as an Independent Director. Further in the EGM held on December 19, 2022, Members have approved your appointment for a period of 5 years up to December 11, 2027 not liable to retire by rotation.
- Ms. Hetal Umangbhai Shah (DIN: 09829110) was appointed as an Additional Director (Independent) on the Board of the company w.e.f. December 12, 2022 to hold office till the conclusion of the ensuing General Meeting and subject to the approval of the members in the ensuing General Meeting, for appointment as an Independent Director. Further in the EGM held on December 19, 2022, Members have approved your

appointment for a period of five years up to December 18, 2027 not liable to retire by rotation.

b) Change in designation of directors during the financial year 2022-23:-

i. In the Board Meeting held on December 12, 2022:-

- Board of directors approved Changed in Designation of Mr. Sharadkumar Dashrathbhai Patel (DIN: 07252252) From Executive Director to Chairman and Managing Director of the company and approval of the payment of remuneration. Also Approval of members was taken in the Extraordinary General Meeting of the Members held on December 19, 2022 for Change in designation of Mr. Sharadkumar Dashrathbhai Patel from Executive Director to Chairman and managing director of the company for a period of five (5) years up to December 11, 2027, liable to retire by rotation.
- Board of directors approved Changed in Designation of Mr. Dineshkumar Babulal Gelot (DIN: 07252132) From Executive Director to Whole Time Director of the company and approval of the payment of remuneration. Also Approval of members was taken in the Extraordinary General Meeting of the Members held on December 19, 2022 for Change in designation of Mr. Dineshkumar Babulal Gelot from Executive Director to Whole Time Director of the company for a period of five (5) years up to December 11, 2027, liable to retire by rotation.

c) Resignation of directors during the financial year 2022-23:-

- i. Mr. Bhavesh Pravinbhai Patel (DIN: 09807221) has tender his resignation from the post of Additional Director (Independent) of the Company with effect from December 08, 2022. The resignation is purely on account of personal reason and other professional commitments and there are no other material reasons other than the one mentioned herewith.
- ii. Mr. Sureshbhai Sitarambhai Sadhu (DIN: 09807222) has tender his resignation from the post of Additional Director (Independent) of the Company with effect from December 08, 2022. The resignation is purely on account of personal reason and other professional commitments and there are no other material reasons other than the one mentioned herewith.
- iii. Ms. Ahir Rasila Vinubhai (DIN: 09807716) has tender his resignation from the post of Additional Director (Independent) of the Company with effect from December 08, 2022. The resignation is purely on account of personal reason and other professional commitments and there are no other material reasons other than the one mentioned herewith.
- iv. Ms. Ami Nikkikumar Patel (DIN: 09820896) has tender his resignation from the post of Additional Director (Independent) of the Company with effect from December 15, 2022. The resignation is purely on account of personal reason and other professional commitments and there are no other material reasons other than the one mentioned herewith.

d) Retirement by rotation and subsequent re-appointment:

- i. Mr. Chetankumar Bachubhai Patel (DIN: 07252116), Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting, pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and being eligible have offered himself for re-appointment.

Appropriate business for his re-appointment is being placed for the approval of the shareholders of the Company at the ensuing AGM. The brief resume of the Director and other related information has been detailed in the Notice convening the ensuing AGM of the Company.

e) Regularization of directors:

- i. In the Extraordinary General Meeting of the Members held on December 19, 2022, Ms. Nidhiben Patel (DIN: 09820927) Additional Independent Director of the company has been regularized and appointed as an Independent Director of the company for a period of five years up to December 11, 2027 not liable to retire by rotation.
- ii. In the Extraordinary General Meeting of the Members held on December 19, 2022, Ms. Hetal Umangbhai Shah (DIN: 09829110) Additional Independent Director of the company has been regularized and appointed as an Independent Director of the company for a period of five years up to December 18, 2027 not liable to retire by rotation.
- iii. In the Extraordinary General Meeting of the Members held on December 19, 2022, Ms. Heena Viral Patel (DIN: 09829226) Additional Independent Director of the company has been regularized and appointed as an Independent Director of the company for a period of five years up to December 18, 2027 not liable to retire by rotation.

Key Managerial Personnel:

During financial year 2022- 23, In accordance with Section 203 of the Companies Act, 2013, the Company has appointed:-

1. Mr. Sharadkumar Dashrathbhai Patel as a Chairman and Managing Director of the Company w.e.f, December 12, 2022.
2. Mr. Dineshkumar Babulal Gelot as a Whole time Director of the Company w.e.f December 12, 2022.
3. Mr. Brijeshkumar Ranchhodhbhai Patel as a Chief Financial officer of the Company w.e.f December 30, 2022.
4. Ms. Pooja Bagrecha as a Company Secretary of the Company w.e.f January 16, 2023. However, after closure of financial year 2022-23, she resigned from her post w.e.f August 5, 2023 and Ms. Niyati Parikh appointed w.e.f August 11, 2023 as Company Secretary and Compliance officer of the company.

Change in Registered office:

During the year, there was no change in Registered Office of the Company.

Performance Evaluation:

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the following manners;

- The performance of the board was evaluated by the board, after seeking inputs from all the directors, on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.
- The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.
- The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.
- In addition, the chairman was also evaluated on the key aspects of his role.

Separate meeting of independent directors was held to evaluate the performance of non-independent directors, performance of the board as a whole and performance of the chairman, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

Directors' Responsibility Statement:

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- a) In preparation of annual accounts for the year ended March 31, 2023, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts for the year ended March 31, 2023 on going concern basis.
- e) The Directors had laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMMITTEES OF BOARD

The Board of Directors, in line with the requirement of the act, has formed various committees, details of which are given hereunder.

A. Audit Committee:

The Company has formed Audit Committee in line with the provisions Section 177 of the Companies Act, 2013.

During the Financial year 2022-23, company got converted from Private Limited Company to Public Limited company w.e.f November 22, 2022. After conversion of company, in the Board meeting held on Saturday, December 31, 2022, Board constituted Audit Committee of the company which comprised three directors; Ms. Hetal Umangbhai Shah (Non-Executive Independent Director) as Chairperson, Ms. Heena Viral Patel (Non-Executive Independent Director) and Mr. Sharadkumar Dashrathbhai Patel (Chairman and Managing Director) as Members.

Audit Committee meeting is generally held for the purpose of recommending the half yearly and yearly financial result. Additional meetings are held for the purpose of reviewing the specific item included in terms of reference of the Committee. During the year under review, Audit Committee met 2 (Two) times on February 01, 2023 and March 20, 2023.

The composition of the Audit Committee is as given below:

Name	DIN	Category	Designation	Number of meetings during the financial year 2022-23	
				Eligible to attend	Attended

Mrs. Hetal Umangbhai Shah	09829110	Non-Executive Independent Director	Chairperson	2	2
Mrs. Heena Viral Patel	09829226	Non-Executive Independent Director	Member	2	2
Mr. Sharadkumar Dashrathbhai Patel	07252252	Chairman and Managing Director	Member	2	2

The Statutory Auditors of the Company are invited in the meeting of the Committee wherever requires. Company Secretary and Chief Financial Officer of the Company are the regular invitee at the Meeting.

Recommendations of Audit Committee, wherever/whenever given, will be accepted by the Board of Directors.

Vigil Mechanism:

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior actual or suspected fraud or violation of Company's Code of Conduct.

Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company <https://sotacpharma.com/wp-content/uploads/2023/08/Vigil-Mechanisam-Whistle-Blower-Policy.pdf>.

B. Stakeholder's Relationship Committee:

The Company has formed Stakeholder's Relationship Committee in line with the provisions Section 178 of the Companies Act, 2013.

During the Financial year 2022-23, company got converted from Private Company to Public company w.e.f November 22, 2022. After conversion of company, in the Board meeting held on Saturday, December 31, 2022, Board constituted Stakeholder's Relationship Committee which comprised three directors; Ms. Hetal Umangbhai Shah (Non-Executive Independent Director) as Chairperson, Ms. Heena Viral Patel (Non-Executive Independent Director) and Ms. Nidhiben Patel (Non-Executive Independent Director) as Members.

The Company has constituted Stakeholder's Relationship Committee mainly to focus on the redressal of Shareholders'/ Investors' Grievances, if any, like Transfer/Transmission/Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc. There were no Stakeholder's Relationship Committee meetings held during the year under review.

The composition of the Stakeholder's Relationship Committee is as given below:

Name	DIN	Category	Designation
Mrs. Hetal Umangbhai Shah	09829110	Non-Executive Independent Director	Chairperson
Mrs. Heena Viral Patel	09829226	Non-Executive Independent Director	Member
Ms. Nidhiben Patel	09820927	Non-Executive Independent Director	Member

Also, during the year, the Company had not received any complaints from the Shareholders. There was no complaint pending as on March 31, 2023.

C. Nomination and Remuneration Committee:

The Company has formed Nomination and Remuneration Committee in line with the provisions Section 178 of the Companies Act, 2013.

During the Financial year 2022-23, company got converted from Private Company to Public company w.e.f November 22, 2022. After conversion of company, in the Board meeting held on Saturday, December 31, 2022, Board constituted the Nomination and Remuneration Committee which comprised three directors; Ms. Hetal Umangbhai Shah (Non-Executive Independent Director) as Chairperson, Ms. Heena Viral Patel (Non-Executive Independent Director) and Ms. Nidhiben Patel (Non-Executive Independent Director) as Members.

Nomination and Remuneration Committee meetings are generally held for identifying the persons who are qualified to become Directors and may be appointed in senior management and recommending their appointments and removal. During the year under review, Nomination and Remuneration Committee meetings met 2 (Two) times on January 16, 2023 and March 20, 2023.

The composition of the Nomination and Remuneration Committee is as given below:

Name	DIN	Category	Designation	Number of meetings during the financial year 2022-23	
				Eligible to attend	Attended
Mrs. Hetal Umangbhai Shah	09829110	Non-Executive Independent Director	Chairperson	2	2
Mrs. Heena Viral Patel	09829226	Non-Executive Independent Director	Member	2	2
Ms. Nidhiben Patel	09820927	Non-Executive Independent Director	Member	2	2

Nomination and Remuneration Policy:

Nomination and Remuneration Policy in the Company is designed to create a high performance culture. It enables the Company to attract motivated and retained manpower in competitive market, and to harmonize the aspirations of human resources consistent with the goals of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors and Key Managerial Personnel. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, of each year.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at <https://sotacpharma.com/wp-content/uploads/2023/08/Nomination-and-Remuneration-Policy.pdf>.

Remuneration of Director:

The details of remuneration paid during the financial year 2022-23 to directors of the Company is provided in Form MGT-7 available at website of the Company, i.e. <https://sotacpharma.com/annual-reports/>.

PUBLIC DEPOSIT:

The company has not accepted any deposits from the public. Hence, the directives issued by the Reserve Bank of India & the Provision of Section 73 to 76 of the Company Act, 2013 or any other relevant provisions of the Act and the Rules there under are not applicable.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS & SECURITY:

Details of Loans, Guarantees, Investments and Security covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website on <https://sotacpharma.com/annual-reports/>.

TRANSACTIONS WITH RELATED PARTIES:

All the Related Party Transactions entered into during the financial year were on an Arm's Length basis and in the Ordinary Course of Business. No material significant Related Party Transactions (i.e. exceeding 10% of the annual consolidated turnover as per the last audited financial statement) with Promoters, Directors, Key Managerial Personnel (KMP) and other related parties which may have a potential conflict with the interest of the Company at large, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

Further, prior omnibus approval of the Audit Committee is obtained on yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were placed before the Audit Committee and the Board of Directors for their approval on quarterly basis.

The details of the related party transactions for the financial year 2022-23 is given in notes of the financial statements which is part of Annual Report. The Policy on Related Party Transactions as approved by the Board of Directors is available on the website of the Company at <https://sotacpharma.com/wp-content/uploads/2023/08/Related-Party-Transaction-Policy.pdf>.

MATERIAL CHANGES AND COMMITMENT:

There are no material changes and commitments, affecting the financial position of the Company, have occurred between the ends of financial year of the Company i.e. March 31, 2023 to the date of this Report.

PARTICULAR OF EMPLOYEES:

The ratio of the remuneration of each director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure-A**.

The statement containing top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to members excluding this annexure. In terms of Section 136 of the Act, the said annexure is open for inspection in electronic mode for Members. Any shareholder interested in obtaining a copy of the same may write to Company Secretary.

INFORMATION ON SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES:

Our company having following mentioned Subsidiary companies as on the closure of Financial year 2022-23.

Sr. No.	Name of company	Address of Registered Office	Nature of Business
1	Sotac Healthcare Private Limited	Plot No PF-20, Sanand GIDC-2 Acme Pharma, Sanand Ahmedabad	BETA LACTAM UNIT Manufacturing plant is planned and designed aesthetically, operates with highest safety and environment standards ensuring the required isolation and differentiation of processes and sections to minimize chances of cross contamination.
2	Sotac Lifesciences Private Limited	Plot No. PF-21, Nr. ACME Pharr Opp. Teva Pharma, Sanand GIDC Sanand NA Ahmedabad	The company proposes to set up state of art manufacturing facility for various pharmaceutical formulations- allopathic, healthcare, neutraceuticals, ayurvedic products. The said manufacturing facility will be designated to cater the requirement of various regulated and emerging market. It has been established to undertake complex generic products like modifiedreleased solid oral dosage forms, suspensions and complex and immediate release dosage form. The said manufacturing facility will be equipped with all modern sophisticated equipment's for product formulations. This project proposes the establishment of pharmaceutical formulation plant with annual capacity of 1200 Lacs Tablet/Month.,300 Lacs Capsules/Month; 1200 Lacs syrup/Month and 600 kg Sachet/Month at full capacity utilization.
3	Sotac Research Private Limited	Plot No. PF-21, Nr. Acme Pharr Opp. Teva Pharma Sanand GIDC Sanand Ahmedabad 382110	- State of the art R & D centre for formulations development - Team of 10 + scientists - State of the art instruments for Oral solids, oral liquid, external preparations development - Collaboration for Availability of high end equipment's like Differential Scanning, Calorimeter, Zeta Sizer, XRD, Atomic Force Microscope, LC/MS/MS, Particle size analyser

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is annexed to this Report as **Annexure –C**.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of Companies Act, 2013, Consolidated Financial Statements of the Company and all its subsidiaries in accordance with the relevant accounting standards have been prepared which forms part of the Annual Report.

Further, the Company does not have any Associate Companies and Joint Ventures as on March 31, 2023.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

To foster a positive workplace environment, free from harassment of any nature, we have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate. The Company has setup an Internal Complaints Committee (ICC) for redressal of Complaints.

During the financial year 2022-23, the Company has received nil complaints on sexual harassment, out of which nil complaints have been disposed off and nil complaints remained pending as of March 31, 2023. The Policy on Anti Sexual Harassment as approved by the Board of Directors is available on the website of the Company at <https://sotacpharma.com/wp-content/uploads/2023/08/Anti-Sexual-Harassment-Policy.pdf>.

RISK MANAGEMENT:

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. Conservation of energy –

- i. **The steps taken or impact on conservation of energy:**
Company ensures that the operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- ii. **The steps taken by the Company for utilizing alternate sources of energy:**
No alternate source has been adopted.
- iii. **The capital investment on energy conservation equipment:** No specific investment has been made in reduction in energy consumption.

B. Technology absorption –

- i. **The effort made towards technology absorption:** Not Applicable.
- ii. **The benefit derived like product improvement, cost reduction, product development or import substitution:**
Not Applicable
- iii. **in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - NotApplicable**
 - a) The details of technology imported: Nil.
 - b) **The year of import:** Not Applicable.
 - c) **Whether the technology has been fully absorbed:** Not Applicable.
 - d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable.
 - e) **The expenditure incurred on Research and Development:** Nil
 - f) **Foreign Exchange Earnings & Expenditure:**
 - i. Details of Foreign Exchange Earnings:

(in Rs.)

Sr. No.	Particulars	F.Y. 2022-23	F.Y. 2021-22
1	Foreign Exchange Earnings	230666	1226346

- ii. Details of Foreign Exchange Expenditure: NIL

COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD 1 AND SECRETARIAL STANDARD 2:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, New Delhi.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. Necessary internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of the resources. Apart from these internal control procedures, a well-defined and established system of internal audit is in operation to independently review and strengthen these control measures, which is carried out by a reputed firm of Chartered Accountants. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditor of the Company and the audit committee. The conduct of internal audit is oriented towards the review of internal controls and risks in its operations.

M/s. Keyur Shah & Co., Chartered Accountants (FRN: 141173W), the statutory auditors of the Company has audited the financial statements included in this annual report and has issued an report annexed as an **Annexure B** to the Audit Report of the Company on our internal control over financial reporting as defined in section 143 of Companies Act, 2013.

The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditor. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets the statutory auditors of the Company to ascertain, inter alia, their views on the adequacy of Internal control systems and keeps the board of directors informed of its major- observations periodically. Based on its evaluation (as defined in section 177 of Companies Act 2013), our audit committee has concluded that, as of March 31, 2023, our internal financial controls were adequate and operating effectively.

CORPORATE GOVERNANCE:

Integrity and transparency are key factors to our corporate governance practices to ensure that we achieve and will retain the trust of our stakeholders at all times. Corporate governance is about maximizing shareholder value legally, ethically and sustainably. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

As our company has been listed on Emerge Platform of National Stock Exchange Limited, by virtue of Regulation 15 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the compliance with the corporate Governance provisions as specified in regulation 17 to 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 and Para C D and E of Schedule V are not applicable to the company. Hence Corporate Governance Report does not form a part of this Board Report, though we are committed for the best corporate governance practices.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

As per the audited financial statements as on March 31, 2023, the net profit of the Company (profit as per Section 198 of Companies Act, 2013) is exceeding Rs. 5.00 Crore. As per Section 135(9) of the Companies Act, 2013, where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company. Therefore,

company doesn't require constituting Corporate Social Responsibility Committee. Further, the Board of Directors has approved the Corporate Social Responsibility Policy on August 11, 2023. The CSR Policy is available on the website of the company at <https://sotacpharma.com/policies/>.

CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. During the FY 2022-23, we could not spend CSR obligation of Rs. 6, 15,776/- (Rupees Six Lakh Fifteen Thousand Seven Hundred Seventy Six Only) which is 2% of the average net profit of the past three financial years. However, Company has transferred such unspent amount to a Fund specified in Schedule VII on August 18, 2023.

Main focus of the Company with respect to CSR endeavours in the thematic areas of School Education, Nutrition and Healthcare have contributed to the availability/up-gradation of basic school and college infrastructure / medical care. Therefore, The Company contributes CSR expenditure to "Shree Shraddha Education and Charitable Trust" for providing help to educationally less-privileged students and to provide a platform to the beneficiaries to build their future through exposure to education.

The Company's CSR Policy Statement in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in **Annexure "E"** to this report. CSR Policy is available on the Company's Website at <https://sotacpharma.com/policies/>.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In terms of Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 a review of the performance of the Company for the year under review Management Discussion and Analysis Report is presented in a separate section which is annexed to this Report as Annexure-D.

STATUTORY AUDITOR AND THEIR REPORT:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. Keyur Shah & Co., Chartered Accountants (FRN: 141173W), were appointed as Statutory Auditors of the Company in the Extraordinary General Meeting of the members of company held on December 13, 2022 to hold office till conclusion of the next Annual General Meeting of the Company to conduct audit of accounts of the Company for the financial year ending 31 March 2023.

M/s. Keyur Shah & Co., Chartered Accountants, Ahmedabad (FRN: 141173W), proposed to be re-appointed as Statutory Auditors of your Company at forthcoming Annual General Meeting, for the term of remaining four consecutive years for a term till the conclusion of Twelfth Annual General Meeting to be held in the calendar year 2027.

The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

INTERNAL AUDITOR:

Pursuant to Section 138 of Companies Act 2013, the Company had appointed M/s. Amit G Patel & Associates Chartered Accountant (FRN: 152837W), Ahmedabad, as an Internal Auditor of the Company.

REPORTING OF FRAUD:

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

MAINTENANCE OF COST RECORD:

Pursuant to the provisions of the Companies Act, 2013 and rules thereof, the Board of Directors of the Company, in their meeting held on August 11, 2023, on the recommendation of the Audit Committee, have appointed M/s. Suthar Hareh & Associates, Cost Accountants, Ahmedabad (Firm Registration No.: 002124) as the Cost Auditor of the Company to audit the cost records of the Company for the financial year 2023-24. Further, as per Section 148 of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be ratified at the ensuing Annual General Meeting.

Pursuant to the provisions of the Companies Act, 2013 and rules thereof, the Board of Directors of the Company, in their meeting held on August 11, 2023, on the recommendation of the Audit Committee, have appointed M/s. Suthar Hareh & Associates, Cost Accountants, Ahmedabad (Firm Registration No.: 002124) as the Cost Auditor of the Company to audit the cost records of the Company for the financial year 2023-24. M/s. Suthar Hareh & Associates, have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that their appointment meets the requirements of Section 141(3)(g) of the Act. They have further confirmed their independent status and an arm's length relationship with the Company. Further, as per Section 148 of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be ratified at the ensuing Annual General Meeting.

The Company has maintained cost accounts and records in accordance with provisions of Section 148 of the Companies Act, 2013 and rules thereof.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS INTERNAL AUDITOR:

There are no other significant/material orders passed by the Regulators, Courts, Tribunals, Statutory and quasi-judicial body impacting the going concern status of the Company and its operations in future.

The details of litigation on tax and other relevant matters are disclosed in the Auditors' Report and Financial Statements which forms part of this Annual Report.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016(IBC):

During the period under review no corporate insolvency resolution process is initiated against the company under the Insolvency and Bankruptcy Code, 2016 (IBC).

SECRETARIAL AUDITOR AND THEIR REPORT:

Pursuant to the provisions of Section 204 of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company was not under the limits of the Secretarial Audit for the financial year 2022-23. Therefore, The Secretarial Audit is not applicable to the company for the financial year 2022-23.

WEBSITE:

Your Company has its fully functional website www.sotacpharma.com which has been designed to exhibit all the relevant details about the Company. The site carries a comprehensive database of information of the Company including the Financial Results of your Company, Shareholding Pattern, details of Board Committees, Corporate Policies/ Codes, business activities and current affairs of your Company. All the mandatory information and disclosures as per the requirements of the Companies Act, 2013, Companies Rules, 2014 and as per Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also the non-mandatory information of Investors' interest / knowledge has been duly presented on the website of the Company.

GENERAL DISCLOSURE:

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134 (3) of the Act and Rule 8 of The Companies (Accounts) Rules, 2014 and other applicable provisions of the act and listing regulations,



to the extent the transactions took place on those items during the year. Your Directors further state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review;

- (i) Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
- (ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;
- (iii) Annual Report and other compliances on Corporate Social Responsibility;
- (iv) There is no revision in the Board Report or Financial Statement;
- (v) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;

APPRECIATIONS AND ACKNOWLEDGEMENT:

Your Directors wish to place on record their sincere appreciation for significant contributions made by the employees at all levels through their dedication, hard work and commitment during the year under review.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from its suppliers, distributors, retailers, business partners and others associated with it as its trading partners. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be your Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests.

Your Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

Registered office:

Plot No. PF-21, Nr. Acme Pharma,
Opp. Teva Pharma Sanand GIDC-II,
Sanand, Ahmedabad-382110

For and on behalf of Board of Directors
Sotac Pharmaceuticals Limited
CIN: L24230GJ2015PLC085451

Place: Ahmedabad
Date: August 11, 2023

Sharadkumar Dashrathbhai Patel
Chairman & Managing Director
DIN: 07252252

Dineshkumar Babulal Gelot
Whole time Director
DIN: 07252132

ANNEXURE-A
PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules made there under.

A. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) The ratio of remuneration of each director to the median remuneration of employees for the Financial Year and the Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year:

Sr. No.	Name	Designation	Nature of Payment	Ratio against median employee's remuneration	Percentage Increase
1.	Mr. Sharadkumar Dashrathbhai Patel	Chairman & Managing Director	Remuneration	16.19:1	27.78%
2.	Mr. Dineshkumar Babulal Gelot	Whole Time Director	Remuneration	16.19:1	27.78%
3.	Mr. Vishalkumar Patel	Executive Director	Remuneration	16.19:1	27.78%
4.	Mr. Chetankumar Bachubhai Patel	Executive Director	Remuneration	16.19:1	27.78%
5.	Ms. Nidhiben Patel	Non-Executive Independent Director	Sitting Fee	0.42:1	Not Applicable
6.	Ms. Hetal Umangbhai Shah	Non-Executive Independent Director	Sitting Fee	0.42:1	Not Applicable
7.	Ms. Heena Viral Patel	Non-Executive Independent Director	Sitting Fee	0.42:1	Not Applicable
8.	Mr. Brijeshkumar Ranchhodbhai Patel*	Chief Financial Officer	Salary	1.02:1	Not Applicable
9.	Ms. Pooja Bagrecha*	Company Secretary	Salary	0.19:1	Not Applicable

* Mr. Brijeshkumar Ranchhodbhai Patel appointed w.e.f December 30, 2022 and Ms. Pooja Bagrecha appointed w.e.f January 16, 2023.

