

# SOTAC PHARMACEUTICALS PRIVATE LIMITED

Financial Year : 2017-18

Audited by :



91 9904244686 Membership no. : 180299,

Pan no. :

DCAPK0288M

**ANKUR KACHHADIYA & CO**

**Chartered Accountants**

86/514, Vijay Nagar Flat, Nr. Kadva Patidar

Trust, Naranpura, Ahmedabad-380013



## INDEPENDENT AUDITOR'S REPORT

To,

The Members of,

**SOTAC PHARMACEUTICALS PRIVATE LIMITED**

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of **SOTAC PHARMACEUTICALS PRIVATE LIMITED**, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its PROFIT and its cash flows for the year ended on that date.

#### **EMPHASIS OF MATTER**

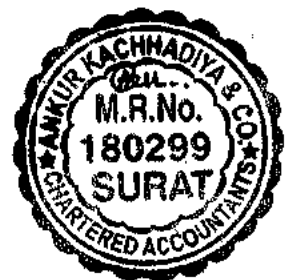
Without qualifying our opinion we draw attention that Company has not made provision for gratuity of employees for the year ended as on 31st March, 2018 hence it has not complied with provision of Accounting Standard (AS) - 15 "Retirement Benefits" issue by ICAI. Company has not maintain fixed assets register.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by The Companies (Auditors' Report) order 2016 issue by the Central Government of India in terms of section 143(11) of the Act (here in refer to as the "ORDER") and on the basis of such check of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in Annexure a statement on the matters specified in paragraph 3 and 4 of the order.

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 and the Statement of Profit and Loss 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
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 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 knowledge and belief and according to the information and explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company does not have any, on long-term contracts including derivative contracts.
  - iii. There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

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For, ANKUR KACHHADIYA & CO.

Chartered Accountants

*Ankur C.K.*

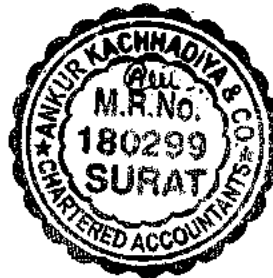
Ankur Kachhadiya

Proprietor

Mem. No. 180299

Place: Ahmedabad

Date: 4th September, 2018



## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

Referred to paragraph (f) of the Independent Auditor's report of even date to the members of **SOTAC PHARMACEUTICALS PRIVATE LIMITED** for the year ended March 31, 2018.

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

We have audited the internal financial controls over financial reporting of **SOTAC PHARMACEUTICALS PRIVATE LIMITED** as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent 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, 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, 2018, 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.

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For, ANKUR KACHHADIYA & CO.

Chartered Accountants

*Ankur CK*

Ankur Kachhadiya

Proprietor

Mem. No. 180299

Place: Ahmedabad

Date: 4th September, 2018



# SOTAC PHARMACEUTICALS PVT LTD

PLOT NO. PF-21, NR.ACME PHARMA, OPP. TEVA PHARMA SANAND GIDC-II,  
SANAND AHMEDABAD 382110

## Balance Sheet for the year ended 31/03/2018

F.Y.: 2017-18

PARTICULARS	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>I. EQUITY AND LIABILITIES :-</b>			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	B1	95,00,000	95,00,000
(b) Reserves and Surplus	B2	-79,29,125	-53,66,565
(c) Money received against share warrants		--	--
<u>(2) Share Application money</u>			
		--	--
<u>(3) Non-Current Liabilities</u>			
(a) Long-Term Borrowings	B3	7,93,05,281	6,33,36,619
(b) Deferred Tax Liabilities (Net)	B4	20,37,931	6,03,686
(c) Other Long Term		--	--
(d) Long Term Provisions		--	--
<u>(4) Current Liabilities</u>			
(a) Short-Term Borrowings	B5	88,36,837	47,58,072
(b) Trade Payables	B6	5,48,80,001	81,43,335
(c) Other Current Liabilities	B7	41,85,633	1,35,04,855
(d) Short-Term Provisions	B8	8,09,922	3,68,406
<b>Total Equity &amp; Liabilities</b>		<b>₹ 15,16,26,480</b>	<b>₹ 9,48,48,408</b>
<b>II. ASSETS :-</b>			
<u>(1) Non-Current Assets</u>			
(a) Fixed Assets	B9	7,97,62,540	7,49,38,475
(b) Non-current investments		--	--
(c) Deferred tax assets (net)		--	--
(d) Long term loans and advances		--	--
(e) Other non-current assets		--	--
<u>(2) Current Assets</u>			
(a) Current investments		--	--
(b) Inventories	B10	1,47,92,334	77,52,760
(c) Trade receivables	B11	4,31,38,147	44,88,882
(d) Cash and cash equivalents	B12	37,80,368	4,20,095
(e) Short-term loans and advances	B13	1,01,53,091	72,48,196
(f) Other current assets		--	--
<b>Total Assets</b>		<b>₹ 15,16,26,480</b>	<b>₹ 9,48,48,408</b>