- b) **The percentage increase in the median remuneration of employees in the financial year:**
The median remuneration of the employees in current financial year was decreased by 15 % over the previous financial year due to increase in number of employees.
- c) **The number of permanent employees on the rolls of the Company:**
53 Permanent Employees as on March 31, 2023.



- d) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The Average salary of employee was decreased by 9 % due to increase in number of employees in comparison to previous year, whereas the remuneration of the executive directors was also increased and it was within the limit as approved by the shareholders of the Company.

Registered office:

Plot No. PF-21, Nr. Acme Pharma,
Opp. Teva Pharma Sanand GIDC-II,
Sanand, Ahmedabad-382110

For and on behalf of Board of Directors

Sotac Pharmaceuticals Limited
CIN: L24230GJ2015PLC085451

Place: Ahmedabad

Date: August 11, 2023

Sharadkumar Dashrathbhai Patel
Chairman & Managing Director

DIN: 07252252

Dineshkumar Babulal Gelot
Whole time Director

DIN: 07252132



ANNEXURE – C
FORM NO. AOC-1

Forms for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Section 188(1) of the Companies Act, 2013
Including certain arm's length transactions under third proviso thereto

Sr. No.	Particulars	Details of Subsidiaries		
		Sotac Healthcare Private Limited	Sotac Lifesciences Private Limited	Sotac Research Private Limited
1.	Name of the subsidiary	Sotac Healthcare Private Limited	Sotac Lifesciences Private Limited	Sotac Research Private Limited
2.	The date since when subsidiary was acquired	April 19, 2022	December, 19, 2022	April 15, 2022
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2022 to 31-03-2023	19-12-2022 to 31-03-2023	01-04-2022 to 31-03-2023
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
5.	Share capital	750.00	1.00	10.00
6.	Reserves & surplus	(672.75)	(0.557)	(8.58)
7.	Total assets	2,077.47	1.00	22.86
8.	Total Liabilities	2,077.47	1.00	22.86
9.	Investments	-	-	-
10.	Turnover	2011.45	-	3.68
11.	Profit before taxation	(193.54)	(0.557)	(9.66)
12.	Provision for taxation	-	-	-
13.	Profit after taxation	(211.76)	(0.557)	(8.60)
14.	Proposed Dividend	-	-	-
15.	% of shareholding	71%	51%	100%

Registered office:

Plot No. PF-21, Nr. Acme Pharma,
Opp. Teva Pharma Sanand GIDC-II,
Sanand, Ahmedabad-382110

For and on behalf of Board of Directors

Sotac Pharmaceuticals Limited
CIN: L24230GJ2015PLC085451

Place: Ahmedabad

Date: August 11, 2023

Sharadkumar Dashrathbhai Patel
Chairman & Managing Director
DIN: 07252252

Dineshkumar Babulal Gelot
Whole time Director
DIN: 07252132

ANNEXURE-D MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW:

Global Economy:

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation.

Indian Economy Outlook:

The Indian economy GDP growth for FY 2022-23 is 7.2% which is higher than the projected GDP by 7% for the year 2022-23. During the Q3 (ending Dec-2022) of FY 2022-23, DGP growth accelerated to 6.1%. The Indian economy is expected to remain robust growth in a range of 6.5 - 6.7 % in the FY 2023-24. The India is forecasted to be one of the fastest growing economy in FY 2023-24 by robust growth in private consumption and private investment. The Asian Development Bank projects India's GDP to moderate to 6.4% in FY 2023 and rise to 6.7% in FY 2024, driven by private consumption and private investment on the back of government policies to improve transport infrastructure, logistics, and the business ecosystem. RBI projects headline inflation at 6.8 per cent in FY23, which is outside its target range.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The pharmaceutical industry in India is expected to reach \$65 Bn by 2024 and to \$130 Bn by 2030. The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry. The sector contributed to around 1.32% of the Gross Value Added (at 2011-12 constant prices) of the Indian Economy in 2020-21. The total annual turnover of Pharmaceuticals in the fiscal year 2021-22 was \$ 42.34 Bn. Major Segments of Indian Pharmaceutical Industry include generic drugs, OTC medicines, bulk drugs, vaccines, contract research & manufacturing, biosimilars and biologics. India is a global leader in the supply of DPT, BCG, and Measles vaccines.

India is one of the biggest suppliers of low-cost vaccines in the world. India accounts for 60 % of global vaccine production, contributing upto 70 % of the WHO demand for Diphtheria, Tetanus and Pertussis (DPT) and Bacillus Calmette–Guérin (BCG) vaccines, and 90% of the WHO demand for the measles vaccine.

The nation is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume, and is the leading vaccine manufacturer globally. India also has the highest number of US-FDA compliant Pharma plants outside of USA and is home to more than 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities as well as a highly skilled resource pool.

There are 500 API manufacturers contributing about 8% in the global API Industry. India is the largest supplier of generic medicines. It manufactures about 60,000 different generic brands across 60 therapeutic categories and accounts for 20% of the global supply of generics. Access to affordable HIV treatment from India is one of the greatest success stories in

medicine. Because of the low price and high quality, Indian medicines are preferred worldwide, making it “pharmacy of the world”.

The Average Index of Industrial Production of Manufacturing of pharmaceuticals, medicinal chemicals and botanical products in the FY 2021-22 is 221.6 and has grown by 1.3%

For the period 2021-22, export of drugs and pharma products stood at \$24.6 Bn compared to \$24.44 Bn as of 2020-21. The Indian pharma industry witnessed exponential growth of 103% during 2014-22 from \$11.6 bn to \$24.6 Bn.

Pharmaceutical sector has emerged as a favourite destination for the foreign investors and is one of the top ten attractive sectors for foreign investment in India.

The Pharmaceutical industry in Gujarat ranks number one in India with a 33% share in drug manufacturing and 28% share in drug exports. The state has 130 USFDA certified drug manufacturing facilities. Ahmedabad and Vadodara are considered as pharmaceutical hubs as there are many big and small pharma companies established in these cities.

Gujarat is one of the major states in India and has a significant presence in the pharmaceutical industry. The state has become a hub for the pharmaceutical industry, with several established companies such as Torrent Pharmaceuticals, Zydus Lifesciences, Cadila Pharmaceuticals, Alembic Pharmaceuticals, SunPharma, Intas Pharmaceuticals, and Dishman Pharmaceuticals having operations in the state. Gujarat currently has around 5000 drug manufacturing units and contributes 42 percent of India's pharmaceutical turnover and 22 percent of its exports as of 2008. Over 52,000 individuals are employed in Gujarat's pharmaceutical sector, which has experienced a Compound Annual Growth Rate (CAGR) of 54 percent in capital investments over the last three years.

Gujarat's pharmaceutical industry holds a significant position in India, accounting for 40 percent of the country's total pharmaceutical production and 17 percent of its exports. The industry is valued at US\$ 5.5 Billion.

GOVERNMENT INITIATIVES:

The Indian Pharmaceuticals sector has seen some major developments, investments and support from the government in the recent past. The Government put in place an investor-friendly Foreign Direct Investment (FDI) policy to promote investment in the Sector. 100% foreign investment is allowed under automatic route in Medical Devices. In pharmaceuticals, up to 100% FDI in Greenfield projects and up to 74% FDI in brownfield projects is allowed under the automatic route. Foreign investment beyond 74% in brownfield projects requires Government approval. Recently Finance Minister, Mrs. Nirmala Sitharaman in the Union Budget 2023-24 in Parliament presented a new programme to promote research and innovation in pharmaceuticals which will be taken up through centers of excellence to encourage industry to invest in research and development in specific priority areas. She also introduced many multidisciplinary courses dedicated towards medical devices which are supported in the existing institutions in order to ensure availability of skilled manpower for futuristic medical technologies, high-end manufacturing and research to highlight importance of futuristic medical technologies and high-end manufacturing in medical sector.

The Department of Pharmaceuticals has also taken various initiatives to strength the Pharmaceuticals industry in India through schemes such as “Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJK)” to provide quality generic medicines at affordable prices to the poor & underprivileged and Production Linked Incentive (PLI) scheme to strengthen India's manufacturing capacity in the pharmaceutical sector by increasing investment and production. Apart from this, the department also laid special emphasis on promoting domestic manufacturing of medical equipment and strengthening the pharmaceutical industry.

On the occasion of 25th Foundation day NPPA on 29 August 2022, an updated version of Integrated Pharmaceutical Database Management System 2.0 (IPDMS) was launched by the department which is an important step towards bringing in enhanced technology to facilitate the interface between Government and the stakeholders. On the same occasion, updated version of Pharma Sahi Dam Mobile App 2.0 was also launched, which empowers the consumers.

OUR BUSINESS:

Sotac Group is a leading pharmaceutical manufacturer in India. We specialize in manufacturing a wide range of pharmaceutical products having a therapeutic portfolio including anti-diabetic, anti-psychotic, vitamins, minerals, iron, anti-cold, anti-allergic, dermatological products, antacid, anti-ulcerants, PPI, anti-emetics, cardiac, anti-hypertensives, analgesic, anti-pyretic, anti-inflammatory, anti-bacterial, anti-viral, general antibiotics (IP-Lactams & Non-IP-Lactams), anti-fungal, and cephalosporin. We are committed to providing high-quality products at an affordable cost to healthcare professionals. We also aspire to be one of the leading contract manufacturing and development services providers in the country, both domestically and internationally.

We are well-managed pharmaceutical company having a strong track record and are committed to delivering innovative, high-quality pharmaceutical products that improve the lives of patients. We have a wide product portfolio with a focus on innovative products. Our products are supplied in 14 major states in India and we export our products to over 20 countries worldwide. Our company's offshore business revenue is primarily derived from the US market.

Our past and present clientele includes renowned pharma marketers and manufacturers such as Cadila Pharma, J. B. Chemical, Lincoln Pharma, Intas Pharma, Viatrix (Mylan), Makers (Ipca), Corona Remedies, Eris Lifesciences, Stride Pharma, Stalion Pharma, Acme Pharma, Olecare Pharma, Treatwell Pharma, Ronak Healthcare, Curever Pharma, Kentoss Pharma, Sunrest Pharma, and Ishan Healthcare.

Sotac Group is committed to providing quality products and services to its customers. The company is constantly striving to expand its line of products and is always looking for complementary products that will add to its range of products.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

Following is an overview of our business verticals:

- a) Manufacturing of Non Beta-Lactam Medicines and Formulations: Under this vertical, we manufacture Non Beta-Lactam (general) tablets, Non Beta-Lactam (general) capsules, oral liquid, dry syrup and external preparations such as Ointment, Lotion and cream manufacturing facility of SOTAC Pharmaceuticals Limited. We undertake manufacturing activities for pharmaceuticals marketers on contract manufacturing and/or loan licence basis. As on the date of this Prospectus, we cater to 162 corporate clients on loan licence / contract manufacturing basis.
- b) Manufacturing of Beta-Lactam Medicines and Formulations Under this vertical, we manufacture beta-lactam tablets, beta-lactam uncoated tablets, beta-lactam capsules and uncoated beta-lactam capsules, oral liquid and dry syrup at manufacturing facility of SOTAC Healthcare Private Limited. We undertake manufacturing activities for pharmaceuticals marketers on contract-manufacturing and/or loan licence basis. Our Beta-Lactam manufacturing at SOTAC Healthcare Private Limited is installed with capacity to manufacture 32.40 crores tables / year, 21.60 crore Capsules / year, and 2.16 crore Dry Syrup bottle / year. As on the date of this Prospectus, we cater to 162 Corporate Clients on loan licence / contract manufacturing basis.
- c) Molecule Research & Development Under this vertical, we do research of pharmaceutical molecules used in developing new pharmaceutical formulations. As on the date of this Prospectus, we do research for own formulation development.
- d) Manufacturing of Nutraceuticals medicinal products and food products We hold 51% of total paid-up capital of SOTAC Lifescience Private Limited. SOTAC Lifescience is a newly incorporated company engaged in the business of Manufacturing of Nutraceuticals products and food products on contract-manufacturing basis. SOTAC Lifescience is in process of setting-up its manufacturing plant and yet not commenced commercial production.

PRODUCT CATEGORY WISE REVENUE BIFURCATION:

The revenue bifurcation of the issuer company for the last three years are as follows:

Name of product category	For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
	Sales	%	Sales	%	Sales	%
Tablet	5202.91	89.73%	5,757.96	78.71%	3,171.15	73.00%
Capsules	549.01	9.47%	772.17	10.56%	675.15	15.54%
Ointment	12.70	0.22%	268.64	3.67%	219.96	5.06%
Liquid	33.66	0.58%	516.40	7.06%	277.56	6.39%
Total	5798.28	100.00%	7,315.17	100.00%	4,343.82	100.00%

OPPORTUNITIES AND THREATS:

The cost of manufacturing pharmaceutical goods in India is lower and more effective compared to other nations, including:

- **A robust industrial sector:** India has a strong manufacturing base, which provides the pharmaceutical industry with access to a wide range of raw materials and components at competitive prices.
- **A highly-skilled workforce:** India has a large pool of skilled workers who are trained in the pharmaceutical sciences. This helps to keep labor costs down and ensures that the pharmaceutical industry has access to the talent it needs to produce high-quality products.
- **A developed marketing and distribution system:** India has a well-developed marketing and distribution system that allows pharmaceutical companies to reach a wide range of customers at a relatively low cost.
- **A diversified ecosystem:** The Indian pharmaceutical industry is supported by a number of different organizations, including government agencies, academic institutions, and private companies. This helps to create a strong and vibrant ecosystem that drives innovation and growth.
- **Investor-Friendly Foreign Direct Investment (FDI) Policy:** The government has made it easier for foreign investors to invest in the pharmaceutical sector in India, allowing 100% foreign direct investment (FDI) under the automatic route.

However, there are also some challenges facing the Indian pharmaceutical industry, including:

- **A lack of investment in research and development:** The Indian pharmaceutical industry is not as heavily invested in research and development as some other countries. This could limit the industry's ability to innovate and develop new products.
- **A lack of collaboration between industry and academia:** The Indian pharmaceutical industry could benefit from more collaboration between industry and academia. This would help to ensure that the industry has access to the latest research and development findings.
- **The manufacturing of low-cost, low-quality medications:** There is a risk that some companies in the Indian pharmaceutical industry may focus on manufacturing low-cost, low-quality medications. This could damage the reputation of the Indian pharmaceutical industry and make it more difficult for companies to export their products.

The company has been consistently taking steps to enhance its research and development units. This includes investing in new technologies, hiring top talent, and creating a culture of innovation which is evident in its growing portfolio of products and its expanding presence in the market.

We are committed to providing high-quality pharmaceutical products to our clients. We have a rigorous quality control system in place, and we are constantly investing in new technologies to improve our manufacturing processes. We are also committed to providing our clients with excellent customer service.

OUR COMPETITIVE STRENGTH:

1. **Experienced Promoters and Management Team** Our promoters have combined experience of 59 years in pharmaceuticals manufacturing industry. Our Promoters lead the company with their vision. Majority of our core promoters have medical educational background and have vast experience in the business undertaken by the Company. Encashing the expertise, they look after the strategic as well as day to day business operations. The strength and entrepreneurial vision of our Promoters and management have been instrumental in driving steady growth of our company and implementing our strategies. We believe that a motivated and experienced employee base is essential for maintaining a competitive advantage. Our motivated team of management and key managerial personnel complements each other to enable us to deliver high levels of client satisfaction.
2. **Wide range of Products** We along with our subsidiary companies deal in Non Beta-Lactam (general) tablets, beta-lactam tablets, Non BetaLactam (general) capsules, beta-lactam capsules, oral liquid, dry syrup and external preparations such as nasal spray, relief spray and cream through SOTAC Pharmaceuticals Limited and SOTAC Healthcare Private Limited. Our group's therapeutical product portfolio consists of Anti-Diabetic, Anti-Psychotic, Vitamins, Minerals, Iron, AntiCold, Anti-Allergic, Derma Products, Antacid, Anti-Ulcerants, PPI, Anti-Emetics, Cardiac, Anti-Hypertensives, Analgesic, Anti-Pyretic, Anti-Inflammatory, Anti-Bacterial, Anti-Viral, General Antibiotics IP-Lactams & Non-IPLactams, Anti-Fungal, Cephalosporin. Our group's existing product portfolio consists of total 119 products, as on the date of Prospectus. Out of total products, 109 are Non Beta-lactam formulation and 43 are beta-lactam preparation. Besides, as on the date of this Prospectus, our company has manufacturing permission for 329 products under license number G/25/2169 and 45 products under license number G/28/1587 from Food & Drug department for SOTAC Pharmaceuticals Limited. Further, under the same licenses, we are permitted to sale 34 Products in our name in offshore market also. Our manufacturing units manufacture 56 under our own brands for Domestic market and 14 products are majorly sold in USA. As on the date of this Prospectus, our 71% subsidiary company has manufacturing permission for 335 products under license number G/28/1755 from Food & Drug department for SOTAC Healthcare Private Limited. Further, under the same licenses, we are permitted to sale 3 Products in our name in offshore market also.
3. **Strategic Location of Manufacturing Facilities** Our group's manufacturing facilities are WHO-GMP accredited. SOTAC Pharmaceuticals Limited is also registered in USA with DUNS number. Our manufacturing units are located at Sanand GIDC II located in the outskirts of Ahmedabad district in Gujarat. The Industrial estate is developed by GIDC and enjoys good infrastructure facilities like electricity, water, roads, easy procurement of labour, raw material suppliers and market for finished products. With this we are concentrating on expanding the production capacity and adding new products in our product portfolio. Further, state of Gujarat has highest number of contracts manufactures for Pharmaceutical products and Gujarat has good connectivity for inland and offshore transport, this gives us a locational advantage.
4. **Scalable Business Model** Our business model is customer centric, and order driven. It requires optimum utilisation of our existing resources, assuring quality supply and achieving consequent economies of scale. The business scale generation is basically due to development of new markets and products both domestic and international by exploring customer needs, marketing expertise and by maintaining the consistent quality output. As on the date of this Prospectus, our manufacturing facility at SOTAC Pharmaceuticals Limited is installed with capacity to manufacture 360 Crore tables / year, 32.40 Crore Capsules / year, 2160 Kilo Litter syrup / year and 324 Tons external preparation / year. Further our BetaLactam manufacturing at SOTAC Healthcare Private Limited is installed with capacity to manufacture 32.40 crores tables / year, 21.60 crore Capsules / year, and 2.16 crore Dry Syrup bottle / year. Considering our existing capacity utilisation, we believe that our business model is scalable.

5. Quality assurance we believe that quality is an ongoing process of building and sustaining relationships. Our manufacturing units ensures highest level of quality assurance. Our group's manufacturing facilities are WHO-GMP accredited. In past, the manufacturing facility was also accredited with Kenya PPB and Ivory Coast. SOTAC Pharmaceuticals Limited is also registered in USA with DUNS number.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has a comprehensive system of internal financial controls that is appropriate for its size and operations. This system ensures timely and accurate financial reporting, the safeguarding of assets, and compliance with all applicable laws and regulations. The company's internal auditors regularly review the internal financial control system to ensure its effectiveness, and any necessary changes or suggestions are incorporated into the system. The internal audit reports are also reviewed by the company's audit committee.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The key strategy will be focused around:

1. Financial strength & liquidity
2. Professional Management
3. Timely completion of Orders
4. Customer care
5. Brand Equity

Financial Performance and Review of Operations:

(Rs. in Lakhs)

Particulars	Standalone-Year Ended		Consolidated-Year Ended	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
Revenue From Operations	5798.28	7315.17	7,748.32	-
Other Income	24.31	20.76	34.96	-
Total Income	5822.59	7335.93	7783.28	-
Less: Total Expenses before Depreciation, Finance Cost and Tax	4977.48	6699.53	7023.3	-
Profit before Depreciation, Finance Cost and Tax	845.11	636.4	760	-
Less: Depreciation	162.53	112.64	227.78	-
Less: Finance Cost	86.13	55.00	197.55	-
Profit Before Tax	596.45	468.76	392.67	-
Less: Current Tax	168.39	142.50	168.39	-
Less: Deferred tax Liability (Asset)	(21.49)	3.29	(4.33)	-
Profit after Tax	449.55	329.55	228.61	-

OUTLOOK:

The company believes that it has a great deal of opportunities for future growth in the pharmaceutical industry. There is enormous untapped potential in its established brand equity, target geographies, and diversified product portfolio. To capitalize on these growth drivers, the company is taking several steps, including:

- Developing new products that meet the needs of patients and physicians.

- Improving the packaging of its products to make them more appealing to patients and to protect them from tampering.
- Investing in research and development to develop new products and to improve the efficacy and safety of its existing products.
- Expanding its retail presence to reach more clients.
- Improving its design abilities to create more appealing and effective packaging.
- Improving its inventory management to ensure that it has the right products in the right place at the right time.

These steps will help the company to reinforce its competitive advantages and to achieve its growth goals. We envision a future where Sotac Group is a leading domestic and international provider of pharmaceutical products and services. We are committed to developing innovative new products, expanding our global footprint, and strengthening our brand. We believe that we have the potential to make a significant impact on the lives of patients around the world.

The domestic pharmaceutical industry is facing a number of challenges. One challenge is the product patent policy, which has made it more difficult for domestic companies to develop new drugs. Another challenge is the Drug Price Control Order, which has put downward pressure on drug prices. The new MRP-based excise duty structure has also put a greater burden on small pharmaceutical companies. Additionally, the pharmaceutical industry in India is highly fragmented, making it difficult for companies to achieve economies of scale. The industry is also facing rising competition from both domestic and international companies. Finally, the Indian business environment is becoming increasingly uncertain, making it difficult for pharmaceutical companies to plan for the future.

The company is also concerned about a number of factors. One factor is the prevailing exposure norms, which limit the amount of debt that the company can take on. Another factor is the company's financial position, which is not strong. The company is also concerned about the entry of new players in the market, as this will increase competition. Additionally, the company is concerned about the rising competition from banks and multilateral agencies, which are providing financing to pharmaceutical companies. Finally, the company is concerned about the uncertain business environment, as this makes it difficult to plan for the future.

The company is taking a number of steps to address these challenges. One step is to invest in R&D to develop new drugs. Another step is to improve the company's manufacturing processes to reduce costs and improve efficiency. The company is also expanding its distribution network to reach more customers. Finally, the company is building its brand image to attract new customers and to retain existing customers.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS:

The company's relationship with its employees remained cordial and harmonious. The company considers its employees to be its most valuable asset, and they have been the driving force behind the company's growth and expansion. The company acknowledges that its employees are its principal assets, and it has continued to make efforts to build a diverse and inclusive workforce.

As of March 31, 2023, the company had a total of 53 employees on its rolls, including factory workers. The company will continue to create opportunities and ensure that it recruits diverse candidates without compromising on merit.

KEY FINANCIAL RATIOS:

Ratio	Figures As At 31.03.2023	Figures As At 31.03.2022	% Change From Last Year	Explanation for Change in Ratio (for more than 25% in comparison with last year)
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Current Ratio	1.35	0.98	37.75%	Current ratio is increased due to money received against the share allotment are disclosed in the Cash and Cash Equivalents.
Debt-Equity Ratio	0.93	1.04	-11.09%	-
Debt Service Coverage Ratio	7.99	2.61	205.66%	In the FY 2022-23, Company earnings increased from previous year and also long term loans converted from one bank to other bank, on account of this debts service coverage ratios increased from 2.61 times to 7.99 times.
Return on Equity Ratio	48.29%	55.35%	-12.76%	-
Inventory turnover ratio	5.35	12.18	-56.06%	Average inventory increased from Rs. 459.66 lakhs to Rs. 748.79 lakhs on account of this inventory turnover ratios decreased from 12.18 times to 5.35 times.
Trade Receivables turnover ratio	4.82	7.78	-37.97%	Average receivables increased from Rs. 940.56 lakhs to Rs. 1201.88 lakhs on account of this trade receivables turnover ratios decreased from 7.78 times to 4.82 times.
Trade payables turnover ratio	2.33	3.80	-38.71%	During the year, Credit purchase decreased as compared to previous year and also average payables increased as compared to previous year, on account of this Trade payables ratios decreased from 3.80 times to 2.33 times.
Net capital turnover ratio	6.11	-131.19	104.66%	During the year, revenue from operation decreased as compared to previous year and also net working capital turn out to be positive due to net capital turnover ratios improved.
Net profit ratio	7.75%	4.51%	72.10%	During the year, profit increased as compared to previous year as company generated better profits on product on account of this net profit ratios improved.
Return on Capital employed	37.68%	64.91%	-41.94%	During the year, Company taken more term loans as compared to previous year on account of this return on capital employed ratios decreased from 64.91 % to 37.68%.
Return on investment	7.11%	6.45%	10.27%	-



CAUTIONARY STATEMENT:

Statement in this report describing the Company's objectives projections estimates and expectation may constitute "forward looking statement" within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumption and expectations of future events. These Statements are subject to certain risk and uncertainties. The Company cannot guarantee that these assumption and expectations are accurate or will be realized. The actual results may different from those expressed or implied since the Company's operations are affected by many external and internal factors which are beyond the control of the management. Hence the Company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments information or events.

Registered office:

Plot No. PF-21, Nr. Acme Pharma,
Opp. Teva Pharma Sanand GIDC-II,
Sanand, Ahmedabad-382110

For and on behalf of Board of Directors

Sotac Pharmaceuticals Limited
CIN: L24230GJ2015PLC085451

Place: Ahmedabad
Date: August 11, 2023

Sharadkumar Dashrathbhai Patel
Chairman & Managing Director
DIN: 07252252

Dineshkumar Babulal Gelot
Whole time Director
DIN: 07252132

ANNEXURE-E
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to clause (o) of Sub-Section 3 of Section 134 of the Act, Section 135 read with Companies
(Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. A Brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or programmes:

Longevity and success for a company comes from living in harmony with the context, which is the community and society. The main objective of CSR Policy of the Company encompasses the ideas of corporate governance, sustainable wealth creation, corporate philanthropy and advocacy for the goals of the community. The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013. Our CSR initiatives focus on CSR projects as provided under Schedule VII. The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and may be accessed at <https://sotacpharma.com/policies/>

2. The Composition of CSR Committee as at March 31, 2023:

As per Section 135(9) of the Companies Act, 2013, where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company. Therefore, company doesn't require to constitute Corporate Social Responsibility Committee.

3. Web Link of the Website of the Company for ~~Composition of CSR Committee, CSR Policy and CSR Projects~~ Approved By the Board.- <https://sotacpharma.com/policies/>

4. Details of Impact Assessment of CSR Projects Carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, If Applicable.

Not Applicable for the financial year under review.

5. Details of the Amount Available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 And Amount Required for set-off for the financial year, if any- NIL

6. Average net profit of the Company for last three financial years: Rs. 3,07,88,786.67

7. Prescribed CSR Expenditure (two percent of the amount as in item 6 above): Rs. 615,775.73

- a) Two percent of average net profit of the company as per section 135(5): Rs. 615,775.73
- b) Surplus arising out of CSR projects/ programmes/ activities of the previous financial years: NIL
- c) Amount required to be set off for the financial year: NIL
- d) Amount unspent, if any: NIL
- e) Total CSR obligation for the financial year (7a+7b-7c): Rs. 615,775.73

8. CSR amount spent or unspent for the financial year:

- a) Total Amount Spent for the Financial Year (in Rs): NIL
- b) Amount Unspent (in Rs): Rs. 615,775.73

Details of CSR amount spent against ongoing projects for the financial year: NIL

Details of CSR amount Unspent against other than ongoing projects for the financial year:

Total Amount Spent for the Financial Year (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
NIL*	NIL	NA	Shree Shraddha Education and Charitable Trust	Rs. 6,50,000	18-08-2023

*However Company has transferred such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year i.e. on August 18, 2023.

9. Amount spent in administrative overheads: NIL
10. Amount spent on impact assessment, if applicable: Not applicable
11. Total amount spent for the financial year: NIL
12. Details of excess amount for set-off are as follows: NIL
13. (a) Details of unspent CSR amount for the preceding three financial years: NA
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL
14. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:
No capital asset was created / acquired for FY 2022-23 through CSR spend.
15. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5):
Not applicable

Registered office:

Plot No. PF-21, Nr. Acme Pharma,
Opp. Teva Pharma Sanand GIDC-II,
Sanand, Ahmedabad-382110

For and on behalf of Board of Directors
Sotac Pharmaceuticals Limited
CIN: L24230GJ2015PLC085451

Place: Ahmedabad
Date: August 11, 2023

Sharadkumar Dashrathbhai Patel
Chairman & Managing Director
DIN: 07252252

Dineshkumar Babulal Gelot
Whole time Director
DIN: 07252132

INDEPENDENT AUDITOR'S REPORT

To
The Members of
SOTAC PHARMACEUTICAL LIMITED
(Formerly known as SOTAC PHARMACEUTICAL PRIVATE LIMITED)
Sanand, Ahmedabad -382110

Report On The Audit Of The Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **SOTAC PHARMACEUTICALS LIMITED (Formerly known as SOTAC PHARMACEUTICAL PRIVATE LIMITED) (“the Company”)**, which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss, and statement of cash flows for the period ended 31st March 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 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 31st March 2023, and its profit/loss, and its cash flows for the period ended 31st March 2023.

Basis For Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 Companies Act, 2013 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters and there is no any Key Audit Matters which need to be reported.

Information Other Than The Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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.

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 Companies Act, 2013, we give in the '**Annexure A**' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has not any pending litigation which should require to disclose on 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.
- (a) The management has represented that, to the best of its knowledge and belief, as disclosed in to the accounts, 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 persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the accounts, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures as 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 (d) (i) and (d) (ii) does not contain any material misstatement.
- iv. There has been no dividend declared or paid during the year by the Company hence clause is not applicable to company.
- (h) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For Keyur Shah & Co.
Chartered Accountants
FRN.: 141173W**

**Keyur Shah
Proprietor
Membership No.: 153774
UDIN – 23153774BGWLVJ8591**

**Date:29-05-2023
Place: Ahmedabad**

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & ‘Regulatory Requirement’ of our report of even date to the financial statements of the Company for the period ended March 31, 2023:

i. Property, Plant, Equipment and Intangible Assets:

- a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant, Equipment and intangible Assets;
- b. The Property, Plant, Equipment and intangible Assets are physically verified by the management according to a phased programme, designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the programme, a portion of the Property, Plant, Equipment and intangible Assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- c. The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 12 on Property, plant and equipment and Intangible assets to the standalone financial statements, are held in the name of the Company.
- d. The Company has not revalued its Property, Plant, Equipment and intangible Assets during the year. Accordingly, the reporting under clause 3(i)(d) of the Order is not applicable to the company.
- e. Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding Benami property under Benami Transactions (Prohibitions) Act, 1988(as amended in 2016) (formerly the Benami Transaction (Prohibition) Act, 1998(45 of 1988) and Rules made thereunder, and therefore the question of our commenting on whether the company has appropriately disclosed the details in its standalone financial statements does not arise.

ii. Inventory:

- a. The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- b. During the year, the Company has sanctioned any working capital limits in excess of Rs. 5 Crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account of the Company.

iii. Loans Given By The Company:

In our opinion, and according to the information and explanations given to us, the Company has not made any investments in or provided any guarantee or security to firms or limited liability partnership except as mentioned below:

- a) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has invested in subsidiaries companies. The details for the same as below:

(RS. In Lakhs)

Types of Parties	Balance Outstanding as on 31-03-2023
Aggregate amount granted/Provided during the year	
-Subsidiaries	
-Sotac Healthcare Private Limited	389.70
-Sotac Research Private Limited	10.00
-Sotac Life Sciences Private Limited	0.51
Aggregate amount granted/Provided at the year end	
-Subsidiaries	
-Sotac Healthcare Private Limited	389.70
-Sotac Research Private Limited	10.00
-Sotac Life Sciences Private Limited	0.51

- b) According to the information and explanations given to us and based on the audit procedures carried out by us, in our opinion no investments has been made and guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are prima facie, not prejudicial to the interest of the Company.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advances in the nature of loans to any party during the year.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to same parties.
- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv) Loans To Directors & Investment By The Company:

In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.

v) Deposits

The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi) Cost Records:

According to the information and explanations provided by the management the company is engaged in production, processing; manufacturing a wide range of pharmaceutical products such as Non Beta-Lactam (general) tablets, beta-lactam coated tablets, beta-lactam uncoated tablets, Non Beta-Lactam (general) capsules, beta-lactam capsules, oral liquid, dry syrup and external preparations such as nasal spray, relief spray and cream. In our opinion the company is broadly maintaining cost records, however we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) Statutory Dues:

- a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, goods and services tax and labour welfare fund, though there were no delay in depositing undisputed statutory dues, including sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities except-

(Rs in Lakhs)	
Types of Dues	Arrears of Outstanding Amount
Professional Tax	6.08

- b. According to the information and explanation given to us, there have been no statutory dues on account of disputed as at March 31, 2023 for a period of more than six months from the date they became payable.

viii) Unrecorded Income

According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix) Repayment Of Loans:

- a. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.
- c. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has applied term loans for the purpose for which the loans were obtained, hence reporting under clause 3(ix)(C) of the order is not applicable.
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that the Company has not used funds raised on short-term basis for the long-term purposes.
- e. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x) Utilization Of IPO & FPO and Private Placement and Preferential Issues:

- a. The Company has not raised any money by way of initial public offer and through debt instruments by way of further public offer during the year.
- b. The Company has not made preferential allotment or private placement of shares during the year and the requirement to report on clause 3(x)(b) of the order is not applicable to the company.

xi) Reporting Of Fraud:

- a. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- b. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 has been filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- c. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has not received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting.

xii) NIDHI Company:

As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii) Related Party Transaction:

The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Accounting Standard 18 "Related Party Disclosures" specified under Section 133 of the Act.

xiv) Internal Audit

- a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- b) The Provisions of Internal Audit under section 138 is not applicable to the Company, hence reporting under Clause 3(xiv) (b) is not applicable.

xv) Non-Cash Transaction:

The Company has not entered into any non-cash transactions with its directors or persons connected with him.

Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under Clause 3(xv) of the Order is not applicable to the Company.

xvi) Register Under RBI Act, 1934:

- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.
- b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
- d) Based on the information and explanations provided by the management of the Company, the Group has six CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii) Cash Losses

The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii) Auditor's Resignation

There has been resignation of the statutory auditors for the period till 31-03-2023 and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors. The details of outgoing auditor as below:

Name	FRN No.	Membership No.
Amit G Patel	152837W	197675

xix) Financial Position

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, 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 the 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) Corporate Social Responsibility

The Provision of Section 135 of the Companies Act 2013 in relation to Corporate Social Responsibility are applicable to the Company during the year and the details same as under:

Relevant financial year	Amount identified for spending on CSR activities for "other than Ongoing Projects"	Unspent amount of above	Amount Transferred to Fund specified in Schedule VII to the Act	Due date of transfer to the specified fund	Actual date of transfer to the specified fund	Number of days of delay, if any
2021-22	6.16 Lakhs	NIL	6.50 Lakhs	30-09-2023	18-08-2023	No Delay
2022-23	9.31 Lakhs	9.31 Lakhs	No Amount Transferred	30-09-2024	NA	No Delay

For Keyur Shah & Co.
Chartered Accountants
FRN.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN – 23153774BGWLVJ8591

Date: 29-05-2023
Place: Ahmedabad

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of SOTAC PHARMACEUTICAL LIMITED (Formerly known as SOTAC PHARMACEUTICAL 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 over financial reporting of **SOTAC PHARMCEUTICAL LIMITED (Formerly known as SOTAC PHARMACEUTICAL PRIVATE LIMITED) (“the Company”)** as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. 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 respective 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 internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 internal financial controls system over financial reporting of the Company.

Meaning Of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 control over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of

the company's assets that could have a material effect on the financial statements.

Limitations Of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Keyur Shah & Co.
Chartered Accountants
FRN.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN – 23153774BGWLVJ8591

Date:29-05-2023
Place: Ahmedabad

SOTAC PHARMACEUTICALS LIMITED
(Formerly known as Sotac Pharmaceuticals Private Limited)
Plot No PF-21, Nr. ACME Pharma, Opp. Teva Pharma, Sanand GIDC-II, Ahmedabad-382110

BALANCE SHEET AS AT 31st March, 2023

(Amount in Lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	805.00	230.00
(b) Reserves And Surplus	3	346.98	479.91
Total Equity		1,151.98	709.91
(2) Share Application Money Pending Allotment	4	947.05	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5	659.35	97.01
(b) Deferred Tax Liabilities (Net)	6	-	17.09
(c) Long Term Provisions	7	8.56	-
Total Non-Current Liabilities		667.91	114.10
(4) Current Liabilities			
(a) Short-Term Borrowings	8	406.46	641.74
(b) Trade Payable	9		
i) Total outstanding dues of micro enterprise and small enterprise		439.10	1,172.49
ii) Total outstanding dues other than micro enterprise and small enterprise		1,380.41	805.14
(c) Other Current Liabilities	10	286.40	24.06
(d) Short-Term Provisions	11	198.98	162.43
Total Current Liabilities		2,711.35	2,805.86
TOTAL EQUITY & LIABILITIES		5,478.29	3,629.87

SOTAC PHARMACEUTICALS LIMITED**(Formerly known as Sotac Pharmaceuticals Private Limited)****Plot No PF-21, Nr. ACME Pharma, Opp. Teva Pharma, Sanand GIDC-II, Ahmedabad-382110****BALANCE SHEET AS AT 31st March, 2023****(Amount in Lakhs)**

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
II.ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment & Intangible Assets	12		
(i) Property, Plant & Equipment		1,408.65	879.26
(ii) Intangible Assets		0.33	0.51
(iii) Capital Work In -Progress		4.06	-
(b) Non-Current Investments	13	400.21	-
(c) Deferred Tax Assets (Net)	6	4.40	-
Total Non-Current Assets		1,817.65	879.77
(2) Current Assets			
(a) Inventories	14	958.11	539.46
(b) Trade Receivables	15	1,149.65	1,254.11
(c) Cash and Cash Equivalents	16	959.84	2.76
(d) Short-Term Loans And Advances	17	1.00	194.66
(e) Other Current Assets	18	592.04	759.11
Total Current Assets		3,660.64	2,750.10
TOTAL ASSETS		5,478.29	3,629.87

Summary of significant accounting policies 1
The accompanying notes are an integral part of the financial statements

For, Keyur Shah & Co.

F.R No: 141173W

Chartered Accountants

Keyur Shah
Proprietor
M No. : 153774

For, Sotac Pharmaceuticals Limited

Sharad Patel
(Director)
Din No-07252252

Dinesh Gelot
(Director)
DIN: 07252132

Brijeshkumar Patel Chief
Financial OfficerPAN:
BPTPP4289P

Pooja Bagrecha
Company Secretary
PAN: BVKPB8020P

Place: Ahmedabad
Date: 29th May,2023

Place: Ahmedabad
Date: 29th May,2023

SOTAC PHARMACEUTICALS LIMITED

(Formerly known as Sotac Pharmaceuticals Private Limited)

Plot No PF-21, Nr. ACME Pharma, Opp. Teva Pharma, Sanand GIDC-II, Ahmedabad-382110

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31st March,2023

(Amount in Lakhs)

Sr. No	Particulars	Note No.	For the Year Ended on 31st March,2023	For the Year Ended on 31st March,2022
I Incomes				
	Revenue From Operations	19	5,798.28	7,315.17
	Other Income	20	24.31	20.76
	Total Income		5,822.59	7,335.93
II Expenses:				
	Cost Of Material Consumed	21	4,272.34	5,616.53
	Purchase Of Stock In Trade	22	52.64	26.76
	Changes In Inventories Of Finished Goods, Work-In-Progress and Stock-In-Trade	23	(318.38)	(45.33)
	Employee Benefit Expense	24	292.67	287.38
	Financial Costs	25	86.13	55.00
	Depreciation and Amortization Expense	12	162.53	112.64
	Other Total Expenses	26	678.21	814.19
	Total Expenses		5,226.14	6,867.17
	Profit Before Exceptional and Extraordinary Items And Tax	(III - IV)	596.45	468.76
	Exceptional Items/ Prior Period Items		-	-
	Profit Before Extraordinary Items And Tax (V - VI)		596.45	468.76
	Extraordinary Items		-	-
	III Profit Before Tax (PBT) (I-II)		596.45	468.76
IV Tax expense:				
	(1) Current tax		168.39	142.50
	(2) Deferred Tax Asset/ (Liability)		21.49	3.29
	V Profit After Tax (PAT) (III-IV)	(IX-X)	449.55	329.55
	VII Profit/(Loss) For The Period (XI + XIV)		449.55	329.55
VIII Earning per equity share:				
	(1) Basic		5.58	14.33
	(2) Diluted		5.58	14.33
	(3) Adjusted EPS (Bouns Effect)		5.58	4.09

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement

This is the Profit & Loss Statement referred to in our Report of even date.

For, Keyur Shah & Co.
F.R No: 141173W
Chartered Accountants

For, Sotac Pharmaceuticals Limited

Keyur Shah
Proprietor
M No. : 153774

Sharad Patel
(Director)
Din No-07252252

Dinesh Gelot
(Director)
DIN: 07252132

Brijeshkumar Patel
Chief Financial Officer
PAN: BPTPP4289P

Pooja Bagrecha
Company Secretary
PAN: BVKPB8020P

Place: Ahmedabad
Date: 29th May,2023

Place: Ahmedabad
Date: 29th May,2023

SOTAC PHARMACEUTICALS LIMITED

(Formerly known as Sotac Pharmaceuticals Private Limited)

Plot No PF-21, Nr. ACME Pharma, Opp. Teva Pharma, Sanand GIDC-II, Ahmedabad-382110

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH,2023

(Amount in Lakhs)

Particulars	For the Year Ended On 31st March,2023	For the Year Ended On 31st March,2022
Cash Flow from Operating Activities		
Net Profit Before Tax Paid	596.45	468.76
Adjustments for :		
Depreciation And Amortization	162.52	112.68
Interest Income	(2.93)	(2.53)
Finance Cost	86.14	55.00
Prior Period Adjustment	(7.47)	
Reversal Of Previous Year Tax	-	(54.41)
Loss On Sale Of Investments In Sotac Healthcare Private Limited	-	183.60
Operating Profit Before Working Capital Changes (a)	834.71	763.10
Adjustment For Changes In Working Capital :		
Increase In Trade Payables	(158.12)	927.58
Increase In Other Current Liabilities	262.33	16.98
Decrease In Short term Provisions	36.55	139.30
Increase In Inventories	(418.65)	(159.59)
Increase In Trade Receivables	104.45	(627.11)
Increase In Short Term Loans and Advances	193.66	(181.66)
Increase In Other Current Assets	167.07	(377.89)
(b)	187.29	(262.39)
Cash Generated From Operations (a + b)	1,022.00	500.71
Taxes Paid (Net Of Refund)	(168.39)	(142.50)
Net Cash Generated From Operations (A)	853.61	358.21
Cash Flow From Investing Activities		
Addition In Propery, Plant and Equipments And Intagible Assets	(704.13)	(350.43)
Disposals Of Propery, Plant and Equipments And Intagible Assets	8.35	-
Purchase Of Investment In Sotac Healthcare Private Limited	(400.21)	20.40
Interest Income	2.93	2.53
Net Cash Generated / (Used) in Investing Activities (B)	(1,093.06)	(327.50)

SOTAC PHARMACEUTICALS LIMITED

(Formerly known as Sotac Pharmaceuticals Private Limited)

Plot No PF-21, Nr. ACME Pharma, Opp. Teva Pharma, Sanand GIDC-II, Ahmedabad-382110

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH,2023

(Amount in Lakhs)

Particulars	For the Year Ended On 31st March,2023	For the Year Ended On 31st March,2022
Cash Flow From Financing Activities		
Proceeds From Share Application Money Received	947.05	
Increase In Long Term Borrowings	562.34	(570.06)
Decrease In of Short Borrowings	(235.28)	640.83
Decrease In long term Provisions	8.56	
Finance Cost	(86.14)	(55.00)
Dividend Paid On Equity Shares	-	(46.00)
Net Cash Used In Financing Activities (C)	1,196.53	(30.23)
Net Increase In Cash And Cash Equivalents (A + B + C)	957.08	0.48
Cash And Cash Equivalents As On 1st April, 2022	2.76	2.28
Cash And Cash Equivalents As On 31st March, 2023	959.84	2.76

Notes :

1. The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3, "Cash Flow Statement" notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

As per our attached report of even date

For, Keyur Shah & Co.

F.R No: 141173W

Chartered Accountants

For, Sotac Pharmaceuticals Limited

Keyur Shah

Proprietor

M No. : 153774

Sharad Patel

(Director)

Din No-07252252

Dinesh Gelot

(Director)

DIN: 07252132

Brijeshkumar Patel
Chief Financial Officer
PAN: BPTPP4289PPooja Bagrecha
Company Secretary
PAN: BVKPB8020P

Place: Ahmedabad

Date: 29th May,2023

Place: Ahmedabad

Date: 29th May,2023

SOTAC PHARMACEUTICALS LIMITED
(Formerly known as SOTAC PHARMACEUTICAL PVT LTD)

NOTE -01 Note to the Standalone Financial Statements for the year ended on 31st March, 2023

Significant Accounting Policies

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the applicable Accounting Standards notified under Section 133 of the the Companies Act, 2013 read with Rule 7 of Companies (Accounts Rules), 2014 under historical cost convention on accrual basis. All the assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of activities, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

B. USE OF ESTIMATES

The preparation of the financial statements is in conformity with Indian GAAP (Generally Accepted Accounting Principles) which requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities as on the date of the financial statements. The estimates and assumptions made and applied in preparing the financial statements are based upon management's best knowledge of current events and actions as on the date of financial statements. However, due to uncertainties attached to the assumptions and estimates made actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

C. REVENUE RECOGNITION:

- (i) Revenue from sale of goods is recognized when significant risk and rewards of ownership of the goods have been passed to the buyer and it is reasonable to expect ultimate collection. Sale of goods is recognized net of GST and other taxes as the same is recovered from customers and passed on to the government.
- (ii) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (iii) Other items of income and expenses are recognized on accrual basis.
- (iv) Income from export entitlement is recognized as on accrual basis.

D. FOREIGN CURRENCY TRANSACTIONS.

A) Initial recognition

Transactions in foreign currency are accounted for at exchange rates prevailing on the date of the transaction. Measurement of foreign currency monetary items at Balance Sheet date
Foreign currency monetary items (other than derivative contracts) as at Balance Sheet date are Restated Standalone at the year end rates.

B) Exchange difference

"Exchange differences arising on settlement of monetary items are recognized as income or expense in the period in which they arise.

Exchange difference arising on restatement of foreign currency monetary items as at the year end being difference between exchange rate prevailing on initial recognition/subsequent restatement on reporting date and as at current reporting date is adjusted in the Statement of Profit & Loss for the respective year. "

Any expense incurred in respect of Forward contracts entered into for the purpose of hedging is charged to the Statement of Profit and loss.

C) Forward Exchange Contract

The Premium or discount arising at the inception of the Forward Exchange contracts entered into to hedge an existing asset/liability, is amortized as expense or income over the life of the contract. Exchange Differences on such contracts are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such a forward contract is recognized as income or expense in the period in which such cancellation or renewal is made.

The Foreign currency exposures that have not been hedged by a derivative instrument.

E. INVESTMENTS

"Non-Current/ Long-term Investments are stated at cost. Provision is made for diminution in the value of the investments, if, in the opinion of the management, the same is considered to be other than temporary in nature. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Current investments are carried at lower of cost and fair value determined on an individual basis. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss."

F. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(i) Tangible Assets

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, borrowing cost if capitalization criteria are met, directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management and initial estimate of decommissioning, restoring and similar liabilities.

Subsequent costs related to an item of property, plant and equipment are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in statement of profit and loss during the reporting period when they are incurred.

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from de-recognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.

G. DEPRECIATION AND AMORTISATION

Depreciation is calculated using the Written-down value over their estimated useful lives.

H. INVENTORIES:

Items of inventories are measured at lower of cost or net realizable value. Cost of inventories comprises of all cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, stores and spares, packing material and fuel are determined on weighted average basis. Cost of WIP is determined on absorption costing method. Valuation of FG is cost or NRV, whichever is less.