For SOTAC PHARMACEUTICALS PVT LTD

For, SOTAC PHARMACEUTICALS PVT LTD.

**SHARDAKUMAR D PATEL**

Director

Director

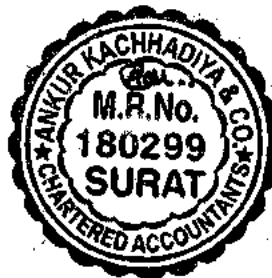
Place SURAT

Date 04/09/2018



As Per Our Report Of Even Date  
ANKUR KACHHADIYA & CO

Chartered Accountant



**ANKURBHAI KACHHADIYA**

PROPRIETOR

Mem.No.: 180299

FRN No.: 145744W





# SOTAC PHARMACEUTICALS PVT LTD

PLOT NO. PF-21, NR.ACME PHARMA, OPP. TEVA PHARMA SANAND GIDC-II,  
SANAND AHMEDABAD 382110

Schedule Forming Part Of Balance Sheet As At 31/03/2018

F.Y.: 2017-18

NOTE NO.-B1		
Particulars	Current Year	Previous Year
<b>Authorized Capital</b>		
950000 Equity share of Rs.10 Each	95,00,000	95,00,000
<b>* Group Total *</b>		
<b>Details of Shareholders holding more than 5% share</b>		
Baldev Trikambhai Jotania <i>185000 Shares- 19.47%</i>	0	0
Chetankumar Bachubhai Patel <i>185000 Shares- 19.47%</i>	0	0
Dineshkumar Babulal Gelot <i>185000 Shares- 19.47%</i>	0	0
Vishalkumar Devrajbhai Patel <i>185000 Shares- 19.47%</i>	0	0
Sharadkumar Dashrathbhai Patel <i>185000 Shares- 19.47%</i>	0	0
<b>* Group Total *</b>		
<b>Issued, Subscribed and Paid-up Capital</b>		
950000 Equity share of Rs.10 Each	95,00,000	95,00,000
<b>* Group Total *</b>		
<b>** Grand Total **</b>	<b>95,00,000</b>	<b>95,00,000</b>

NOTE NO.-B2		
Particulars	Current Year	Previous Year
Share Premium	17,00,000	17,00,000
<b>* Group Total *</b>		
<b>Profit &amp; Loss A/c - Opening balance</b>		
Opening -P.L. A/c	-70,66,565	-42,349
<b>* Group Total *</b>		
<b>Profit And Loss A/c -C.Y</b>		
Profit and loss a/c - C.Y.	-25,62,560	-70,24,216
<b>* Group Total *</b>		
<b>** Grand Total **</b>	<b>53,66,565</b>	<b>53,66,565</b>



For SOTAC PHARMACEUTICALS PVT. LTD.