I. IMPAIRMENT OF ASSETS:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of profit and loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

J. "RETIREMENT BENEFITS:

(i) Short-term employee benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of Profit and loss for the year which includes benefits like salary, wages, bonus and are recognized as expenses in the period in which the employee renders the related service

(ii) Post employment benefits:

Defined Contribution Plan

'Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit Plans

Unfunded Plan: The Company has a defined benefit plan for Post-employment benefit in the form of Gratuity.

Liability for the above defined benefit plan is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

"Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

"The Company recognises termination benefit as a liability and an expense when the Company has a present obligation 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 the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

K. BORROWING COST

Borrowing costs are interest, commitment charges and other costs incurred by an enterprise in connection with Short Term/ Long Term borrowing of funds. Borrowing cost directly attributable to acquisition or construction of qualifying assets are capitalized as a part of the cost of the assets, upto the date the asset is ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the year in which they are incurred.

L. EARNINGS PER SHARE:

"The earnings in ascertaining the Company's EPS comprises the net profit after tax attributable to equity shareholders and includes the post tax effect of any extraordinary items. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax attributable to Equity Shareholders (including the post tax effect of extra ordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period."

M. TAXATION:

Tax expense for the year comprising current tax & deferred tax are considered in determining the net profit for the year. Provision is made for current tax and based on tax liability computed in accordance with relevant tax laws applicable to the Company. Provision is made for deferred tax for all timing difference arising between taxable incomes & accounting income at currently enacted or substantively enacted tax rates, as the case may be. Deferred tax assets (other than in situation of unabsorbed depreciation and carry forward losses) are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date. Deferred tax assets, in situation of unabsorbed depreciation and carry forward losses under tax laws are recognized only to the extent that where is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be recognized. Deferred Tax Assets and Deferred Tax Liability are been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liability and where the Deferred Tax Asset and Deferred Tax Liability relate to Income taxes is levied by the same taxation authority.

N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

(i) Provisions

A provisions is recognized when the Company has a present obligation as a result of past event, if 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.

(ii) Contingent Liability

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(ii) Contingent Assets

Contingent Assets are neither recognized nor disclosed in the financial statements.

O. SEGMENT REPORTING

In accordance with the Accounting Standard 17 "segment reporting" as prescribed under Companies (Accounting Standard) Rules, 2006 (as amended), as the company is covered under categories of SMC companies, the said accounting standard is not applicable to it.

P. CASH & CASH EQUIVALENTS

Cash & cash equivalents comprise cash and cash on deposit with banks and corporations. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amount of cash to be cash equivalents.

Q. LEASES

Leases where the Lessor effectively retains substantially all the risks and benefits of ownership of the Leased Asset, are classified as 'Operating Leases". Lease rentals with respect to assets taken on 'Operating Lease' are charged to Statement of Profit and Loss on a straight line basis over the lease term.

Leases which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item are classified as 'Finance Lease'. Assets acquired on Finance Lease which substantially transfer all the risks and rewards of ownership to the Company are capitalized as assets by the Company at the lower of the fair value and the present value of the minimum lease payment and a liability is created for an equivalent amount. Lease rentals payable is apportioned between the liability and finance charge so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

R. GOVERNMENT GRANTS

Government grants / subsidies received towards specific fixed assets have been deducted from the gross value of the concerned fixed assets and grant / subsidies received during the year towards revenue expenses have been reduced from respective expenses.

SOTAC PHARMACEUTICALS LIMITED
(Formerly known as Sotac Pharmaceuticals Private Limited)
Schedules Forming Integral Part Of Balance Sheet as at 31st March, 2023

(Amount in Lakhs)

Note - 2 - Equity Share Capital

Particulars	As at 31st March, 2023	As at 31st March, 2022
AUTHORIZED CAPITAL		
1,15,00,000 (P.Y. 23,00,000) Equity Shares of Rs. 10/- each.	1,150.00	230.00
	1,150.00	230.00
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
80,50,000 (P.Y. 23,00,000) Equity Shares of Rs. 10/- each.	805.00	230.00
Total	805.00	230.00

The details of share holders holding more than 5% of shares as at 31st March, 2023 are as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Equity shares of Rs. 10 each		
Kiranben Baldevbhai Jotania		
- Number of shares	1,449,000	414,000
- Percentage holding (%)	18.00%	18.00%
Chetankumar Bachubhai Patel		
- Number of shares	1,069,250	305,500
- Percentage holding (%)	13.28%	13.28%
Dineshkumar Babulal Gelot		
- Number of shares	1,431,500	409,000
- Percentage holding (%)	17.78%	17.78%
Vishalkumar Devarajbhai Patel		
- Number of shares	1,431,500	409,000
- Percentage holding (%)	17.78%	17.78%
Shailesh V Patel		
- Number of shares	805,000	230,000
- Percentage holding (%)	10.00%	10.00%
Sharadkumar Dasharathbhai Patel		
- Number of shares	1,431,500	409,000
- Percentage holding (%)	17.78%	17.78%

The details of share holding of Promoters as at 31st March, 2023 are as follows:

Name of the Promoter	As at 31st March, 2023		
	No. of Shares	% Held	% Change
Kiranben Baldevbhai Jotania	1,449,000	18.00%	0.00%
Chetankumar Bachubhai Patel	1,069,250	13.28%	0.00%
Dineshkumar Babulal Gelot	1,431,500	17.78%	0.00%
Vishalkumar Devarajbhai Patel	1,431,500	17.78%	0.00%
Sharadkumar Dasharathbhai Patel	1,431,500	17.78%	0.00%
Shailesh V Patel	805,000	10.00%	0.00%

SOTAC PHARMACEUTICALS LIMITED
(Formerly known as Sotac Pharmaceuticals Private Limited)
Schedules Forming Integral Part Of Balance Sheet as at 31st March,2023

(Amount in Lakhs)

Name of the Promoter	As at 31st March, 2022		% Change
	No. of Shares	% Held	
Kiranben Baldevbhai Jotania	414,000	18.00%	0.00%
Chetankumar Bachubhai Patel	305,500	13.28%	0.00%
Dineshkumar Babulal Gelot	409,000	17.78%	0.00%
Vishalkumar Devarajbhai Patel	409,000	17.78%	0.00%
Sharadkumar Dasharathbhai Patel	409,000	17.78%	0.00%
Shailesh V Patel	230,000	10.00%	0.00%

Reconciliation of Equity Share Capital

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Balance at the beginning of the period/year		
- Number of shares	2,300,000	2,300,000
-Amount in Rs.	230.00	230.00
Add: Bouns Shares issued during the period/year		
- Number of shares	5,750,000	-
-Amount in Rs.	575.00	-
Balance at the end of the period/year		
- Number of shares	8,050,000	2,300,000
-Amount in Rs.	805.00	230.00
Closing Balance of Equity share capital	805.00	230.00

Note: Rights, preferences and restrictions attached to shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company allotted of 57,50,000 bonus equity shares of Rs. 10/- each as fully paid- up against existing 23,00,000 equity shares of Rs.10/- each to the existing shareholders of the Company in the ratio of 5 : 2 (5 new equity shares of Rs. 10/- each fully paid up for each 2 exiting equity share of Rs. 10/- each fully paid-up).

Note - 3 - Reserves and Surplus

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Balance in Statement of Profit & Loss		
Balance as at the beginning of the year	462.91	233.80
Add : Current Year Profit after Dividend Declared	449.54	329.52
Less: Bonus Share	(558.00)	
Less: Reversal of tax receivable	-	(54.41)
Less: Dividend Paid	-	(46.00)
Prior Period Adjustment	(5.80)	
Prior Period Adjustment -Deffered Government Grants	(15.26)	
Balance as at the beginning of the year	333.39	462.91
Security Premium		
Balance as at the beginning of the year	17.00	17.00
Add : Securities premium credited on Share issue	-	-
Less : Bonus Share	(17.00)	
Balance as at the end of the year	-	17.00
Deffered Government Grants		
Balance as at the beginning of the year	-	-
Add: Change during the year	15.26	
Less : Amortisation of Deferred Income	(1.67)	
Balance as at the end of the year	13.59	58
Total	346.98	479.91

SOTAC PHARMACEUTICALS LIMITED
(Formerly known as Sotac Pharmaceuticals Private Limited)
Schedules Forming Integral Part Of Balance Sheet as at 31st March,2023

(Amount in Lakhs)

Note - 4 - Share Application Money Pending Allotment

Particulars	As at 31st March, 2023	As at 31st March, 2022
Share Application Money Pending Allotment	947.05	-
Total	947.05	-

Note: Initial Public offering of the company was initiated on 29th March, 2023 till 3rd April, 2023 the, company had received RS 947.05 Lakhs application money from anchore investors which has been shown under the head share application money pending allotment in the balance sheet.

Note - 5 - Long Term Borrowings

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured :		
Term Loan From Bank	851.24	220.12
Current maturities of Long - Term Debt	(191.89)	(123.11)
Total	659.35	97.01

Refer Note No - 4.1 - For Detailed Term & Condition related to Borrowing

Note - 6 - Deferred Tax Liabilities (Net)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liability		
Balance carried forward	17.09	20.38
Sub Total (a)	17.09	20.38
Deferred Tax Assets		
Reversal of Deffered Tax Liability	21.49	3.29
Sub Total (b)	21.49	3.29
Net Deffered Tax Liabilites / (Assets)(a-b)	(4.40)	17.09

Note - 7 - Long Term Provision

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Gratuity (long Term)	8.56	-
Total	8.56	-

Note - 8 - Short Term Borrowing

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loan Repayable on Demand		
Other Loan	-	-
Current maturities of Long - Term Debt	191.89	123.26
Axis Bank Cash Credit	214.57	518.48
Total	406.46	641.74

Refer Note No - 7.1 - For Detailed Term & Condition related to Borrowing

SOTAC PHARMACEUTICALS LIMITED
(Formerly known as Sotac Pharmaceuticals Private Limited)
Schedules Forming Integral Part Of Balance Sheet as at 31st March,2023

(Amount in Lakhs)

Note - 9 - Trade Payable

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Micro, Small & Medium Enterprise		
Less than 1 year	439.10	1,172.49
1 to 2 years		-
2 to 3 years		-
More than 3 Years		-
(b) Other		
Less than 1 year	1,380.41	718.52
1 to 2 years		86.62
2 to 3 years		-
More than 3 Years		-
Total	1,819.51	1,977.63

Note : The Company has initiated the process of identification of Vendors which falls under category of MSME, the disclosure relating to amount due to MSME are made to the extent information received.

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

Refer Note No - 27 - for Ageing of Trade Payable

Note - 10 - Other Current Liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance Payable to Government Authorities	27.05	24.06
Advances from Customer	257.89	-
Other Current Liability	1.46	
Total	286.40	24.06

Note - 11 - Short Term Provisions

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision For Expense	39.06	19.93
Provision For Gratuity (Short Term)	0.45	-
Provision For Tax F Y 2021-22	159.47	142.50
Total	198.98	162.43

Note - 13 - Net Current Investment

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investment in Sotac Healthcare Pvt Ltd	389.70	-
Investment in Sotac Research Pvt Ltd	10.00	-
Investment in Sotac Life Sciences Pvt Ltd	0.51	
Total	400.21	-

Note - 14 - Inventories

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw Material	495.44	529.69
Stock In Trade / Finished Goods	333.16	9.77
Work In Progress	129.51	-
Total	958.11	539.46

Note : Raw Material, Work in Progress and Stores and Spares are valued at landed Cost. Finished goods are valued at cost or net realisable value which ever is less.

SOTAC PHARMACEUTICALS LIMITED
(Formerly known as Sotac Pharmaceuticals Private Limited)
Schedules Forming Integral Part Of Balance Sheet as at 31st March,2023

(Amount in Lakhs)

Note - 15 - Trade Receivables

Particulars	As at 31st March, 2023	As at 31st March, 2022
Others		
Unsecured, Considered Good :	1,149.65	1,254.11
Total in	1,149.65	1,254.11

Refer Note No - 28 - for Ageing of Trade Receivable

Note - 16 - Cash & Cash Equivalent

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash-in-Hand		
Cash Balance	12.79	2.76
Axis Bank Public Issue Account	947.05	-
Total	959.84	2.76

Note:- Cash in hand is certified and verified by the management of the company as on last date of Respective Financial Year

Note - 17 - Short Terms Loans and Advances

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance to Others	1.00	20.00
Short Term Loan to Sotac Healthcare Pvt. Ltd.	-	171.41
Advance to Employee	-	3.25
Total	1.00	194.66

Note - 18 - Other Current Assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Income tax Receivable	-	75.00
Advance to Supplier	67.16	72.41
FD with SIDBI	41.19	39.22
Pre IPO Exps	35.38	
Prepaid Expenses	3.19	1.10
Other Deposit	17.19	16.50
Balance with Government Authorities	427.93	554.88
Total	592.04	759.11

SOTAC PHARMACEUTICALS LIMITED

(Formerly known as Sotac Pharmaceuticals Private Limited)

Plot No PF-21, Sanand GIDC-II, Nr. ACME Pharma, Opp. Teva Pharma, Sanand GIDC-II, Ahmedabad-382110

Notes to the Standalone Financial Statements for the period ended on 31st March, 2023

Note - 12 : Property, Plant & Equipments, Right Of Use, Intangibles & Capital Work-In-Progress

A. PROPERTY, PLANT & EQUIPMENTS

Particulars	(Amount in Lakhs)												
	Land & Development	Buildng	Xerox M/c-Scarp	Plant & Machinery	Staff Bus	Electric & Fitting	Refrigerator	Eco/Maruti Car	Director Car	Furniture & Fixtures	Mobile Phone	Computers	Total
Gross Block													
As at 1 April 2021	119.17	76.44	0.50	454.60	8.14	7.21	0.85	1.39	71.89	10.19	-	2.98	753.36
Additions	-	199.53	-	154.33	-	0.55	-	-	-	5.95	-	1.45	361.81
Disposals/ Adjustments	-	2.42	0.32	9.19	-	-	-	-	-	-	-	-	11.93
As at 31 March 2022	119.17	273.55	0.18	599.74	8.14	7.76	0.85	1.39	71.89	16.14	-	4.43	1,103.24
Additions	141.72	325.55	0.07	199.79	0.07	7.75	0.24	2.05	13.83	6.30	1.70	0.99	700.06
Disposals/ Adjustments	-	0.48	-	7.67	-	-	-	0.20	-	-	-	-	8.35
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023	260.89	598.62	0.25	791.86	8.21	15.51	1.09	3.24	85.72	22.44	1.70	5.42	1,794.95
Accumulated Depreciation													
As at 1 April 2021	-	7.26	0.06	73.74	2.54	1.87	0.12	0.43	22.43	1.81	-	1.19	111.45
Depreciation charge for the year	-	10.26	-	78.14	1.75	1.46	0.10	0.30	15.45	3.37	-	1.70	112.53
Reversal on Disposal/ Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	-	17.52	0.06	151.88	4.29	3.33	0.22	0.73	37.88	5.18	-	2.89	223.98
Depreciation charge for the year	-	44.73	0.10	95.04	1.21	1.60	0.12	0.78	13.86	3.46	0.04	1.38	162.32
Reversal on Disposal/ Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023	-	62.25	0.16	246.92	5.50	4.93	0.34	1.51	51.74	8.64	0.04	4.27	386.30
Net Block													
Balance as on 31 March 2022	119.17	256.03	0.12	447.86	3.85	4.43	0.63	0.66	34.01	10.96	-	1.54	879.26
Balance as on 31 March 2023	260.89	536.37	0.09	544.94	2.71	10.58	0.75	1.73	33.98	13.80	1.66	1.15	1,408.65

B. INTANGIBLE ASSETS

Particulars	(Amount in Lakhs)	
	Computer Software	Total
Gross Block		
As at 1 April 2021	0.12	0.12
Additions	0.55	0.55
Disposals/ Adjustments	-	-
As at 31 March 2022	0.67	0.67
Additions	0.03	0.03
Disposals/ Adjustments	-	-
As at 31 March 2023	0.70	0.70
Accumulated Depreciation		
As at 1 April 2021	0.05	0.05
Depreciation charge for the year	0.11	0.11
Reversal on Disposal of Assets	-	-
As at 31 March 2022	0.16	0.16
Depreciation charge for the year	0.21	0.21
Reversal on Disposal of Assets	-	-
As at 31 March 2023	0.37	0.37
Net Block		
Balance as on 31 March 2022	0.51	0.51
Balance as on 31 March 2023	0.33	0.33

SOTAC PHARMACEUTICALS LIMITED

(Formerly known as Sotac Pharmaceuticals Private Limited)

Schedules Forming Part of the Profit & Loss Accounts as at 31st March,2023

(Amount in Lakhs)

Note - 19 - Revenue From Operations

Particulars	For the Year Ended on 31st March,2023	For the Year Ended on 31st March,2022
Domestic Sales		
Manufacturing Sales	5,795.97	7,179.23
Trading Sales	-	123.68
Export Sales		
Manufacturing Sales	2.31	12.26
Total	5,798.28	7,315.17

Note - 20 - Other Income

Particulars	For the Year Ended on 31st March,2023	For the Year Ended on 31st March,2022
Freight Income	1.64	0.40
Subsidy Income	2.54	1.20
Interest On Fixed Deposits	2.93	2.53
Interest Income Others	-	2.26
Other Income	0.97	4.09
Scrap Income	16.23	10.28
Total	24.31	20.76

Note - 21 - Cost of Material Consumed

Particulars	For the Year Ended on 31st March,2023	For the Year Ended on 31st March,2022
PURCHASES OF RAW MATERIALS AND STORES		
Opening Stock	395.16	280.91
Add: Domestic Purchases	4,372.62	5,730.78
Less: Closing Stock	495.44	395.16
Total	4,272.34	5,616.53

Note - 22 - Purchase of Stock In Trade

Particulars	For the Year Ended on 31st March,2023	For the Year Ended on 31st March,2022
Purchase Of Stock-In- Trade	52.64	26.76
Total	52.64	26.76

SOTAC PHARMACEUTICALS LIMITED

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Schedules Forming Part of the Profit & Loss Accounts as at 31st March,2023

(Amount in Lakhs)

Note - 23 - Change in Inventories

Particulars	For the Year Ended on 31st March,2023	For the Year Ended on 31st March,2022
Stock In Trade / Finished Goods		
Opening Stock	9.77	11.50
Less: Closing Stock	333.16	9.77
	(323.39)	1.73
WIP		
Opening Stock	134.52	87.46
Less: Closing Stock	129.51	134.52
	5.01	(47.06)
Total	(318.38)	(45.33)

Note - 24 - Employment Benefit Expenses

Particulars	For the Year Ended on 31st March,2023	For the Year Ended on 31st March,2022
Salaries, Bonus, PF & ESIC	193.41	208.89
Staff Welfare Expense	4.05	4.49
Director Remuneration	92.00	74.00
Gratuity Expenses	3.21	-
Total	292.67	287.38

Note - 25 - Financial Cost

Particulars	For the Year Ended on 31st March,2023	For the Year Ended on 31st March,2022
Interest to Bank:		
Interest On Short Term Loans	46.07	32.08
Interest On Long Term Loans	30.28	17.27
Interest On UnSecured Loan	-	1.91
Others		
Loan Processing Charges	9.78	3.74
Total	86.13	55.00

SOTAC PHARMACEUTICALS LIMITED

(Formerly known as Sotac Pharmaceuticals Private Limited)

Schedules Forming Part of the Profit & Loss Accounts as at 31st March,2023

(Amount in Lakhs)

Note - 26 - Other Expenses

Particulars	For the Year Ended on 31st March,2023	For the Year Ended on 31st March,2022
AMC for ETP operation and Maintenance	2.88	2.88
Laboratory Maintenance charges	7.79	8.91
Labour and Wages cost	262.96	274.21
Loading and Unloading Charges	1.55	0.11
Stereo Rubber Expense	1.19	1.18
Electricity Expense	90.46	74.92
Frieght Expense	5.02	5.65
GIDC Water Expense	3.77	2.63
Production Expense	1.10	3.24
Audit Fees	2.95	1.50
Amozon Purchase Expense	0.11	-
Petrol & Conveyance Expense	4.79	8.04
Insurance Expense	10.16	11.87
Office Expense	4.72	10.14
ROC Expense	0.26	0.08
Consumable & Stores	63.24	115.89
Legal & Professional Expense	23.54	8.40
Internet Expense	0.82	0.71
Repair and Maintanance Expense	25.02	19.04
Postage and Courier Expense	0.43	0.46
Stationery and Printing Expense	7.38	4.75
Tea and Refreshment	2.42	0.16
Telephone and Mobile Expense	0.15	0.19
Bank Charges	2.85	3.05
Office Rent	3.60	2.40
Laboratory and testing Expense	7.45	9.16
Labour Charges	-	1.10
Misc Expense	1.55	5.61
Calibration Services	1.34	0.01
Consultancy and Service Expense	1.37	0.74
Factory and Maintanace Expense	10.23	5.67
Software Expense	0.17	0.22
Interest on TDS & GST	0.93	0.13
Computer & Maintaaince Expense	0.33	0.29
Medical Expense	1.33	0.49
Commission Expense	31.74	25.50
Advertising Expenses	2.96	0.21
Sitting charges	1.80	-
House keeping Expense	2.24	-
Apron & Uniform Expense	1.34	-
Lab Chemical Purchase	6.80	7.75

SOTAC PHARMACEUTICALS LIMITED

(Formerly known as Sotac Pharmaceuticals Private Limited)

Schedules Forming Part of the Profit & Loss Accounts as at 31st March,2023

(Amount in Lakhs)

Particulars	For the Year Ended on 31st March,2023	For the Year Ended on 31st March,2022
Travelling Expense	10.43	6.01
Custom Clearence Expense	-	0.03
Excise Charges	-	0.15
Outward Freight Charges	0.92	1.13
web Sites development Expense	0.70	-
Interest on late payment of PF & ESIC	0.06	0.55
Export Import expense	1.01	-
Tender fees	-	0.06
Tall Expense	0.61	0.27
Security Expense	8.61	3.43
Membership Fees	0.26	0.29
Bad Debts	27.57	-
Loss on sale of Inestment in Subsidiary	-	183.60
AMC charges and contract	1.42	1.38
Donation Expense	1.01	-
Pf Penalty	0.31	-
GST Expenses	24.56	-
Total	678.21	814.19

SOTAC PHARMACEUTICALS LIMITED
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Plot No PF-21, Sanand GIDC-II, Nr. ACME Pharma, Opp. Teva Pharma, Sanand GIDC-II, Ahmedabad-382110
Annexure 4.1: Statement of Details regarding Loan From Bank (Secured) Pharma

Long Term Borrowings (secured)										
SNo.	Lender	Nature of Facility	Loan (In Lakhs)	Outstanding as on 31st march,2023 (In Lakhs)	Rate of Interest/Margin	Repayment Term	Security/ Principal terms and conditions	Collateral Security/ other Condition		
1	Axis Bank	Term Loan-1	288.00	272.10	Repo Rate+3.0%	In equal 60 monthly instalments of Rs. 535000/- each after the date of first disbursement.	Movable Property Details: Hypothecation of entire current assets including stock & book debts (both present & future) and movable fixed assets including Plant& Machinery financed out of Term Loan of the Company both present & future	(A) Immmovable Property situated at Plot No. 21, SRV no 37/p, 39/p Sanand GIDC-II, Sanand, ahmedabad, Gujarat-382110 (B) Personal Guarantee of 1.Dineshkumar Babulal Gelot 2.Vishalkumar Patel 1.Sharadkumar Patel 2. Chetankumar Patel 5.Pinki Sharadkumar Patel 6.Kiran Baldevbhai Jatania 7.Sarojben Dineshkumar Gelot 8.Vasantkumar Patel 9.Dhara Chetankumar Patel (C)Corporate Guarantee of Sotac Pharmaceuticals Pvt Ltd		
2	Axis Bank	WCTL under ECGLS I(Existing)	21.00	23.60	Repo Rate+3.0%	Balance tenor 26 Months	*Ranking:Exclusive *Ranking: Second Charge for WCTL for ECGLS			
3	Axis Bank	WCTL under ECGLS II (New)	24.00	17.18	Repo Rate+3.0%	60 months (including 24 months moratorium)				*Ranking: First & Exclusive Charge by way of EM over CC & TL *Ranking: Second Charge for WCTL for
4	Hdfc Bank	Auto Loan	12.06	3.12	9.00%	51 Months (From 07.12.2019)	Primary Security Vehicle			-
5	Hdfc Bank	Auto Loan	12.06	2.84	9.10%	51 Months (From 05.11.2019)				-
6	Mahindra Finance	Auto Loan	12.05	2.06	9.25%	48 Monthly Installment From the date of First Disbursement	Primary Security Vehicle			-
7	Mahindra Finance	Auto Loan	12.05	2.06	9.25%	48 Monthly Installment From the date of First Disbursement	Primary Security Vehicle			-
8	ICICI Bank	EV Auto Loan	13.00	10.94	8.30%	48 Monthly Installment Of Rs.31,943.00 From the date of First Disbursement	Primary Security Vehicle			-
9	BMW India Financial Service Private Limited	Auto Loan	29.00	18.71	9.35%	48 Monthly Installment From the date of First Disbursement	Primary Security Vehicle			-
10	ICICI Bank	Bus Loan	14.45	-	9.10%	54 Monthly Installment Of Rs. 36030 From the date of First Disbursement	Staff Bus			-

11	SIDBI	Term Loan	50.00	25.95	5.00%	15 monthly instalments comprising first 14 monthly instalment of Rs. 3,33,000/- each followed by 15th monthly instalment of Rs. 3,38,000/- after a moratorium of 3 months from the date of first disbursement of the loan.	1. All Current Asset of Company including but not Limiting to all Stock of raw materials, WIP, Semi Finished goods, Finished goods, Packing Materials, Stores Etc. 2. FDRs Issued by SIDBI for Rs.12.50 Lakhs.	If at any time during the currency of the loan, SIDBI is of the opinion that the security provided by the Borrower has become inadequate to cover the balance of the loan then outstanding, then, on SIDBI advising the Borrower to that effect, the Borrower shall provide and furnish to SIDBI to their satisfaction such additional security as may be acceptable to SIDBI to cover such deficiency.
12	SIDBI	Working Capital Term Loan	100.00	77.80	5.50%	15 monthly instalments comprising first 14 monthly instalment of Rs. 6,66,000/- each followed by 15th monthly instalment of Rs. 6,76,000/- after a moratorium of 3 months from the date of first disbursement of the loan.	1. Hypothecation of all Current Asset of Company including but not Limiting to all Stock of raw materials, WIP, Semi Finished goods, Finished goods, Packing Materials, Stores Etc. 2. FDRs Issued by SIDBI for Rs.25.00 Lakhs.	If at any time during the currency of the loan, SIDBI is of the opinion that the security provided by the Borrower has become inadequate to cover the balance of the loan then outstanding, then, on SIDBI advising the Borrower to that effect, the Borrower shall provide and furnish to SIDBI to their satisfaction such additional security as may be acceptable to SIDBI to cover such deficiency.

Annexure 7.1: Statement of Details regarding Loan From Bank (Secured) Pharma

SNo.	Lender	Nature of Facility	Loan (In Lakhs)	Short Term Borrowings (secured)			Security/ Principal terms and conditions	Collateral Security/ other Condition
				Outstanding as on 31st March, 2023	Rate of Interest/Margin	Repayment Term		
1	Axis Bank	Cash Credit	600.00	214.57	Repo Rate+3.0%	12 months	Movable Property Details: Hypothecation of entire current assets including stock & book debts (both present & future) and movable fixed assets including Plant & Machinery financed out of Term Loan of the Company both present & future *Ranking: Exclusive *Ranking: Second Charge for WCTL for ECGLS	
2	Axis Bank	Term Loan	200.00	198.22	Repo Rate+2.75%	60 monthly instalments comprising first 59 monthly instalment of Rs. 3,33,300/- each followed by 60 th monthly instalment of Rs. 3,35,300/-	i) First and Exclusive Charge by Way of Hypothecation Over Entire Movable Fixed Asset of Company Present and Future Except the one Charged to SIDBI against the TL availed of Rs.1.50. Cr ii) First Charge by Way of Mortgage of Property Situated at Industrial Plot-Final Plot No. 22/A at Sanand-II Industrial estate Consisting. Revenue Survey no. 37/P, 38/P, 39/P, 40/P with the Village limits of Chhatral Taluka Sanand Dist. Ahmedabad. Having Area 2791.50 Sq.mt. Owned by Sotac Pharmaceutical Pvt. Ltd.	(A) Immovable Property situated at Plot No. 21, SRV no 37/p, 39/p Sanand GIDC-II, Sanand, ahmedabad, Gujarat-382110 (B) Personal Guarantee of 1.Dineshkumar Babulal Gelot 2.Vishalkumar Patel 3.Sharadkumar Patel 4.Chetankumar Patel 5.Pinki Sharadkumar Patel 6.Kiran Baldevbhai Jatania 7.Sarojben Dineshkumar Gelot 8.Vasantkumar Patel 9.Dhara Chetankumar Patel (C) Corporate Guarantee of Sotac Pharmaceuticals Pvt Ltd *Ranking: First & Exclusive Charge by way of EM over CC & TL *Ranking: Second Charge for WCTL for ECGLS
3	Axis Bank	Cash Credit	200.00	196.67	Repo Rate+2.75%	60 monthly instalments comprising first 59 monthly instalment of Rs. 3,33,300/- each followed by 60 th monthly instalment of Rs. 3,35,300/-	i) Duly Signed Standing Instruction Form With One Undated Cheque With Amount Kept Blank To be Obtained, However "Not Exceeding Amount< Sanction Loan Amount> to be Written on Cheque. ii) Extension Of First Charge by Way of Hypothecation Over Entire Current Asset of the Company(Both Existing & Future). Including Receivable and Inventory	

SOTAC PHARMACEUTICALS LIMITED**(Formerly known as Sotac Pharmaceuticals Private Limited)****Plot No PF-21, Nr. ACME Pharma, Opp. Teva Pharma, Sanand GIDC-II, Ahmedabad-382110****Note : 27 Trade Payables Aging Schedules****(Amount in Lakhs)****As at 31st march 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 year	1 -2 year	2-3 Years	More than 3 years	
MSME	425.63	13.28	0.19			439.10
Others	1,259.74	120.67	0.00			1,380.41
Disputed Dues-MSMEs	-	-	-			-
Disputed Dues-Others	-	-	-			-
Total	1,685.37	133.95	0.20			1,819.51

As at 31st March,2022

Particulars	Outstanding for following periods from due date of payment			Total
	Less than 1 Year	1-2 Years	2-3 Years	
MSME	1,172.49	-	-	1,172.49
Others	718.52	86.62	-	805.14
Disputed Dues-MSMEs	-	-	-	-
Disputed Dues-Others	-	-	-	-
Total	1,891.01	86.62	-	1,977.63

SOTAC PHARMACEUTICALS LIMITED
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Plot No PF-21, Nr. ACME Pharma, Opp. Teva Pharma, Sanand GIDC-II, Ahmedabad-382110

Note : 28 Trade Receivables Aging Schedules

(Amount in Lakhs)

As at 31st March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months- 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed Trade Receivables-Considered Good	1,106.58	22.11	13.70	6.62	0.64	1,149.65
Undisputed Trade Receivables-Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables-Considered Good	-	-	-	-	-	-
Disputed Trade Receivables-Considered Doubtful	-	-	-	-	-	-
Total	1,106.58	22.11	13.70	6.62	0.64	1,149.65

As at 31st March,2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months- 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed Trade Receivables-Considered Good	951.59	302.52	-	-	-	1,254.11
Undisputed Trade Receivables-Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables-Considered Good	-	-	-	-	-	-
Disputed Trade Receivables-Considered Doubtful	-	-	-	-	-	-
Total	951.59	302.52	-	-	-	1,254.11

SOTAC PHARMACEUTICALS LIMITED
(Formerly known as Sotac Pharmaceuticals Private Limited)
Plot No PF-21, Nr. ACME Pharma, Opp. Teva Pharma, Sanand GIDC-II, Ahmedabad-382110

Notes to the Standalone Financial Statements for the Period ended 31st March, 2023

Note - 29 - Accounting Ratios:

(Amount in lakhs)

Ratio	As at 31 March,2023	As at 31 March,2022	% Change
A Current ratio (In times)			
Current Assets	3,660.64	2,750.10	
Current Liabilities	2,711.35	2,805.86	
Current ratio (In times)	1.35	0.98	37.75%
B Debt-Equity Ratio (in times)			
Total Debts	1,065.81	738.75	
Share Holder's Equity + RS	1,151.98	709.91	
Debt-Equity Ratio	0.93	1.04	-11.09%
C Debt Service Coverage Ratio(in times)			
Earning available for debt service	789.26	598.67	
Interest + installment	98.77	229.00	
Debt Service Coverage Ratio,	7.99	2.61	205.66%
D Return on Equity Ratio (in %)			
Net After Tax	449.55	329.55	
Average Share Holder's Equity	930.95	595.35	
Return on Equity Ratio,	48.29%	55.35%	-12.76%
E Inventory Turnover Ratio (In times)			
Cost of Goods Sold	4,006.60	5,597.96	
Average Inventory	748.79	459.66	
Inventory Turnover Ratio	5.35	12.18	-56.06%
F Trade Receivables turnover ratio (In times)			
Net Credit Sales	5,798.28	7,315.17	
Average Receivable	1,201.88	940.56	
Trade Receivables turnover ratio	4.82	7.78	-37.97%
G Trade payables turnover ratio (In times)			
Credit Purchase	4,425.26	5,757.54	
Average Payable	1,898.57	1,513.84	
Trade payables turnover ratio (In times)	2.33	3.80	-38.71%
H Net capital turnover ratio (In times)			
Revenue from Operations	5,798.28	7,315.17	
Net Working Capital	949.29	(55.76)	
Net capital turnover ratio	6.11	-131.19	104.66%

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Plot No PF-21, Nr. ACME Pharma, Opp. Teva Pharma, Sanand GIDC-II, Ahmedabad-382110

Notes to the Standalone Financial Statements for the Period ended 31st March, 2023

Note - 29 - Accounting Ratios:

(Amount in lakhs)

Ratio	As at 31 March,2023	As at 31 March,2022	% Change
I Net profit ratio (in %)			
Net Profit	449.55	329.55	
Revenue form Operation	5,798.28	7,315.17	
Net profit ratio	7.75%	4.51%	72.10%
J Return on Capital employed (in %)			
Earning Before Interest and Taxes	682.58	523.76	
Capital Employed	1,811.33	806.92	
Return on Capital employed	37.68%	64.91%	-41.94%
K. Return on investment (in %)			
Income Generated from Investment Funds	2.93	2.53	
Invested funds	41.19	39.22	
Return on investment	7.11%	6.45%	10.27%

*** Reason for variance**

A Current ratio (In times)

During the year, Company received money against the share allotment which is disclosed in the Cash and Cash Equivalents, on account of that current assets increased in current year from previous year, since current ratios improved.

C Debt Service Coverage Ratio(in times)

In the FY 2022-23, Company earnings increased from previous year and also long term loans converted from one bank to other bank, on account of this debts service coverage ratios increased from 2.61 times to 7.99 times.

E Inventory Turnover Ratio (In times)

Average inventory increased from Rs. 459.66 lakhs to Rs. 748.79 lakhs on account of this inventory turnover ratios decreased from 12.18 times to 5.35 times.

F Trade Receivables turnover ratio (In times)

Average receivables increased from Rs. 940.56 lakhs to Rs. 1201.88 lakhs on account of this trade receivables turnover ratios decreased from 7.78 times to 4.82 times.

G Trade payables turnover ratio (In times)

During the year, Credit purchase decreased as compared to previous year and also average payables increased as compared to previous year, on account of this Trade payables ratios decreased from 3.80 times to 2.33 times.

H Net capital turnover ratio (In times)

During the year, revenue from operation decreased as compared to previous year and also net working capital turn out to be positive due to net capital turnover ratios improved.

I Net profit ratio (in %)

During the year, profit increased as compared to previous year as company generated better profits on product on account of this net profit ratios improved.

J Return on Capital employed (in %)

During the year, Company taken more term loans as compared to previous year on account of this return on capital employed ratios decreased from 64.91 % to 37.68%.

SOTAC PHARMACEUTICALS LIMITED
(Formerly known as Sotac Pharmaceuticals Private Limited)

Notes to the Standalone Financial Statements for the period ended 31st March, 2023

Note - 30 - Additional regulatory information

A) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease documents are duly executed in favour of the lessee) are held in the name of the Company.

B) The Company does not have any investment property.

C) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible assets.

D) There are no loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are outstanding as on 31st March, 2023:

(i) repayable on demand; or

(ii) without specifying any terms or period of repayment

E) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder

F) The company is not declared willful defaulter by any bank or financial institution or other lender.

G) The company has not undertaken any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

H) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

I) The company has not advanced or loan or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

J) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

K) No transactions has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961. There are no such previously unrecorded income or related assets

L) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

M) The Provision of Section 135 of the Companies Act 2013 in relation to Corporate Social Responsibility are applicable to the Company for the Financial year 2023-24 and Details of the required CSR Spending are as follows:

SOTAC PHARMACEUTICALS LIMITED
(Formerly known as Sotac Pharmaceuticals Private Limited)

Notes to the Standalone Financial Statements for the period ended 31st March, 2023

(Amount in Lakhs)

SR No	Financial Year Ended	Gross Amount required to be Spent
1	2021-22	6.16
2	2022-23	9.31

(Amount in Lakhs)

SR No	Financial Year Ended	Amount Spent for the Year ended
1	2021-22	6.50
2	2022-23	NA

(Amount in Lakhs)

SR No	Financial Year Ended	Amount Outstanding to be Spent
1	2021-22	-
2	2022-23	9.31

Note - 31 - Contingent liabilities

(Amount in Lakhs)

Particulars	As at	31st	As at
	March, 2023	31st March, 2022	31st March, 2022
Claims against the Company not acknowledged as debt			
Custom Duty saved on import of Capital Goods under EPCG	-	-	-
Direct Tax *	-	-	-
Indirect Tax/ Other Tax Liability**	-	-	40.06
Amount of Capital Commitments	-	-	-
	-	-	40.06

Note :-

* As per details available on the website of Income Tax Department, M/s. Sotac Pharmaceuticals Limited (hereinafter referred to as the "assessee") have been issued with a notice u/s. 143(1)(a) of Income Tax Act, 1961, proposing adjustments u/s. 143(1)(1)(a) of the Act for A.Y. 2022-23, and the same is pending for assessee's response, amount related to the same is not quantifiable

** On the basis of available information received from the Management of the company it is pertinent to note that company has created professional tax liability in books of account on which GIDC association has gone for litigation with respect to not to pay professional tax liability against which in future it may be possible to pay interest and penalty in the professional tax liability if GIDC association fails to win the litigation. and as on date amount related to interest and penalty is not quantifiable.

**SOTAC PHARMACEUTICALS
LIMITED**
(Formerly known as Sotac Pharmaceuticals Private

Limited)Notes to the Standalone Financial Statements for the period ended 31st March, 2023

Note 32 : Standalone Statement of Related Party Transaction

Name of Party	Nature of Relation	Nature of Transaction	Amount outstanding as on 31.03.2023 Payable/(Receivable)	Amount of Transaction debited in 1-4-22 to 31-3-23	Amount of Transaction credited in 1-4-22 to 31-3-23	Amount outstanding as on 31.03.2022 Payable/(Receivable)
Sharadkumar Dasrathbhai Patel	Director	Unsecured Loan	-	35.00	35.00	-
		Remuneration	-	23.00	23.00	-
		Expense	-	16.19	16.19	-
Pinki Sharadkumar Patel	Director's Relative	Creditors	1.01	1.65	2.65	-
		Salary	-	2.00	2.00	-
Chetankumar Bachubhai Patel	Director	Unsecured Loan	-	-	-	-
		Remuneration	-	23.00	23.00	-
		Expense	-	11.47	11.47	-
Dhara Chetankumar Patel	Director's Relative	Creditors	-	0.13	0.13	-
		Salary	-	2.00	2.00	-
Dineshkumar Babulal Gelot	Director	Unsecured Loan	-	40.00	40.00	-
		Remuneration	-	23.00	23.00	-
		Expense	-	13.85	13.85	-
Sarojben Dineshkumar Gelot	Director's Relative	Creditors	-	0.13	0.13	-
		Salary	-	2.00	2.00	-
Vishalkumar Devrajbhai Patel	Director	Unsecured Loan	-	-	-	-
		Expense	-	22.03	21.71	0.31
		Remuneration	-	23.00	23.00	-
Kiran Baldevbhai Jotania	Relative	Creditor	-	13.02	13.02	-
		salary	-	2.00	2.00	-
Sotac Healthcare Private Limited	Subsidiary	Unsecured Loan	-	150.00	150.00	-
		Investment	-	61.20	61.20	-
		Investment - mukeshbhai	-	160.00	180.00	(20.00)
		Investment	(389.70)	218.29	-	(171.41)
		Creditors-Debtors	(0.49)	126.55	125.05	1.01
Baldevbhai T Jotania	Director	Unsecured Loan	-	-	-	-
		Remuneration	-	-	-	-
Mitul Shaileshkumar Patel	Relative	Creditors	-	2.75	2.75	-
Shaileshkumar V patel	Relative	Creditors	-	6.12	6.12	-
Vasantkumar D Patel	Relative	Salary	-	2.13	2.13	-
Investment in Sotac Life Sciences Pvt Ltd	Subsidiary	Investment	(0.51)	0.51	-	-
Sotac Research Private Limited	Subsidiary	Investment	(10.00)	10.00	-	-
		Creditors-Debtors	-	6.79	6.80	(0.01)

INDEPENDENT AUDITOR'S REPORT

To
The Members of
SOTAC PHARMACEUTICAL LTD
(FORMERLY KNOWN AS SOTAC PHARMACEUTICAL PRIVATE LIMITED)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **SOTAC PHARMACEUTICAL LTD (FORMERLY KNOWN AS SOTAC PHARMACEUTICAL PRIVATE LIMITED)**(hereinafter referred to as the “**Holding Company**”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), which comprises of the Consolidated Balance sheet as at 31st March 2023, and the Consolidated statement of Profit and Loss, and Consolidated Statement of Cash flows for the period then ended, and Notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (**hereinafter referred to as “the Consolidated Financial Statements”**).

In our opinion and to the best of our knowledge and according to the explanations given to us, the aforesaid Consolidated Financial Statements gives the information required by the Companies Act, 2013, in the manner so required, and gives true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at, 31st March 2023 of Consolidated statement of Profit and Loss, and Consolidated Statement of Cash flows for the period then ended.

Basis for Opinion

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters and there is no any Key Audit Matters which need to be reported.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the Consolidated financial position and Consolidated financial performance and consolidated cash flows, of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statement, that gives a true and fair view and are free from material misstatement, whether due to fraud or error,

which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objective is to obtain reasonable assurance about whether the consolidated 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 Consolidated 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 consolidated 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 Companies Act, 2013, 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 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are Independent Auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the

Consolidated Financial Statements of which we are the independent auditors 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.

Other Matters

We did audit the financial statements / financial information of 3 subsidiary, whose financial statements / financial information reflect total assets of Rs. 2,101.33 Lakhs as at March 31, 2023, revenue from operation of Rs. 2,015.13 Lakhs and net cash flows amounting to Rs. 8.31 for the period ended on March 31, 2023, as considered in the consolidated financial statements. This financial statements / financial information has been audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid Consolidated Financial Statements.
- (b)** In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statement have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c)** The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statement.
- (d)** In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e)** On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 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 over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g)** 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There were no pending litigations which would impact the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its Subsidiary companies incorporated in India.
- The management has represented that, to the best of its knowledge and belief, as disclosed in to the accounts, 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 persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The management has represented, that, to the best of its knowledge and belief, as disclosed in the accounts, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material misstatement.

iii. Company has not declared or paid dividend during the period.

(h) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current period is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For Keyur Shah & Co.
Chartered Accountants
FRN.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN: 23153774BGWLVK6281

Date: 29th May, 2023
Place: Ahmedabad

With reference to the “Annexure A” referred to in the Independent Auditors’ Report to the members of the Holding Company, Subsidiary companies incorporated in India on Consolidated Financial Statements for the period ended March 31, 2023, We report the Following:

According to the information and explanations given to us, companies incorporated in India and included in the Consolidated Financial Statements, there have been no remarks included in their reports under Companies (Auditor’s Report) Order, 2020 (“CARO”), which have been reproduced as per the requirements of the Guidance Note on CARO 2020, issued by Institute of Chartered Accountants of India.

“Annexure B” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of **SOTAC PHARMACEUTICAL LIMITED**

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

In conjunction with our audit of the Consolidated Financial Statements of **SOTAC PHARMACEUTICAL LIMITED** as of and for the period ended March 31, 2023, we have audited the internal financial controls over financial reporting of **SOTAC PHARMACEUTICAL LIMITED (hereinafter referred to as the “Holding Company”)** and its subsidiary, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. 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 respective 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding Company, its subsidiaries, which are companies incorporated in India, internal financial controls over financial reporting with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting with reference to these Consolidated 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 system over financial reporting with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated 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 auditors’ judgment, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting with Reference to these Consolidated Financial Statements

A Company's internal financial control over financial reporting with reference to these Consolidated 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 control over financial reporting with reference to these Consolidated 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated 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 over financial reporting with reference to these Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated 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, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph below, the Holding Company, its subsidiary, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting with reference to these Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Other report under Section 143(3)(i) of Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to those Consolidated Financial Statement of the Holding Company, in so far as it relates to separate financial statement of 3 subsidiary company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For Keyur Shah & Co.
Chartered Accountants
FRN.: 141173W

Keyur Shah
Proprietor
Membership No.: 153774
UDIN: 23153774BGWLK6281

Date: 29th May,2023
Place: Ahmedabad

Particulars	Sch. No.	As at 31st March,2023
I. EQUITY AND LIABILITIES		
EQUITY		
(a) Share Capital	2	805.00
(b) Reserves and Surplus	3	<u>193.88</u>
Total Equity		<u>998.88</u>
Share application money pending allotment	4	947.05
Minority Interest		22.62
Non-Current Liabilities		
(a) Long-Term Borrowings	5	776.89
(b) Deferred Tax Liabilities (Net)	6	27.71
(c) Long Term Provisions	7	<u>9.59</u>
Total Non-Current Liabilities		<u>814.19</u>
Current Liabilities		
(a) Short-Term Borrowings	8	1,426.99
(b) Trade Payable	9	
i) Total outstanding dues of micro enterprise and small enterprise		527.36
ii) Total outstanding dues other than micro enterprise and small enterprise		2,012.00
(c) Other Current Liabilities	10	408.77
(d) Short-Term Provisions	11	<u>206.04</u>
Total Current Liabilities		<u>4,581.16</u>
TOTAL EQUITY & LIABILITIES		<u><u>7,363.90</u></u>
II.ASSETS		
Non-Current Assets		
(a) Property, Plant & Equipment & Intangible Assets	12	
(i) Property, Plant & Equipment		2,400.89
(ii) Intangible Assets		0.34
(iii) Capital work In -Progress		4.06
(iv) Goodwill on Consolidation		190.59
(b) Long Term Loans and Advances	13	<u>54.15</u>
Total Non-Current Assets		<u>2,650.03</u>

Particulars	Sch. No.	As at 31st March,2023
Current Assets		
(a) Inventories	14	1,364.24
(b) Trade Receivables	15	1,494.00
(c) Cash and Cash Equivalentts	16	968.16
(d) Short-Term Loans And Advances	17	1.00
(e) Other Current Assets	18	886.47
		4,713.87
		7,363.90

Significant Policies

Schedules referred to above and notes attached there to form an integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date.