*[Signature]*

Director

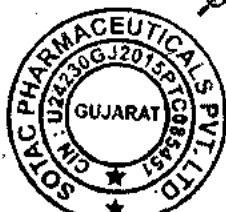


NOTE NO.-B3		
Particulars	Current Year	Previous Year
<u>From Bank</u>		
GIDC Loan Plot no-20	17,81,914	11,63,818
HDFC Bank-Eco Car Loan	2,85,573	2,53,487
State Bank of India-Term Loan	3,19,18,711	2,42,00,231
* Group Total *		
<u>From Directors</u>		
Baldevbhai T Jotania	53,47,334	53,47,333
ChetanKumar B Patel	86,63,070	75,63,070
Dineshkumar B Gelot	56,46,912	56,46,912
Sharadkumar D patel	89,75,430	89,75,430
Vishalkumar D Patel	42,86,338	42,86,338
* Group Total *		
<u>From Related Party</u>		
Andiben R Patel	6,00,000	0
Bharatbhai	10,00,000	0
Dasharthbhai Patel	7,00,000	0
Kiranben Baldevbhai Jotania	12,00,000	9,00,000
Manishkumar Patel	14,00,000	0
Shaileshkumar V Patel	58,50,000	39,50,000
Vasantkumar D Patel	10,50,000	10,50,000
Vijay D patel	6,00,000	0
* Group Total *		
** Grand Total **		

NOTE NO.-B4		
Particulars	Current Year	Previous Year
<u>Defered tax current C.Y.</u>		
Deffered Tax Liability	14,34,245	6,03,686
* Group Total *		
<u>Deferred tax Opening balance</u>		
Deffered Tax Liability	6,03,686	0
* Group Total *		
** Grand Total **		

NOTE NO.-B5		
Particulars	Current Year	Previous Year
<u>From Bank</u>		
State Bank of India-CC	88,36,837	47,58,072
* Group Total *		
** Grand Total **		

For, SOTAC PHARMACEUTICALS PVT. LTD.



*[Handwritten Signature]*

Director



NOTE NO.-B6		
Particulars	Current Year	Previous Year
<b>Advance From Customers</b>		
Sulabh Pharmacy	2,00,000	2,00,000
<b>* Group Total *</b>		
<b>Creditors For Goods</b>		
Sundry Creditors <i>Refer As Per Schedules-C</i>	5,46,80,001	79,43,335
<b>* Group Total *</b>		
<b>** Grand Total **</b>		

NOTE NO.-B7		
Particulars	Current Year	Previous Year
<b>Creditors For Expenses</b>		
As Per Schedules - A	41,85,633	1,35,04,855
<b>* Group Total *</b>		
<b>** Grand Total **</b>		

NOTE NO.-B8		
Particulars	Current Year	Previous Year
<b>Salary And Wages Payable</b> <i>Refer As Per Schedule-B</i>	3,01,223	3,68,406
ESIC Payable	65,514	0
Professional Tax Payable	47,360	0
TDS Payable	67,301	0
Audit Fees Payable	24,000	0
Electricity Bill Payable	2,00,366	0
Provident Fund Payable	1,04,158	0
<b>** Grand Total **</b>		

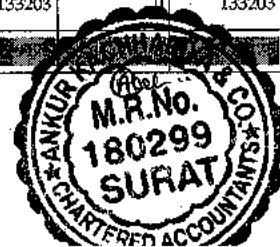
NOTE NO.-B9											
Description	Rate	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	W.D.V. (Current Year)	W.D.V. (Previous Year)
<b>Tangible Assets</b>		0	0	0	0	0	0	0	0	0	0
Land GIDC Plot-21	0	11917309	0	0	11917309	0	0	0	0	11917309	11917309
Land GIDC Plot-20	0	11473614	405385	0	11878999	0	0	0	0	11878999	11473614
Building	9.5	9933260	0	0	9933260	0	943660	0	943660	8969600	9933260
Computer	63.16	18838	0	0	18838	0	11898	0	11898	6940	18838
Electric Fitting	25.89	1277920	368232	0	1646152	0	332685	0	332685	1313467	1277920
Plant And Machinery	18.1	39537025	6191766	0	45728791	0	635350	0	635350	45093441	39537025
Furniture And Fixture	25.89	176726	0	0	176726	0	45754	0	45754	130972	176726
Refrigration	13.91	121678	0	0	121678	0	16925	0	16925	104753	121678
Eco car	31.23	426524	0	0	426524	0	133203	0	133203	293321	426524
<b>* GROUP TOTAL *</b>											



For, SOTAC PHARMACEUTICALS PVT. LTD.