For, Keyur Shah & Co.
F.R No: 141173W
Chartered Accountants

For, Sotac Pharmaceuticals Limited

Keyur Shah
Proprietor
M No. : 153774

Sharad Patel
Director
Din No-07252252

Dinesh Gelot
Director
Din No-07252132

Brijeshkumar Patel
Chief Financial Officer
PAN: BPTPP4289P

Pooja Bagrecha
Company Secretary
PAN: BVKPB8020P

Place: Ahmedabad
Date: 29th May, 2023

Place: Ahmedabad
Date: 29th May, 2023

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31st MARCH,2023

(Amount in Lakhs)

Sr. No	Particulars	Sch. No.	For the year ended 31st March,2023
Incomes			
I	Revenue from operations	19	7,748.32
II	Other Income	20	34.96
III	Total Income (I +II)		7,783.28
IV Expenses:			
	Cost of Material Consumed	21	6,115.23
	Purchase of Stock in Trade	22	52.64
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(440.96)
	Employee Benefit Expense	24	422.70
	Financial Costs	25	197.55
	Depreciation and Amortization Expense	12	227.78
	Other total Expenses	26	873.69
	IV. Total Expenses		7,448.63
V	Profit before exceptional and extraordinary items and tax	(III - IV)	334.65
VI	Prior Period Items		58.02
VII	Profit before extraordinary items and tax (V - VI)		392.67
VIII	Extraordinary Items		-
IX	Profit before tax (VII - VIII)		392.67
X	Tax expense:		
	(1) Current tax		168.39
	(2) Reversal of Deferred tax		(4.33)
XI	Profit(Loss) from the perid from continuing operations	(IX-X)	228.61
XII	Profit/(Loss) for the period		228.61
XVI	Earning per equity share:		
	(1) Basic		2.84
	(2) Diluted		2.84

For, Keyur Shah & Co.
F.R No: 141173W
Chartered Accountants

For, Sotac Pharmaceuticals Limited

Keyur Shah
Proprietor
M No. : 153774

Sharad Patel
Director
Din No-07252252

Dinesh Gelot
Director
Din No-07252132

Brijeshkumar Patel
Chief Financial Officer
PAN: BPTPP4289P

Pooja Bagrecha
Company Secretary
PAN: BVKPB8020P

Place: Ahmedabad Date:
29th May, 2023

Place: Ahmedabad Date:
29th May, 2023

Particulars	(Amount in Lakhs) For the year ended 31st March,2023
Cash Flow from Operating Activities	
Net Profit before tax paid	392.67
Adjustments for :	
Depreciation and amortization	227.77
Interest income	(4.60)
Finance Cost	197.55
Prior Period Item	11.98
Operating profit before working capital changes (A)	825.37
Adjustment for Changes in Working Capital :	
Increase in Trade Payables	(478.49)
Increase in Other Current Liabilities	228.65
Decrease in Short term Provisions	38.16
Increase in Inventories	(446.53)
Increase in Trade Receivables	381.13
Increase in Short Term Loans and Advances	192.75
Increase in Other Current Assets	241.61
Operating profit after working capital changes (B)	157.28
Cash generated from Operations (A + B)	982.65
Taxes paid (net of refund)	(168.39)
Net Cash generated from Operations (A)	814.26
Cash Flow from Investing Activities	
Addition in Property, Plant and Equipments and Intangible Assets	(899.96)
Decrease in of Loans and advacnes	(3.21)
Purchase of Investment in Sotac Healthcare Pvt Ltd.	(400.21)
Interest income	4.60
Reversal/Disposal in PPE	131.40
Net Cash generated / (used) in Investing Activities (B)	(1,167.38)

Particulars	(Amount in Lakhs)
	For the year ended 31st March,2023
Cash Flow from Financing Activities	
Proceeds from Share Application Money received	947.05
Decrease in long term Provisions	8.56
Increase in in Long Term Borrowings	65.35
Decrease in of Short term Borrowings	310.71
Finance Cost	(197.55)
Issue of New Equity shares	179.50
Net Cash Used in Financing Activities (C)	1,313.62
Net Increase in Cash and Cash Equivalentts (A + B + C)	960.51
Cash and Cash Equivalentts as on 1st April, 2022	7.65
Cash and Cash Equivalentts as on 31st March,2023	968.16

Notes :

1. The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3, "Cash Flow Statement" notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

For, Keyur Shah & Co.
F.R No: 141173W
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Place: Ahmedabad
Date: 29th May, 2023

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Date: 29th May, 2023

SOTAC PHARMACEUTICALS LIMITED
(Formerly known as SOTAC PHARMACEUTICAL PRIVATE LIMITED)

NOTE - 01 Note to the Consolidated Financial Statements for the year ended on 31st March, 2023

Significant Accounting Policies

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the applicable Accounting Standards notified under Section 133 of the the Companies Act, 2013 read with Rule 7 of Companies (Accounts Rules), 2014 under historical cost convention on accrual basis. All the assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of activities, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

B. PRINCIPLES OF CONSOLIDATION

Following subsidiary company, associate and jointly controlled entities have been considered in the preparation of the consolidated financial statement as at reporting date 31.03.2023:

Name of the Entity	Relationship	% of Holding	Voting Power Either Directly or indirectly thought Subsidiary	Reporting date As at
Sotac Healthcare Private Limited	Subsidiary	71.00	Directly	31.03.2023
Sotac Research Private Limited	Subsidiary	100.00	Directly	31.03.2023
Sotac Lifesciences Private Limited	Subsidiary	51.00	Directly	31.03.2023

The Consolidated audited financials statements related to Sotac Pharmaceuticals Limited ("the company") and its subsidiary entity viz Sotac Healthcare Private Limited, Sotac Research Private Limited and Sotac Lifesciences Private Limited. The Consolidated Financial Statements have been prepared on the following basis:

- i. The financial statements of the company and its subsidiary entity, used in the consolidation are drawn up to the same date as that of the company i.e. 31.03.2023
- ii. The financial statements of the Company and its subsidiary entity have been combined on line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profit or losses, unless cost cannot be recovered.
- iii. The excess of cost to the company of its investment in the subsidiary entity over its share of equity of the subsidiary entity, at the date on which the investment in the subsidiary entity were made, is recognized as 'Goodwill' being an asset in the consolidated financial statement and is tested for impairment on annual basis.
- iv. Goodwill arising on consolidation is not amortized but tested for impairment.
- v. The consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements.

C. USE OF ESTIMATES

The preparation of the financial statements is in conformity with Indian GAAP (Generally Accepted Accounting Principles) which requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities as on the date of the financial statements. The estimates and assumptions made and applied in preparing the financial statements are based upon management's best knowledge of current events and actions as on the date of financial statements. However, due to uncertainties attached to the assumptions and estimates made actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

D. REVENUE RECOGNITION:

- (i)** Revenue from sale of goods is recognized when significant risk and rewards of ownership of the goods have been passed to the buyer and it is reasonable to expect ultimate collection. Sale of goods is recognized net of GST and other taxes as the same is recovered from customers and passed on to the government.
- (ii)** Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (iii)** Other items of income and expenses are recognized on accrual basis.
- (iv)** Income from export entitlement is recognized as on accrual basis.

E. FOREIGN CURRENCY TRANSACTIONS:

A) Initial recognition

Transactions in foreign currency are accounted for at exchange rates prevailing on the date of the transaction.

Measurement of foreign currency monetary items at Balance Sheet date

Foreign currency monetary items (other than derivative contracts) as at Balance Sheet date are Restated Standalone at the year end rates.

B) Exchange difference

"Exchange differences arising on settlement of monetary items are recognized as income or expense in the period in which they arise.

Exchange difference arising on restatement of foreign currency monetary items as at the year end being difference between exchange rate prevailing on initial recognition/subsequent restatement on reporting date and as at current reporting date is adjusted in the Statement of Profit & Loss for the respective year. "

Any expense incurred in respect of Forward contracts entered into for the purpose of hedging is charged to the Statement of Profit and loss.

C) Forward Exchange Contract

The Premium or discount arising at the inception of the Forward Exchange contracts entered into to hedge an existing asset/liability, is amortized as expense or income over the life of the contract. Exchange Differences on such contracts are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such a forward contract is recognized as income or expense in the period in which such cancellation or renewal is made.

The Foreign currency exposures that have not been hedged by a derivative instrument.

F. INVESTMENTS

"Non-Current/ Long-term Investments are stated at cost. Provision is made for diminution in the value of the investments, if, in the opinion of the management, the same is considered to be other than temporary in nature. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Current investments are carried at lower of cost and fair value determined on an individual basis. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss."

F. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(i) Tangible Assets

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, borrowing cost if capitalization criteria are met, directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management and initial estimate of decommissioning, restoring and similar liabilities.

Subsequent costs related to an item of property, plant and equipment are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in statement of profit and loss during the reporting period when they are incurred.

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from de-recognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.

G. DEPRECIATION AND AMORTISATION

Depreciation is calculated using the Written-down value over their estimated useful lives.

H. INVENTORIES:

Items of inventories are measured at lower of cost or net realizable value. Cost of inventories comprises of all cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, stores and spares, packing material and fuel are determined on weighted average basis. Cost of WIP is determined on absorption costing method. Valuation of FG is cost or NRV, whichever is less.

I. IMPAIRMENT OF ASSETS:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the

asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of profit and loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

J. "RETIREMENT BENEFITS:

(i) Short-term employee benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of Profit and loss for the year which includes benefits like salary, wages, bonus and are recognized as expenses in the period in which the employee renders the related service

(ii) Post employment benefits:

Defined Contribution Plan

'Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit Plans

Unfunded Plan: The Company has a defined benefit plan for Post-employment benefit in the form of Gratuity.

Liability for the above defined benefit plan is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

"Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

'The Company recognises termination benefit as a liability and an expense when the Company has a present obligation 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 the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows

using the discount rate determined by reference to market yields at the balance sheet date on government bonds.'

K. BORROWING COST

Borrowing costs are interest, commitment charges and other costs incurred by an enterprise in connection with Short Term/ Long Term borrowing of funds. Borrowing cost directly attributable to acquisition or construction of qualifying assets are capitalized as a part of the cost of the assets, upto the date the asset is ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the year in which they are incurred.

L. EARNINGS PER SHARE:

"The earnings in ascertaining the Company's EPS comprises the net profit after tax attributable to equity shareholders and includes the post tax effect of any extraordinary items. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax attributable to Equity Shareholders (including the post tax effect of extra ordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period."

M. TAXATION:

Tax expense for the year comprising current tax & deferred tax are considered in determining the net profit for the year. Provision is made for current tax and based on tax liability computed in accordance with relevant tax laws applicable to the Company. Provision is made for deferred tax for all timing difference arising between taxable incomes & accounting income at currently enacted or substantively enacted tax rates, as the case may be. Deferred tax assets (other than in situation of unabsorbed depreciation and carry forward losses) are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date. Deferred tax assets, in situation of unabsorbed depreciation and carry forward losses under tax laws are recognized only to the extent that where is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be recognized. Deferred Tax Assets and Deferred Tax Liability are been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liability and where the Deferred Tax Asset and Deferred Tax Liability relate to Income taxes is levied by the same taxation authority.

N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

(i) Provisions

A provisions is recognized when the Company has a present obligation as a result of past event, if 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.

(ii) Contingent Liability

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(ii) Contingent Assets

Contingent Assets are neither recognized nor disclosed in the financial statements.

O. SEGMENT REPORTING

In accordance with the Accounting Standard 17 "segment reporting" as prescribed under Companies (Accounting Standard) Rules, 2006 (as amended), as the company is covered under categories of SMC companies, the said accounting standard is not applicable to it.

P. CASH & CASH EQUIVALENTS

Cash & cash equivalents comprise cash and cash on deposit with banks and corporations. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amount of cash to be cash equivalents.

Q. LEASES

Leases where the Lessor effectively retains substantially all the risks and benefits of ownership of the Leased Asset, are classified as 'Operating Leases'. Lease rentals with respect to assets taken on 'Operating Lease' are charged to Statement of Profit and Loss on a straight line basis over the lease term.

Leases which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item are classified as 'Finance Lease'. Assets acquired on Finance Lease which substantially transfer all the risks and rewards of ownership to the Company are capitalized as assets by the Company at the lower of the fair value and the present value of the minimum lease payment and a liability is created for an equivalent amount. Lease rentals payable is apportioned between the liability and finance charge so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

R. GOVERNMENT GRANTS

Government grants / subsidies received towards specific fixed assets have been deducted from the gross value of the concerned fixed assets and grant / subsidies received during the year towards revenue expenses have been reduced from respective expenses.

Particulars	As at 31st March, 2023
<u>AUTHORIZED CAPITAL</u>	
1,15,00,000 (P.Y.23,00,000) Equity Shares of Rs. 10/- each.	1,150.00
	1,150.00
<u>ISSUED , SUBSCRIBED & PAID UP CAPITAL</u>	
80,50,000 (P.Y.23,00,000) Equity Shares of Rs. 10/- each.	805.00
Total	805.00

The details of share holders holding more than 5% of shares as at 31st March, 2023 are as follows:

Name of the Share Holder	As at 31st March, 2023
Equity shares of Rs. 10 each	
Kiranben Baldevbhai Jotania	
- Number of shares	1,449,000
- Percentage holding (%)	18.00%
Chetankumar Bachubhai Patel	
- Number of shares	1,069,250
- Percentage holding (%)	13.28%
Dineshkumar Babulal Gelot	
- Number of shares	1,431,500
- Percentage holding (%)	17.78%
Vishalkumar Devarajbhai Patel	
- Number of shares	1,431,500
- Percentage holding (%)	17.78%
Shailesh V Patel	
- Number of shares	805,000
- Percentage holding (%)	10.00%
Sharadkumar Dasharathbhai Patel	
- Number of shares	1,431,500
- Percentage holding (%)	17.78%

The details of share holding of Promoters as at 31st March, 2023 are as follows:

Name of the Share Holder	As at 31st March, 2023		
	No. of Shares	% Held	% Change
Kiranben Baldevbhai Jotania	414,000	18.00%	0.00%
Chetankumar Bachubhai Patel	305,500	13.28%	0.00%
Dineshkumar Babulal Gelot	409,000	17.78%	0.00%
Vishalkumar Devarajbhai Patel	409,000	17.78%	0.00%
Sharadkumar Dasharathbhai Patel	409,000	17.78%	0.00%
Shailesh V Patel	230,000	10.00%	0.00%

Particulars	As at 31st March, 2023
Balance at the beginning of the period/year	
- Number of shares	2,300,000
-Amount in Rs.	230.00
Add: Bouns Shares issued during the period/year	-
- Number of shares	5,750,000
-Amount in Rs.	575.00
Balance at the end of the period/year	
- Number of shares	8,050,000
-Amount in Rs.	805.00
Closing Balance of Equity share capital	805.00

Note: Rights, preferences and restrictions attached to shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company allotted of 57,50,000 bonus equity shares of Rs. 10/- each as fully paid-up against existing 23,00,000 equity shares of Rs.10/- each to the existing shareholders of the Company in the ratio of 5 : 2 (5 new equity shares of Rs. 10/- each fully paid up for each 2 exiting equity share of Rs. 10/- each fully paid-up).

Schedule : 3 Reserve & Surplus

Particulars	As at 31st March, 2023
Balance in Statement of Profit & Loss	
Balance as at the beginning of the year	95.19
Add : Current Year Profit after Dividend Declared	228.63
Less: Adjustment in Fixed Assets	(558.00)
Less : Bonus Share	(112.69)
Less : Prior Period Item	(0.88)
Prior Period Adjustment	(5.80)
Prior Period Adjustment -Deffered Government Grants	(15.26)
Less: Capital Profit/Loss transferred to calculation of Intrinsic Value	333.39
Less: Capital Profit/Loss Related to Minority Interest Transferred	136.05
Less: Revenue Profit/Loss Transferred to Minority Interest	59.32
Balance as at the end of the year	159.95
Security Premium	
Balance as at the beginning of the year	17.00
Less : Bonus Share	17.00
Balance as at the end of the year	-
Defered Government Grant	
Prior Period Item	37.26
Less :- Amortisation of Deferred Income	(2.50)
Balance at the end of the period/year	33.93
Total	193.88

Particulars	As at 31st March, 2023
Share Application Money Pending Allotment	947.05

Total	947.05
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Note: Initial Public offering of the company was initiated on 29th March, 2023 till 3rd April, 2023 the, company had received RS 947.05 Lakhs application money from anchore investors which has been shown under the head share application money pending allotment in the balance sheet.

Schedule : 5 Long Term Borrowings

Particulars	As at 31st March, 2023
Secured :	
Term Loan From Bank:	1,108.76
Less : Current maturities of Long - Term Debt	(344.60)
Sub Total (a)	764.16
Unsecured :	
From Director & Related Party	12.73
Sub Total (b)	12.73
Total (a+b)	776.89

Refer Schedule - 5.1 - For Detailed Term & Condition related to Borrowing

Schedule : 6 Deferred Tax Liabilities (Net)

Particulars	As at 31st March, 2023
Opening Balance	32.06
Add: Provision for the Period	(4.33)
Closing Balance	27.71

Schedule : 7 Long Term Provisions

Particulars	As at 31st March, 2023
Provision for Gratuity	9.59
Total	9.59

Schedule : 8 Short Term Borrowing

Particulars	As at 31st March, 2023
Axis Bank Cash Credit	1,079.89
Current maturities of Long - Term Debt	344.60
Unsecured :	
From Director & Related Party	2.50
Total	1,426.99

Refer Schedule - 8.1 - For Detailed Term & Condition related to Borrowing

Particulars	As at 31st March, 2023
Total outstanding dues of micro enterprise and small enterprise :	
Less than 6 Months	513.89
6 Months- 1 year	13.28
1-2 Years	0.19
2-3 Years	-
More than 3 years	-
Total outstanding dues other than micro enterprise and small enterprise	
Less than 6 Months	1,889.98
6 Months- 1 year	121.03
1-2 Years	-
2-3 Years	-
More than 3 years	0.99
Total	2,539.36

Note : The Company has initiated the process of identification of Vendors which falls under category of MSME, the disclosure relating to amount due to MSME are made to the extent information received.

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

Schedule : 10 Other Current Liabilities

Particulars	As at 31st March, 2023
Statutory Dues	49.70
Advances from Customer	357.61
Other Current Liability	1.46
Total	408.77

Schedule : 11 Short Term Provisions

Particulars	As at 31st March, 2023
Provision for Expenses	46.10
Provision For Gratuity (Short Term)	0.47
Provision For Tax F Y 2022-23	159.47
Total	206.04

Schedule : 13 Long Term Loans and Advances

Particulars	As at 31st March, 2023
Security Deposit	
Other Deposit	52.49
Other Loans & Advances	
Loans To Others	1.66
Total	54.15

Particulars	As at 31st March, 2023
Raw Material & Packing Material	778.99
Finished Goods	455.74
Work In Progress	129.51
Total	1,364.24

Note : Raw Material, Work in Progress and Stores and Spares are valued at landed Cost. Finished goods are valued at cost or net realisable value which ever is less.

Schedule : 15 Trade Receivables

Particulars	As at 31st March, 2023
From Directors/ Promoters / Promotor Group / Associates / Relative of Directors / Group Companies	
Others	
<u>Unsecured, Considered Good :</u>	
Less than 6 Months	1,394.47
6 Months to 1 Year	32.06
1 Year to 2 Years	26.28
2 Years to 3 Years	20.61
More Than 3 Years	0.64
Advance paid to supplier	19.94
Total	1,494.00

Schedule : 16 Cash & Cash Equivalent

Particulars	As at 31st March, 2023
Cash-in-Hand	
Cash Balance	18.19
Sub Total (A)	18.19
Bank Balance	
Axis Bank Ltd	2.92
AXIS BANK PUBLIC ISSUE	947.05
Sub Total (B)	949.97
Total [A + B]	968.16

Note:- Cash in hand is certified and verified by the management of the company as on last date of Respective Financial Year

Particulars	As at 31st March, 2023
Advance to Others	1.00
Total	1.00

Schedule :18 Other Current Assets

Particulars	As at 31st March, 2023
Balance with government Authorities	686.23
FD with SIDBI	41.19
Subsidy Receivable	32.19
Pre IPO Exps	35.38
Other Deposit	17.19
Prepaid Expenses	5.54
Advances to supplier	68.75
Total	801.71

SOTAC PHARMACEUTICALS LIMITED
(Formerly known as Sotac Pharmaceuticals Private Limited)
Notes to the Consolidated Financial Statements for the period ended on 31st March, 2023
Note - 12: Property, Plant & Equipments, Right Of Use, Intangibles & Capital Work-In-Progress
(Amount in Lakhs)
A. PROPERTY, PLANT & EQUIPMENTS

Particulars	Land & Development	Buildng	Xerox M/c-Scarp	Plant & Machinery	Staff Bus	Electric & Fitting	Refrigerator	Eco/Maruti Car	Director Car	Furniture & Fixtures	Computers & Printer	Total
Gross Block												
As at 31 March 2022	250.43	517.43	0.18	1,465.51	8.14	46.52	0.85	1.39	71.89	87.37	13.45	2,463.16
Additions	141.72	327.09	0.07	207.83	0.07	51.77	0.24	2.05	26.81	17.87	2.68	778.22
Disposals/ Adjustments	-	0.48	-	18.37	-	-	-	0.20	-	-	-	19.05
Adjustment	-	17.06	-	95.97	-	3.03	-	-	-	5.91	1.08	123.05
As at 31 March 2023	392.16	826.99	0.25	1,559.00	8.21	95.26	1.09	3.24	98.70	99.33	15.05	3,099.28
Accumulated Depreciation												
As at 31 March 2022	-	50.36	0.06	352.71	4.29	11.37	0.22	0.73	37.88	21.25	7.59	486.47
Depreciation charge for the year	-	51.43	0.10	139.12	1.21	4.95	0.12	0.78	18.09	9.66	2.11	227.57
Reversal on Disposal/ Adjustments	-	-	-	5.29	-	-	-	-	-	-	-	5.29
Adjustment	-	0.12	-	3.64	-	0.45	-	-	-	5.13	1.02	10.36
As at 31 March 2023	-	101.68	0.16	482.90	5.50	15.87	0.34	1.51	55.97	25.78	8.68	698.39
Net Block												
Balance as on 31 March 2022	250.43	467.07	0.12	1,112.79	3.85	35.15	0.63	0.66	34.01	66.12	5.85	1,976.69
Balance as on 31 March 2023	392.16	725.31	0.09	1,076.09	2.72	79.39	0.75	1.73	42.73	73.55	6.37	2,400.89

B. CWIP

Particulars	Building	Total
Gross Block		
As at 31 March 2022	-	-
Additions	4.06	4.06
Disposals/ Adjustments	-	-
As at 31 March 2023	4.06	4.06
Accumulated Depreciation		
As at 31 March 2022	-	-
Depreciation charge for the year	-	-
Reversal on Disposal/ Adjustments	-	-
As at 31 March 2023	-	-
Net Block		
Balance as on 31 March 2022	-	-
Balance as on 31 March 2023	4.06	4.06

C. INTANGIBLE ASSETS

Particulars	Computer Software	Total
Gross Block		
As at 31 March 2022	0.67	0.67
Additions	0.03	0.03
Disposals/ Adjustments	-	-
As at 31 March 2023	0.70	0.70
Accumulated Depreciation		
As at 31 March 2022	0.16	0.16
Depreciation charge for the year	0.21	0.21
Reversal on Disposal of Assets	-	-
As at 31 March 2023	0.37	0.37
Net Block		
Balance as on 31 March 2022	0.51	0.51
Balance as on 31 March 2023	0.34	0.34

Particulars	For the year ended 31st March,2023
Revenue from operations	
Domestic Sales	
Manufacturing Sales	7,690.86
Export Sales	
Manufacturing Sales	57.47
Total	7,748.32

Schedule : 20 Other Income

Particulars	For the year ended 31st March,2023
Freight income	1.64
Subsidy Income	4.21
Interest on Deposits	4.60
Providend Fund Subsidy	0.19
Interest on I T Refund	0.04
Other income	8.05
Scrap Income	16.23
Total	34.96

Schedule : 21 Cost of Material Consumed

Particulars	For the year ended 31st March,2023
PURCHASES OF RAW MATERIALS AND STORES	
Opening Stock	773.43
Add: Domestic Purchases	6,120.80
Less: Closing Stock	778.99
Total	6,115.23

Schedule : 22 Purchase of Stock in Trade

Particulars	For the year ended 31st March,2023
Stock In Trade	
Purchase of Stock-In- Trade	52.64
Total	52.64

Stock In Trade / Finished Goods

Opening Stock	9.77
Less: Closing Stock	455.74
	<u>(445.97)</u>

WIP

Opening Stock	134.52
Less: Closing Stock	129.51
	<u>5.01</u>

Total**(440.96)**

Schedule : 24 Employment Benefit Expenses

Particulars	For the year ended 31st March,2023
Salaries, Bonus, PF & ESIC	249.41
Staff Welfare Expense	4.92
Director Remuneration	165.00
Gratuity	3.37
Total	<u>422.70</u>

Schedule : 25 Financial Cost

Particulars	For the year ended 31st March,2023
Interest to Bank:	
Interest on Short Term Loan	153.91
Interest on Long Term Loan	32.50
Others :	
Loan Processing Charges	10.98
Bank Charges	0.16
Total	<u>197.55</u>

AMC for ETP operation and Maintenance	3.28
Bank Charges	2.85
Laboratory Maintenance charges	7.79
Labour and Wages cost	262.96
Cylinder Charge	8.30
Loading and Unloading charges	1.55
Stereo Rubber expense	1.19
Electricity Expense	90.46
Frieght Expense	5.02
GIDC Water Expense	4.36
Production Expense	1.10
Audit Fees	7.28
Accounting & GST Fees	0.93
Amozon Purchase Expense	0.11
Petrol & Conveyance Expense	4.79
Insurance Expense	11.38
FDA Test Expense & Government Fees	2.70
Office Expense	5.21
ROC Expense	5.79
Consumable & Stores	81.28
Legal & Professional Expense	24.28
Internet Expense	0.82
Repairs & Maintaing to Building	0.60
Repair and Maintanance Expense	36.37
Postage and Courier Expense	0.50
Electric Bills Exp	37.22
Stationery and Printing Expense	11.36
Tea and Refreshment	2.42
Telephone and Mobile Expense	0.95
Office Rent	3.60
Laboratory and testing Expense	8.15
Misc Expense	34.72
Calibration Services	1.61
Consultancy and Service Expense	1.37
Factory and Maintanace Expense	10.23
Software Expense	0.50

31st March,2023

Product Permission Expense	1.94
Interest on TDS	0.93
Computer & Maintaaince Expense	0.60
Medical Expense	1.35
Commission Expense	31.74
Advertising Expenses	2.96
Sitting charges	1.80
Discount Expense	1.24
House keeping Expense	4.98
License and Certificate Fees	0.46
Apron & Uniform Expense	2.16
Lab Chemical Purchase	8.33
Production Expense	0.35
Travelling Expense	11.22
Outward Freight Charges	3.63
Domain & Hosting Expense	0.77
Interest on late payment of PF & ESIC	2.82
Export Import expense	1.01
Administrative Expenses	0.08
Transport Expense	7.77
Tall Expense	0.61
Security Expense	12.61
Membership Fees	0.41
Professional Fees	37.27
Other Charges	0.66
AMC charges and contract	1.42
Donation Expense	1.01
Pf Penalty	0.31
GST Expenses	50.24

Total**873.69**

Schedule 5.1: Consolidated Statement of Details regarding Long Term Loan From Bank (Secured & Unsecured)

Long Term Borrowings (secured & Unsecured)

SNo.	Lender	Nature of Facility	Loan (In Lakhs)	Outstanding as on 31st March, 2023	Rate of Interest/Margin	Repayment Term	Security/ Principal terms and conditions	Collateral Security/ other Condition
1	Axis Bank	Term Loan-1	288.00	272.10	Repo Rate+3.0%	In equal 60 monthly instalments of Rs. 535000/- each after the date of first disbursement.	(A)Immovable Property situated at Plot No. 21, SRV no 37/p, 39/p Sanand GIDC-II, Sanand, ahmedabad, Gujarat-382110 7.Sarojben Dineshkumar Gelot	
2	Axis Bank	WCTL under ECGLS I(Existing)	21.00	23.60	Repo Rate+3.0%	Balance tenor 26 Months	Movable Property Details: Hypothecation of entire current assets including stock & book debts (both present & future) and movable fixed assets including Plant& Machinery financed out of Term Loan of the Company both present & future *Ranking:Exclusive (B)Personal Guarantee of 1.Dineshkumar Babulal Gelot 2.Vishalkumar Patel 3.Sharadkumar Patel 4.Chetankumar Patel 5.Pinki Sharadkumar Patel 6.Kiran Baldevbhai Jatania *Ranking: Second Charge for WCTL for ECGLS	8. Vasantkumar Patel 9.Dhara Chetankumar Patel (C)Corporate Guarantee of Sotac Pharmaceuticals Pvt Ltd *Ranking: First & Exclusive Charge by way of EM over CC & TL *Ranking: Second Charge for WCTL for
3	Axis Bank	WCTL under ECGLS II (New)	24.00	17.18	Repo Rate+3.0%	60 months (including 24 months moratorium)		
4	Hdfc Bank	Auto Loan	12.06	3.12	9.00%	48 Months (From 07.12.2019)	Primary Security Vehicle	-
5	Hdfc Bank	Auto Loan	12.06	2.84	9.00%	48 Months (From 05.11.2019)	Primary Security Vehicle	
6	Mahindra Finance	Auto Loan	12.05	2.06	9.25%	48 Monthly Installment of Rs. 30140 From the date of First Disbursement	Primary Security Vehicle	
7	Mahindra Finance	Auto Loan	12.05	2.06	9.25%	48 Monthly Installment of Rs. 30140 From the date of First Disbursement	Primary Security Vehicle	
8	ICICI Bank	EV Auto Loan	13.00	10.94	8.30%	48 Monthly Installment Of Rs.31,943.00 From the date of First Disbursement	Primary Security Vehicle	
9	BMW India Financial Services Private Limited	Auto Loan	29.00	18.71	9.35%	48 Monthly Installment of R.s 43555 From the date of First Disbursement	Primary Security Vehicle	
10	ICICI Bank	Bus Loan	14.45	-	9.10%	54 Monthly Installment Of Rs. 36030 From the date of First Disbursement	Staff Bus	

11	SIDBI	Term Loan	50.00	25.95	5.00%	15 monthly instalments comprising first 14 monthly instalment of Rs. 3,33,000/- each followed by 15th monthly instalment of Rs. 3,38,000/- after a moratorium of 3 months from the date of first disbursement of the loan.	1. All Current Asset of Company including but not Limiting to all Stock of raw materials, WIP, Semi Finished goods, Finished goods, Packing Materials, Stores Etc. 2. FDRs Issued by SIDBI for Rs.12.50 Lakhs.	If at any time during the currency of the loan, SIDBI is of the opinion that the security provided by the Borrower has become inadequate to cover the balance of the loan then outstanding, then, on SIDBI advising the Borrower to that effect, the Borrower shall provide and furnish to SIDBI to their satisfaction such additional security as may be acceptable to SIDBI to cover such deficiency.
12	SIDBI	Working Capital Term Loan	100.00	77.80	5.50%	15 monthly instalments comprising first 14 monthly instalment of Rs. 6,66,000/- each followed by 15th monthly instalment of Rs. 6,76,000/- after a moratorium of 3 months from the date of first disbursement of the loan.	1. Hypothecation of all Current Asset of Company including but not Limiting to all Stock of raw materials, WIP, Semi Finished goods, Finished goods, Packing Materials, Stores Etc. 2. FDRs Issued by SIDBI for Rs.25.00 Lakhs.	If at any time during the currency of the loan, SIDBI is of the opinion that the security provided by the Borrower has become inadequate to cover the balance of the loan then outstanding, then, on SIDBI advising the Borrower to that effect, the Borrower shall provide and furnish to SIDBI to their satisfaction such additional security as may be acceptable to SIDBI to cover such deficiency.
13	Axis Bank	Term loan	335.00	215.00	Repo Rate + 3.50%	47 months	Movable Property Details: Hypothecation of entire current assets including stock & book debts (both present & future) and movable fixed assets including Plant & Machinery financed out of Term Loan of the Company both present & future	(A) Immovable Property situated at Plot No. 20, Sanand GIDC-II, Sanand, ahmedabad, Gujarat-382110 (B) Personal Guarantee of 1. Dineshkumar Babulal Gelot 2. Kamleshbhai Patel 3. Sharadkumar Patel 4. Mukeshbhai Patel (C) Corporate Guarantee of Sotac Pharmaceuticals Pvt Ltd Ranking: Exclusive Charge by way of EM
14	Axis Bank	ECLGS	62.00	32.13	Repo Rate + 3.75%	36 months		
15	ICICI Bank	Auto Loan	13.00	10.40	8.30%	48 Months	Primary Security Vehicle	-
16	Unsecured Loan from Directors and Others	Loan	-	12.73	15.00%	Repayable on Demand	Unsecured loan	-

Schedule 8.1: Consolidated Statement of Details regarding Short Term Loan From Bank (Secured)

Short Term Borrowings (secured & Unsecured)

SNo.	Lender	Nature of Facility	Loan (In Lakhs)	Outstanding as on 31st March, 2023	Rate of Interest/Margin	Repayment Term	Security/ Principal terms and conditions	Collateral Security/ other Condition
1	Axis Bank	Cash Credit	600.00	214.57	Repo Rate+3.0%	12 months	Movable Property Details: Hypothecation of entire current assets including stock & book debts (both present & future) and movable fixed assets including Plant& Machinery financed out of Term Loan of the Company both present & future *Ranking: Exclusive *Ranking: Second Charge for WCTL for ECGLS	(A) Immmovable Property situated at Plot No. 21, SRV no 37/p, 39/p Sanand GIDC-II, Sanand, ahmedabad, Gujarat-382110 (B) Personal Guarantee of 1.Dineshkumar Babulal Gelot 2.Vishalkumar Patel 3.Sharadkumar Patel Chetankumar Patel 4. 5.Pinki Sharadkumar Patel 6.Kiran Baldevbhai Jatania 7.Sarojben Dineshkumar Gelot 8.Vasantkumar Patel 9.Dhara Chetankumar Patel (C)Corporate Guarantee of Sotac Pharmaceuticals Pvt Ltd
2	Axis Bank	Term Loan	200.00	198.22	Repo Rate+2.75%	60 monthly instalments comprising first 59 monthly instalment of Rs. 3,33,300/- each followed by 60 th monthly instalment of Rs. 3,35,300/-	i) First and Exclusive Charge by Way of Hypothecation Over Entire Movable Fixed Asset of Company Present and Future Except the one Charged to SIDBI against the TL availed of Rs.1.50. Cr ii) First Charge by Way of Mortgage of Property Situated at Industrial Plot-Final Plot No. 22/A at Sanand-II Industrial estate Consisting. Revenue Survey no. 37/P, 38/P, 39/P, 40/P with the Village limits of Chhatral Taluka Sanand Dist. Ahmedabad. Having Area 2791.50 Sq.mt. Owned by Sotac Pharmaceutical Pvt. Ltd.	(C)Corporate Guarantee of Sotac Pharmaceuticals Pvt Ltd *Ranking: First & Exclusive Charge by way of EM over CC & TL *Ranking: Second Charge for WCTL for ECGLS
3	Axis Bank	Cash Credit	200.00	196.67	Repo Rate+2.75%	60 monthly instalments comprising first 59 monthly instalment of Rs. 3,33,300/- each followed by 60 th monthly instalment of Rs. 3,35,300/-	i) Duly Signed Standing Instruction Form With One Undated Cheque With Amount Kept Blank To be Obtained, However "Not Exceeding Amount< Sanction Loan Amount> to be Written on Cheque. ii) Extention Of First Charge by Way of Hypothecation Over Entire Current Asset of the Company(Both Existing & Future). Including Receivable and Inventory.	(A)Immovable Property situated at Plot No. 20, Sanand GIDC-II, Sanand, ahmedabad, Gujarat-382110 (B)Personal Guarantee of 1)Dineshkumar Babulal Gelot 2)Kamleshbhai Patel 3)Sharadkumar Patel 4) Mukeshbhai Patel (C)Corporate Guarantee of Sotac Pharmaceuticals Pvt Ltd Ranking: Exclusive Charge by way of EM
4	Axis Bank	Cash Credit	350.00	865.32	Repo Rate + 3.50%	12 months	Movable Property Details: Hypothecation of entire current assets including stock & book debts (both present & future) and movable fixed assets including Plant& Machinery financed out of Term Loan of the Company both present & future	(A)Immovable Property situated at Plot No. 20, Sanand GIDC-II, Sanand, ahmedabad, Gujarat-382110 (B)Personal Guarantee of 1)Dineshkumar Babulal Gelot 2)Kamleshbhai Patel 3)Sharadkumar Patel 4) Mukeshbhai Patel (C)Corporate Guarantee of Sotac Pharmaceuticals Pvt Ltd Ranking: Exclusive Charge by way of EM
5	Unsecured Loan from Directors and Others	-	-	2.50	-	Repayable on Demand	-	-

SOTAC PHARMACEUTICALS LIMITED
(Formerly known as Sotac Pharmaceuticals Private Limited)

Notes to the Consolidated Financial Statements for the Period ended 31st March, 2023

(Amount in Lakhs)

Note - 27 - Accounting Ratios:

Ratio	As at 31st March ,2023
A Current ratio (In times)	
Current Assets	4,713.86
Current Liabilities	<u>4,581.16</u>
Current ratio (In times)	<u>1.03</u>
B Debt-Equity Ratio (in times)	
Total Debts	2,203.88
Share Holder's Equity + RS	<u>998.88</u>
Debt-Equity Ratio	<u>2.21</u>
C Debt Service Coverage Ratio(in times)	
Earning available for debt service	759.98
Interest + installment	<u>2,203.88</u>
Debt Service Coverage Ratio,	<u>0.34</u>
D Return on Equity Ratio (in %)	
Net After Tax	228.61
Average Share Holder's Equity	<u>998.88</u>
Return on Equity Ratio,	<u>22.89%</u>
E Inventory Turnover Ratio (In times)	
Cost of Goods Sold	5,726.91
Average Inventory	<u>1,364.24</u>
Inventory Turnover Ratio	<u>4.20</u>
F Trade Receivables turnover ratio (In times)	
Net Credit Sales	7,748.32
Average Receivable	<u>1,493.99</u>
Trade Receivables turnover ratio,	<u>5.19</u>
G Trade payables turnover ratio (In times)	
Credit Purchase	6,115.23
Average Payable	<u>2,539.36</u>
Trade payables turnover ratio (In times)	<u>2.41</u>
H Net capital turnover ratio (In times)	
Revenue from Operations	7,748.32
Net Working Capital	<u>132.70</u>
Net capital turnover ratio	<u>58.39</u>
I Net profit ratio (in %)	
Net Profit	228.61
Revenue form Operation	<u>7,748.32</u>
Net profit ratio	<u>2.95%</u>
J Return on Capital employed (in %)	
Earning Before Interest and Taxes	532.20
Capital Employed	<u>1,813.07</u>
Return on Capital employed	<u>29.35%</u>
K. Return on investment (in %)	
Income Generated from Investment Funds	4.60
Invested funds	<u>41.19</u>
Return on investment	<u>11.17%</u>

Name of Party	Nature of Relation	Nature of Transaction	Amount outstanding as on 31.03.2023 Payable/(Receivable)	Amount of Transaction debited in 1-4-22 to 31-3-23	Amount of Transaction credited in 1-4-22 to 31-3-23	Amount outstanding as on 31.03.2022 Payable/(Receivable)
Sharadkumar Dasrathbhai Patel	Director	Unsecured Loan	0.50	35.00	35.00	0.50
		Remuneration	-	37.80	37.80	-
		Expense	-	16.19	16.19	-
Pinki Sharadkumar Patel	Director's Relative	Creditors	1.01	1.65	2.65	-
		Salary	-	2.00	2.00	-
Chetankumar Bachubhai Patel	Director	Unsecured Loan	-	14.80	14.80	-
		Remuneration	-	23.00	23.00	-
		Loans & Advances	0.50	2.50	2.81	0.81
		Expense	-	11.47	11.47	-
Dhara Chetankumar Patel	Director's Relative	Creditors	-	0.13	0.13	-
		Salary	-	2.00	2.00	-
Dineshkumar Babulal Gelot	Director	Unsecured Loan	0.50	60.00	60.00	0.50
		Remuneration	-	37.80	37.80	-
		Expense	0.20	13.85	14.05	-
Sarojben Dineshkumar Gelot	Director's Relative	Creditors	-	0.13	0.13	-
		Salary	-	2.00	2.00	-
Vishalkumar Devrajbhai Patel	Director	Unsecured Loan	5.23	75.24	79.97	0.50
		Expense	(1.42)	31.19	29.45	0.31
		Remuneration	-	37.80	37.80	-
Kiran Baldevbhai Jotania	Relative	Creditor	-	13.02	13.02	-
		salary	-	2.00	2.00	-
Baldevbhai T Jotania	Director	Unsecured Loan	-	-	-	-
		Remuneration	-	-	-	-
Mitul Shaileshkumar Patel	Relative	Creditors	-	2.75	2.75	-
Shaileshkumar V patel	Relative	Creditors	-	6.12	6.12	-
Vasantkumar D Patel	Relative	Salary	-	2.13	2.13	-
Dashrathbhai Ramabhai Patel	Director's Relative	Unsecured Loan	-	47.15	6.15	41.00
Narmadaben Dashrathbhai Patel	Director's Relative	Unsecured Loan	-	79.10	20.10	59.00
Bhavnaben Manishbhai Patel	Director's Relative	Unsecured Loan	-	23.00	3.00	20.00
Tejaben Babulal Mali	Director's Relative	Unsecured Loan	-	5.72	0.72	5.00
Kalpeshkumar Babulal Gelot	Director's Relative	Unsecured Loan	-	5.75	0.75	5.00
Varshaben Kapilkumar Solanki	Director's Relative	Unsecured Loan	-	11.50	1.50	10.00
Ranjanben Shashikant Patel	Director's Relative	Unsecured Loan	-	22.54	22.54	-
Sarojaben Patel	Director's Relative	Unsecured Loan	-	23.00	3.00	20.00
Patel Trading Company	Business	Unsecured Loan	-	22.47	22.47	-
Saral Pharma	Business	Unsecured Loan	-	10.35	1.35	9.00
Ahura Salt Works	Business	Unsecured Loan	-	11.20	11.20	-
Suchiben Kalpeshkumar	Director's Relative	Unsecured Loan	-	5.72	0.72	5.00
CHANDABEN G SHAH	Director's Relative	Unsecured Loan	-	28.75	28.75	-

Name of Party	Nature of Relation	Nature of Transaction	Amount outstanding as on 31.03.2023 Payable/(Receivable)	Amount of Transaction debited in 1-4-22 to 31-3-23	Amount of Transaction credited in 1-4-22 to 31-3-23	Amount outstanding as on 31.03.2022 Payable/(Receivable)
MONA NIRBHAY DESAI	Director's Relative	Unsecured Loan	-	31.18	31.18	-
Babubhai Mali	Director's Relative	Unsecured Loan	-	11.50	1.50	10.00
Kapilkumar Chunilal	Director's Relative	Unsecured Loan	-	11.50	1.50	10.00
Chetankumar Prahaladbhai Patel	Director's Relative	Unsecured Loan	-	-	-	-
Manishkumar Madhubhai Patel	Director's Relative	Unsecured Loan	-	6.90	0.90	6.00
Mukesh G Patel	Share Holder	Share Capital	-	-	-	-
		Unsecured Loan	-	19.95	1.95	18.00
Hardik Chunilal Khanpara	Share Holder	Share Capital	8.00	-	-	8.00
		Unsecured Loan	-	-	-	-
Pragnaben N Patel	Director's Relative	Unsecured Loan	-	-	10.00	(10.00)
Akshesh patel	Share Holder	Share Capital	-	3.00	-	3.00
Meenaben Bharatbhai Patel	Director's Relative	Unsecured Loan	-	-	1.00	(1.00)
Hetal Amitkumar Patel	Share Holder	Unsecured Loan	1.00	1.00	1.00	1.00
Bharatbhai V Patel	Director's Relative	Unsecured Loan	-	-	1.00	(1.00)
Kamleshbhai Joitaram Patel	Director	Reimbursement of Expense	(0.11)	1.24	1.14	-
		Directors Remuneration	-	14.80	14.80	-
		Unsecured Loan	-	-	10.00	(10.00)

Note - 29 - Additional regulatory information

A) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

B) The Company does not have any investment property.

C) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible assets.

D) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are outstanding as on 31st March, 2023:

(i) repayable on demand; or

(ii) without specifying any terms or period of repayment

E) No proceedings have been initiated or pending against the company for holding any benami property

under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder

F) The company is not declared willful defaulter by any bank or financial institution or other lender.

G) The company has not undertaken any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

H) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

I) The company has not advanced or loan or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

J) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

K) No transactions has been surrendered or disclosed as income during the year in the tax assessment

under the Income Tax Act, 1961. There are no such previously unrecorded income or related assets.

L) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

M) The Provision of Section 135 of the Companies Act 2013 in relation to Corporate Social Responsibility are applicable to the Company for the Financial year 2023-24 and Details of the required CSR Spending are as follows:

(Amount in Lakhs)

SR No	Financial Year Ended	Gross Amount required to be Spent
1	2021-22	6.16
2	2022-23	9.31

(Amount in Lakhs)

SR No	Financial Year Ended	Amount Spent for the Year ended
1	2021-22	6.50
2	2022-23	NA

(Amount in Lakhs)

SR No	Financial Year Ended	Amount Outstanding to be Spent
1	2021-22	-
2	2022-23	9.31

Note - 30 - Contingent liabilities

As per details available on the website of Income Tax Department, M/s. Sotac Pharmaceuticals Limited (hereinafter referred to as the "assessee") have been issued with a notice u/s. 143(1)(a) of Income Tax Act, 1961, proposing adjustments u/s. 143(1)(1)(a) of the Act for A.Y. 2022-23, and the same is pending for assessee's response, amount related to the same is not quantifiable

On the basis of available information received from the Management of the company it is pertinent to note that company has created professional tax liability in books of account on which GIDC association has gone for litigation with respect to not to pay professional tax liability against which in future it may be possible to pay interest and penalty in the professional tax liability if GIDC association fails to win the litigation. and as on date amount related to interest and penalty is not quantifiable.



NOTICE OF 8th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighth (8th) Annual General Meeting (AGM) of the Members of Sotac Pharmaceuticals Limited (“the Company”) will be held on Monday, September 11, 2023 at 04:00 P.M. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses:

ORDINARY BUSINESSES:

1. Adoption of Financial Statements:

To consider and adopt;

- (a) The Audited Standalone Financial Statement of the Company for the Financial Year ended on March 31, 2023 and the report of the Board of Directors and Auditors thereon; and
- (b) The Audited Consolidated Financial Statement of the Company for the Financial Year ended on March 31, 2023 and the report of Auditors thereon.

In this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolutions;

- (a) “**RESOLVED THAT** the Audited Standalone financial statement of the Company for the financial year ended on March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”
- (b) “**RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended on March 31, 2023 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

2. To appoint a Director in place of Mr. Vishalkumar Patel (DIN: 07252191), who retires by rotation and being eligible, offers himself for re-appointment:

Explanation: Based on the terms of appointment, executive directors and the non-executive directors are subject to retirement by rotation. Mr. Vishalkumar Patel (DIN: 07252191), being the longest-serving member and who is liable to retire, being eligible, seeks reappointment. The Board recommends his reappointment. Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as an ordinary resolution:

“**RESOLVED THAT**, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the shareholders of the Company be, and is hereby accorded to the reappointment of Mr. Vishalkumar Patel (DIN: 07252191), as a director, who is liable to retire by rotation.”

3. To Appoint Statutory Auditor of the company and to fix their remuneration for a term of four years:

To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

“**RESOLVED THAT**, pursuant to Section 139 and 142 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation made by the Audit Committee and Board of Directors, M/s. Keyur Shah & Co., Chartered Accountants (FRN: 141173W), Ahmedabad, be and are hereby appointed as the Statutory Auditors of the Company,

who shall hold office from the conclusion of this 8th Annual General Meeting till the conclusion of the 12th Annual General Meeting to be held in the calendar year 2027 and the Board be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company.”

4. To ratify the remuneration payable to M/s. Suthar Haresh & Associates, Cost Accountants (Firm Registration Number: 002124) Cost Auditor of the Company for the Financial Year ended on March 31, 2024.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and any other applicable provision(s), if any, of the Companies Act, 2013, read with the Rule 14 of Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the members be and is hereby accorded to ratify the remuneration of Rs. 59,000/- (Rupees Fifty Nine Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses payable to M/s. Suthar Haresh & Associates, Cost Accountants (Firm Registration No.: 002124), Ahmedabad, appointed by the Board of Directors of the Company in their meeting held on August 11, 2023 as Cost Auditor of the Company, based on the recommendations of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year ended on March 31, 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company including its committee of Directors thereof, be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. Approval of the Related Party Transactions with Sotac Healthcare Private Limited (“Subsidiary company”):

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act 2013 (“Act”) and other applicable provisions if any read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 as amended till date and other applicable provisions of the act, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into the contract(s)/arrangement(s)/transaction(s) with Subsidiary Company, Associate company and group companies, a related party within the meaning of Section 2(76) of the Companies Act 2013 for Purchase of Raw Materials, Purchase of Products, Purchase of Packing material, Purchase of Finished goods, Sale of Raw Material and Sale of Products and for any other purchase/sale transactions as the companies mutually decides, on such terms and conditions as the Board of Directors may deem fit up to a maximum aggregate value of Rs. 20 Crore with Sotac Healthcare Private Limited (“Subsidiary company”) for the Financial Year 2023-24 provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.”

Details of Related Party Transactions/ Arrangements/ Contracts per Financial Year:

Sr. No.	Name of Related Party	Nature of Relationship	Type of Transaction(s)	Maximum Value of Transaction for Financial Year 2023-24
1	Sotac Healthcare Private Limited	Subsidiary Company	Purchase of Raw Materials, Purchase of Products, Purchase of Packing material, Purchase of Finished goods Sale of Raw Material and Sale of Products and	Rs. 10 Crore for Purchase and Rs. 10 Crore for Sales

			for any other purchase/sale transactions as the companies mutually decides.	
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“RESOLVED FURTHER THAT the Board of Directors (including a Committee thereof) be and is hereby authorized to negotiate and finalize other terms and conditions and to do all such acts deeds matters and things and to execute or authorize any person to execute all such documents instruments and writings as may be considered necessary relevant usual customary and/or expedient to give effect to this resolution.”

6. Approval of the Related Party Transactions with Sotac Lifesciences Private Limited (“Subsidiary company”):

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act 2013 (“Act”) and other applicable provisions if any read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 as amended till date and other applicable provisions of the act, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into the contract(s)/arrangement(s)/transaction(s) with Subsidiary Company, Associate company and group companies, a related party within the meaning of Section 2(76) of the Companies Act 2013 for Purchase of Raw Materials, Purchase of Products, Purchase of Packing material, Purchase of Finished goods, Sale of Raw Material and Sale of Products and for any other purchase/sale transactions as the companies mutually decides, on such terms and conditions as the Board of Directors may deem fit up to a maximum aggregate value of Rs. 20 Crore with Sotac Lifesciences Private Limited (“Subsidiary company”) for the Financial Year 2023-24 provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.”

Details of Related Party Transactions/ Arrangements/ Contracts per Financial Year:

Sr. No.	Name of Related Party	Nature of Relationship	Type of Transaction(s)	Maximum Value of Transaction for Financial Year 2023-24
1	Sotac Lifesciences Private Limited	Subsidiary Company	Purchase of Raw Materials, Purchase of Products, Purchase of Packing material, Purchase of Finished goods, Sale of Raw Material and Sale of Products and for any other purchase/sale transactions as the companies mutually decides.	Rs. 10 Crore for Purchase and Rs. 10 Crore for Sales

“RESOLVED FURTHER THAT the Board of Directors (including a Committee thereof) be and is hereby authorized to negotiate and finalize other terms and conditions and to do all such acts deeds matters and things and to execute or authorize any person to execute all such documents instruments and writings as may be considered necessary relevant usual customary and/or expedient to give effect to this resolution.”

7. Approval of the Related Party Transactions with Sotac Research Private Limited (“Wholly owned Subsidiary Company”):

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act 2013 (“Act”) and other applicable provisions if any read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 as amended till date and other applicable provisions of the act, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into the contract(s)/arrangement(s)/transaction(s) with Subsidiary Company, Associate company and group companies, a related party within the meaning of Section 2(76) of the Companies Act 2013 for Purchase of Raw Materials, Purchase of Products, Purchase of Packing material, Purchase of Finished goods, Sale of Raw Material and Sale of Products and for any other purchase/sale transactions as the companies mutually decides, on such terms and conditions as the Board of Directors may deem fit up to a maximum aggregate value of Rs. 20 Crore with Sotac Research Private Limited (“Wholly owned Subsidiary Company”) for the Financial Year 2023-24 provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.”

Details of Related Party Transactions/ Arrangements/ Contracts per Financial Year:

Sr. No.	Name of Related Party	Nature of Relationship	Type of Transaction(s)	Maximum Value of Transaction for Financial Year 2023-24
1	Sotac Research Private Limited	Wholly owned Subsidiary Company	Purchase of Raw Materials, Purchase of Products, Purchase of Packing material, Purchase of Finished goods, Sale of Raw Material and Sale of Products and for any other purchase/sale transactions as the companies mutually decides.	Rs. 10 Crore for Purchase and Rs. 10 Crore for Sales

“RESOLVED FURTHER THAT the Board of Directors (including a Committee thereof) be and is hereby authorized to negotiate and finalize other terms and conditions and to do all such acts deeds matters and things and to execute or authorize any person to execute all such documents instruments and writings as may be considered necessary relevant usual customary and/or expedient to give effect to this resolution.”

Registered office:

Plot No. PF-21, Nr. Acme Pharma,
Opp. Teva Pharma Sanand GIDC-II,
Sanand, Ahmedabad-382110

For and on behalf of Board of Directors
Sotac Pharmaceuticals Limited
CIN: L24230GJ2015PLC085451

Place: Ahmedabad
Date: August 11, 2023

Sharadkumar Dashrathbhai Patel
Chairman & Managing Director
DIN: 07252252

Dineshkumar Babulal Gelot
Whole time Director
DIN: 07252132

IMPORTANT NOTES

1. Pursuant to the General Circular No. 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC on Monday, September 11, 2023 at 04: 00 P.M. IST. The deemed venue of the proceedings of the 8th AGM shall be the Registered Office of the Company at Plot No. PF-21, Nr. Acme Pharma, Opp. Teva Pharma Sanand GIDC-II, Sanand Ahmedabad-382110.
2. Information regarding appointment/re-appointment of Directors and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto.
3. The facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto;
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the MCA Circulars & SEBI Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
8. Notice calling the AGM has been sent by electronic means to those members who had registered their email addresses with the Company / Depositories. The Notice has also been uploaded on the website of the Company at www.sotacpharma.com & the website of the Stock Exchange i.e. NSE Limited at www.nseindia.com and is also made available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
9. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants.

10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,
11. Members seeking clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the meeting. This would enable the Company to compile the information and provide the replies at the Meeting.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) KYC details and nomination by holders of physical securities by October 1, 2023, and linking PAN with Aadhaar by June 30, 2023 vide its circular dated March 16, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA, Kfin Technologies Limited, at inward.ris@kfintech.com.

Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP. In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2023 or link their PAN with Aadhaar before June 30, 2023, in accordance with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

As per Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.

13. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 11, 2023. Members seeking to inspect such documents can send an email to compliance@sotacpharma.com.
15. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the NSDL. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialised mode is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed M/s. SCS and Co. LLP, Practicing Company Secretaries (M. No. 41942 and COP No. 23630), as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
16. The e-voting period commences on Friday, September 08, 2023 at 09:00 A.M. (IST) and ends on Sunday, September 10, 2023 at 05:00 P.M. (IST). During this period, members holding shares in dematerialised form, as on cut-off date, i.e. as on Monday, September 04, 2023 may cast their votes electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolutions on which vote have already been cast.

17. The facility for voting during the AGM will also be made available. Members present in the AGM through VC/OAVM and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
18. The Scrutinizer will submit their report to the Chairman of the Company ('the Chairman') or to any other person authorised by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting). The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL and will also be displayed on the Company's website, www.sotacpharma.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Friday, September 08, 2023 at 09:00 A.M. (IST) and ends on Sunday, September 10, 2023 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. on Monday, September 04, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, September 04, 2023.

PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS AND PARTICIPATING AT THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020, May 5, 2020 and SEBI Circular dated May 12, 2020, and 10/2022 dated December 28, 2022 the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL, as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.
- ii. There being no physical shareholders in the Company, the Register of members and share transfer books of the Company will not be closed. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Monday, September 04, 2023 be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- iii. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Monday, September 04, 2023, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
- iv. The remote e-voting will commence on Friday, September 08, 2023 at 09:00 A.M. (IST) and ends on Sunday, September 10, 2023 at 05:00 P.M. (IST). During this period, the members of the Company holding shares as on the Cut-off date i.e. Monday, September 04, 2023, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.
- v. Once the vote on resolutions is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- vi. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. Monday, September 04, 2023.

vii. The Company has appointed M/s. SCS and CO. LLP, Practicing Company Secretaries (ICSI Unique Code: L2020GJ008700), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

INSTRUCTIONS FOR CASTING VOTES BY REMOTE E-VOTING

The remote e-voting period begins on Friday, September 08, 2023 at 09:00 A.M. (IST) and ends on Sunday, September 10, 2023 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, September 04, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being i.e. Monday, September 04, 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

STEP 1: ACCESS TO NSDL E-VOTING SYSTEM:

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to

enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

- Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.



Individual Shareholders holding securities in demat mode with CDSL

- Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
- After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote.
- If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
- Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider

i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is

	12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
<p>5. Password details for shareholders other than Individual shareholders are given below:</p> <p>a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.</p> <p>b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.</p> <p>c) How to retrieve your 'initial password'?</p> <p>(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.</p> <p>(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.</p>	
<p>6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:</p> <p>a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.</p> <p>b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.</p> <p>c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.</p> <p>d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.</p>	
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.	
8. Now, you will have to click on "Login" button.	
9. After you click on the "Login" button, Home page of e-Voting will open.	

STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- 1) After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- 2) Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- 3) Now you are ready for e-Voting as the Voting page opens.
- 4) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

- 5) Upon confirmation, the message "Vote cast successfully" will be displayed.
- 6) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 7) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

- 1) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scsandcollp@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
- 2) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- 3) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at evoting@nsdl.co.in.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E- VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to compliance@sotacpharma.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to compliance@sotacpharma.com.
3. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
4. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e- voting by providing above mentioned documents.
5. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE 8TH AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the 8th AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the 8th AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the 8th AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.



INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE 8TH AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at compliance@sotacpharma.com. The same will be replied by the company suitably.

Registered office:

Plot No. PF-21, Nr. Acme Pharma,
Opp. Teva Pharma Sanand GIDC-II,
Sanand, Ahmedabad-382110

For and on behalf of Board of Directors
Sotac Pharmaceuticals Limited
CIN: L24230GJ2015PLC085451

Place: Ahmedabad
Date: August 11, 2023

Sharadkumar Dashrathbhai Patel
Chairman & Managing Director
DIN: 07252252

Dineshkumar Babulal Gelot
Whole time Director
DIN: 07252132

Annexure to Notice of 8th Annual General Meeting

Disclosure under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-II issued by ICSI for Item No.02

Name	Mr. Vishalkumar Patel
Date of Birth	04/04/1987
Qualification	Bachelor of Pharmacy, Master of pharmacy
Experience - Expertise in specific functional areas - Job profile and suitability	He is having more than 8 years of experience in the Pharmaceuticals Industries. He also worked in Torrent Pharmaceuticals Private Limited. He was appointed as Promoter-Executive Director of the company since incorporation of the company i.e. December 18, 2015. He plays significant role in Quality Assurance (QA) department of our company.
No. of Shares held as on March 31, 2023 including shareholding as a Beneficial Owner.	Holds 14,31,500 Equity Shares
Terms & Conditions	Liable to retire by rotation
Remuneration Last Drawn	Rs. 18 Lakhs per annum
Remuneration sought to be paid	Up to Rs. 2.50 Lakhs per month
Number of Board Meetings attended during the Financial Year 2022-23	16 Meeting out of 16 Board Meetings
Date of Original Appointment	December 18, 2015
Date of Appointment in current terms	December 12, 2022
Directorships held in public companies including deemed public companies	Two
Memberships / Chairmanships of committees of public companies	NIL
Inter-se Relationship with other Directors.	Mr. Vishalkumar Patel is not related to any Director of the Company.
Information as required pursuant to NSE Circular No. L1ST/COMP/14/2018- 19 dated June 20, 2018	Mr. Vishalkumar Patel is not debarred from holding the office of director pursuant to any SEBI order.

**Includes only Audit Committee and Stakeholders' Relationship Committee.

EXPLANATORY STATEMENT

(Pursuant to Section 102 (1) of the Companies Act 2013 and Secretarial Standard II on General Meetings)

Item No. 03:

To Appoint Statutory Auditor of the company and to fix their remuneration for a term of four years: Ordinary Resolution:

M/s. Amit G Patel & Associates., Chartered Accountants (Firm Registration number: 152837W), Statutory Auditors of the Company had tendered their resignation vide their letter dated November 22, 2022 informing their inability to continue as the Statutory Auditors of the Company.

The Board of Directors of the Company at its meeting held on November 23, 2022 noted resignation of M/s. Amit G Patel & Associates., Chartered Accountants (Firm Registration number: 152837W), who have tendered their resignation vide their letter dated November 22, 2022 informing their inability to continue as the Statutory Auditors of the Company. Further, the Board of Directors at their meeting held on November 23, 2022, on the recommendation of the Chairman, has approved the appointment of M/s. Keyur Shah & Co., Chartered Accountants (FRN: 141173W), (Peer Review Number: 013681), as Statutory Auditors of the Company due to casual vacancy. The said appointment is pursuant to applicable provisions of the Companies Act 2013 and the SEBI Listing Regulations, 2015. M/s. Keyur Shah & Co., Chartered Accountants (FRN: 141173W) vide their consent letter dated November 23, 2022 have confirmed their eligibility for appointment.

M/s. Keyur Shah & Co., Chartered Accountants (FRN: 141173W), Ahmedabad, was appointed as the Statutory Auditors of the Company to conduct audit of accounts of the Company for the financial year ending 31 March 2023, resulting into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013 ("Act"). Casual vacancy caused by the resignation of auditors can only be filled up by the Company in general meeting. The members of the company approved the appointment of M/s. Keyur Shah & Co., Chartered Accountants in Extraordinary General Meeting of company to hold office till conclusion of the next Annual General Meeting of the Company to conduct audit of accounts of the Company for the financial year ending March 31 2023. Thereafter, the Board recommends the appointment of statutory auditors for the remaining period of four years in this Annual general meeting subject to approval of shareholders of the company from the conclusion of this 8th Annual General Meeting till the conclusion of the 12th Annual General Meeting to be held in the calendar year 2027.

of M/s. Keyur Shah & Co., Chartered Accountants, (FRN: 141173W), Ahmedabad, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a certificate that the appointment, if made, shall be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

Additional information about Statutory Auditors pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided below:-

Terms of Appointment	Appointment of M/s. Keyur Shah & Co., Chartered Accountants, (FRN: 141173W), Ahmedabad as the Statutory Auditors of the Company for a period of four years from the conclusion of this 8 th Annual General Meeting till the conclusion of the 12 th Annual General Meeting to be held in the calendar year 2027
Proposed Audit fees payable to Auditor and material change in fee payable	Remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company. Further there will be no material change in fee payable to previous auditor and current auditor.
Basis of recommendation and Auditor credentials	Keyur Shah & Co. is a professionally managed Chartered Accountants Firm having its offices in Ahmedabad, Gujarat. The firm was founded by Mr. Keyur Shah, he brings a wealth of experience spanning over 12 years in various domains such as capital markets, project funding, direct tax,

	<p>business advisory, tax advisory, and business valuations. With his expertise, he has become an FAFD (Forensic Audit and Fraud Detection) certified professional.</p> <p>Keyur Shah & Co. has a dedicated professionals collaborated to provide Project Finance, Audit, Consulting, Financial & Corporate Advisory, Fund Raising, Capital Market, Wealth Management, Tax, Legal and Related Services to Clients.</p> <p>An One Stop Single Window Advisory Firm offering Integrated Business, Legal and Financial Solutions to varied sections of society including SMEs and Large Corporate Enterprises. The firm is committed to providing high-quality, ethical services to its clients.</p>
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None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

The Board of Directors recommends passing of the resolution as set out item no. 3 of this Notice as Ordinary Resolution.

Item No. 04:

To approve Cost Auditor’s Remuneration for the Financial Year 2023-24: Ordinary Resolution:

The Board of Directors at its meeting held on August 11, 2023, upon the recommendation of the Audit Committee, approved the appointment of M/s. Suthar Hareesh & Associates, Cost Accountants (Firm Registration No.: 002124), Ahmedabad, to conduct the audit of the Cost records of the Company for the Financial Year ending on March 31, 2024 at a remuneration of Rs. 59,000/- (Rupees Fifty Nine Thousand Only) excluding all applicable taxes and reimbursement of out of pocket expenses. In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (as amended or re-enacted from time to time) the remuneration as mentioned above, payable to the Cost Auditors, is required to be ratified by the Members of the Company.

The Board recommends the resolution set out under Item No. 04 for the approval of the Members by way of passing an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives, is, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

Item No. 05:

Approval of the Related Party Transactions with Sotac Healthcare Private Limited (“Subsidiary company”): Ordinary Resolution:

Section 188 of the Companies Act 2013 and the applicable Rules framed thereunder provided that any related party transaction will require prior approval of shareholders through ordinary resolution if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

Sotac Healthcare Private Limited is related party with reference to the Company within the meaning of Clause (76) of section 2 of the Companies Act 2013.

The value of proposed aggregate transactions with Sotac Healthcare Private Limited is likely to exceed the said threshold limit during the financial year 2023-24.

Accordingly transaction(s) entered with Sotac Healthcare Private Limited comes within the meaning of Related Party Transaction(s) in terms of provisions of the Act applicable rules framed thereunder.

Hence approval of the shareholders is being sought by way of Ordinary Resolution as per our related party transactions policy for the said Related Party Transaction(s) proposed to be entered by our Company with Sotac Healthcare Private Limited in the financial year 2023-24.

Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act 2013 and the rules made thereunder and as amended from time to time due to the reason that transactions with related party are in the ordinary course of business and at the arm's length basis the same is being sought as an abundant precautionary measure.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 as amended till date particulars of the transactions with Sotac Healthcare Private Limited are as follows:

Sr. No	Particulars	Details
1.	Name of Related Parties	Sotac Healthcare Private Limited
2.	Name of the Director or KMP who is related	Mr. Sharadkumar Dashrathbhai Patel, Mr. Chetankumar Bachubhai Patel, Mr. Dineshkumar Babulal Gelot, and Mr. Vishalkumar Patel Directors of the company.
3.	Nature of Relationship	Sotac Healthcare Private Limited is Subsidiary company of Sotac Pharmaceuticals Limited and above mentioned related directors are common directors in both companies.
4.	Monetary Value	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed Rs. 20 Crores for FY 2023-24 with Sotac Healthcare Private Limited.
5.	Nature materials terms and particulars of the Contracts/arrangements/	Purchase of Raw Materials, Purchase of Products, Purchase of Packing material, Purchase of Finished goods Sale of Raw Material and Sale of Products and for any other purchase/sale transactions from time to time and the ability to supply. However such transactions would be in ordinary course of the Company's business and at the arm's length basis.
6.	Any advance paid or received for the contracts/arrangements	As per industry norms customs and usages.
7.	Tenure of contracts/arrangement	F.Y. 2023-24
8.	Any other information relevant or important for the members to take a decision on the proposed resolution.	NIL

Except Mr. Sharadkumar Dashrathbhai Patel, Mr. Chetankumar Bachubhai Patel, Mr. Dineshkumar Babulal Gelot, and Mr. Vishalkumar Patel and their relatives, none of other Director(s) and Key Managerial Personnel(s) and their relative(s) is/are, in any way, concerned or interested in the said resolution.

Since, entire Promoters and Promoters' Group may construe as Related Party to this transaction, all entities falling under the definition of Promoters and Promoters' Group of the Company shall abstain from voting for this resolution.

The Board of Directors recommends passing of the resolution as set out item no. 05 of this Notice as Ordinary Resolution.

Item No. 06:

Approval of the Related Party Transactions with Sotac Lifesciences Private Limited (“Subsidiary company”): Ordinary Resolution:

Section 188 of the Companies Act 2013 and the applicable Rules framed thereunder provided that any related party transaction will require prior approval of shareholders through ordinary resolution if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

Sotac Lifesciences Private Limited is related party with reference to the Company within the meaning of Clause (76) of section 2 of the Companies Act 2013.

The value of proposed aggregate transactions with Sotac Lifesciences Private Limited is likely to exceed the said threshold limit during the financial year 2023-24.

Accordingly transaction(s) entered with Sotac Lifesciences Private Limited comes within the meaning of Related Party Transaction(s) in terms of provisions of the Act applicable rules framed thereunder.

Hence approval of the shareholders is being sought by way of Ordinary Resolution as per our related party transactions policy for the said Related Party Transaction(s) proposed to be entered by our Company with Sotac Lifesciences Private Limited in the financial year 2023-24.

Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act 2013 and the rules made thereunder and as amended from time to time due to the reason that transactions with related party are in the ordinary course of business and at the arm’s length basis the same is being sought as an abundant precautionary measure.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 as amended till date particulars of the transactions with Sotac Lifesciences Private Limited are as follows:

Sr. No	Particulars	Details
1.	Name of Related Parties	Sotac Lifesciences Private Limited
2.	Name of the Director or KMP who is related	Mr. Sharadkumar Dashrathbhai Patel, Mr. Chetankumar Bachubhai Patel, Mr. Dineshkumar Babulal Gelot, Directors of the company.
3.	Nature of Relationship	Sotac Lifesciences Private Limited is Subsidiary company of Sotac Pharmaceuticals Limited and above mentioned directors are common directors in both companies.
4.	Monetary Value	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed Rs. 20 Crores for FY 2023-24 with Sotac Lifesciences Private Limited.
5.	Nature materials terms and particulars of the Contracts/arrangements/	Purchase of Raw Materials, Purchase of Products, Purchase of Packing material, Purchase of Finished goods Sale of Raw Material and Sale of Products and for any other purchase/sale transactions from time to time and the ability to supply. However such transactions would be in ordinary course of the Company’s business and at the arm’s length basis.

6.	Any advance paid or received for the contracts/arrangements	As per industry norms customs and usages.
7.	Tenure of contracts/arrangement	F.Y. 2023-24
8.	Any other information relevant or important for the members to take a decision on the proposed resolution.	NIL

Except Mr. Sharadkumar Dashrathbhai Patel, Mr. Chetankumar Bachubhai Patel, Mr. Dineshkumar Babulal Gelot and their relatives, none of other Director(s) and Key Managerial Personnel(s) and their relative(s) is/are, in any way, concerned or interested in the said resolution.

The Board of Directors recommends passing of the resolution as set out item no. 06 of this Notice as Ordinary Resolution.

Item No. 07:

Approval of the Related Party Transactions with Sotac Research Private Limited (“Wholly Owned Subsidiary Company”): Ordinary Resolution:

Section 188 of the Companies Act 2013 and the applicable Rules framed thereunder provided that any related party transaction will require prior approval of shareholders through ordinary resolution if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

Sotac Research Private Limited is related party with reference to the Company within the meaning of Clause (76) of section 2 of the Companies Act 2013.

The value of proposed aggregate transactions with Sotac Research Private Limited is likely to exceed the said threshold limit during the financial year 2023-24.

Accordingly transaction(s) entered with Sotac Research Private Limited comes within the meaning of Related Party Transaction(s) in terms of provisions of the Act applicable rules framed thereunder.

Hence approval of the shareholders is being sought by way of Ordinary Resolution as per our related party transactions policy for the said Related Party Transaction(s) proposed to be entered by our Company with Sotac Research Private Limited in the financial year 2023-24.

Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act 2013 and the rules made thereunder and as amended from time to time due to the reason that transactions with related party are in the ordinary course of business and at the arm’s length basis the same is being sought as an abundant precautionary measure.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 as amended till date particulars of the transactions with Sotac Research Private Limited are as follows:

Sr. No	Particulars	Details
1.	Name of Related Parties	Sotac Research Private Limited
2.	Name of the Director or KMP who is related	Mr. Sharadkumar Dashrathbhai Patel, Mr. Vishalkumar Patel, Directors of the company.

3.	Nature of Relationship	Sotac Research Private Limited is Wholly owned Subsidiary company of Sotac Pharmaceuticals Limited and above mentioned directors are common directors in both companies.
4.	Monetary Value	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed Rs. 20 Crores for FY 2023-24 with Sotac Research Private Limited.
5.	Nature materials terms and particulars of the Contracts/arrangements/	Purchase of Raw Materials, Purchase of Products, Purchase of Packing material, Purchase of Finished goods Sale of Raw Material and Sale of Products and for any other purchase/sale transactions from time to time and the ability to supply. However such transactions would be in ordinary course of the Company's business and at the arm's length basis.
6.	Any advance paid or received for the contracts/arrangements	As per industry norms customs and usages.
7.	Tenure of contracts/arrangement	F.Y. 2023-24
8.	Any other information relevant or important for the members to take a decision on the proposed resolution.	NIL

Except Mr. Sharadkumar Dashrathbhai Patel, Mr. Vishalkumar Patel, and their relatives, none of other Director(s) and Key Managerial Personnel(s) and their relative(s) is/are, in any way, concerned or interested in the said resolution.

The Board of Directors recommends passing of the resolution as set out item no. 07 of this Notice as Ordinary Resolution.



SOTAC PHARMACEUTICALS LIMITED
(Formerly Known as, Sotac Pharmaceuticals Private Limited)
CIN No.: L24230GJ2015PLC085451

Registered Office:
Plot No. PF-21, Nr. Acme Pharma, Opp. Teva Pharma,
Sanand GIDC-II, Sanand, Ahmedabad, Gujarat -382110

Contact No.: 9913562852
Website: www.sotacpharma.com