*[Handwritten Signature]*

Director



Intangible Assets											
Software	39.3	55581	0	0	55581	0	21843	0	21843	33738	55581
<b>* GROUP TOTAL *</b>											
<b>** GRAND TOTAL **</b>											

NOTE NO.-B10		
Description	Current Year Closing	Previous Year Closing
Raw Material	9,786,463	5,782,614
Stock in Trade	5,005,870	1,970,146
<b>** GRAND TOTAL **</b>	<b>14,792,333</b>	<b>7,752,760</b>

NOTE NO.-B11		
Particulars	Current Year	Previous Year
Sundry Debtors <i>Schedule - D</i>	4,31,38,147	44,88,882
<b>** Grand Total **</b>	<b>4,31,38,147</b>	<b>44,88,882</b>

NOTE NO.-B12		
Particulars	Current Year	Previous Year
<u>Bank Balance</u>		
Axis Bank	35,88,705	1,95,561
IDBI Bank Ltd	56,586	45,062
State Bank of India	32,220	4,646
<b>* Group Total *</b>		
<u>Cash-in-hand</u>		
Cash Balance	1,02,857	1,74,826
<b>* Group Total *</b>		
<b>** Grand Total **</b>	<b>36,24,368</b>	<b>2,15,095</b>

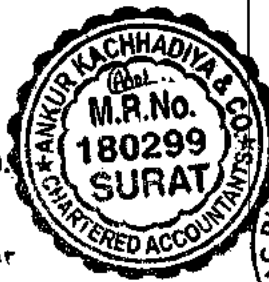
NOTE NO.-B13		
Particulars	Current Year	Previous Year
CST Deposit	10,000	10,000
Sanand Association	10,000	0
UGVCL - Deposite	12,70,653	12,77,973
VAT Deposit	10,000	10,000
Water Dispenser Deposit	6,500	6,500
GST Receivable	72,90,764	0
Narmadaben D. Patel	8,85,740	0
Prayas Foundation	2,00,000	2,00,000
Pre Paid Insurance	1,49,392	69,667
TDS Receivable	12,513	7,621
Uttar Gujarat Vij Com LTD	2,99,229	0
VAT Receivable	0	22,59,560
Office Deposite	0	30,000
Excise Duty Credit	0	16,45,673
Piyush Patel	300	0
Advance to Supplier	0	17,31,202

For, SOTAC PHARMACEUTICALS PVT. LTD.

*[Signature]*

*[Signature]*

Director



INCY Healthcare Pvt Ltd	5,000	0
<b>** Grand Total **</b>	70,85,091	72,48,196

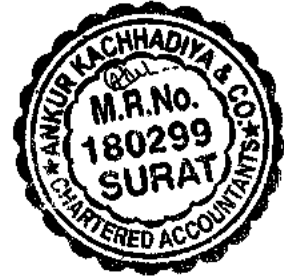


**For, SOTAC PHARMACEUTICALS PVT. LTD.**

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**Director**



# SOTAC PHARMACEUTICALS PVT LTD

PLOT NO. PF-21, NR.ACME PHARMA, OPP. TEVA PHARMA SANAND GIDC-II,  
SANAND AHMEDABAD 382110

**Schedule Forming Part of Profit & Loss Account for the financial year 2017-18**

**F.Y.: 2017-18**

NOTE NO.-P1		
Particulars	Current Year	Previous Year
Sales of Goods <i>medicine</i>	10,09,26,339	67,83,627
<b>** Grand Total **</b>	<b>10,09,26,339</b>	<b>67,83,627</b>

NOTE NO.-P2		
Particulars	Current Year	Previous Year
Job Work of Medicine	1,82,497	0
Interest On Income Tax Refund	339	0
Other Income	1,92,127	5,46,803
Electricity Bill Subsidy Income	2,99,229	0
<b>** Grand Total **</b>	<b>6,74,192</b>	<b>5,46,803</b>

NOTE NO.-P3		
Particulars	Current Year	Previous Year
<b>Direct/Productions Expenses</b>		
Electric Fitting Expenses	2,71,311	19,936
Electricity Expenses	27,83,053	8,22,878
Freight	1,059	2,13,478
Water Bill Expenses	1,02,558	1,09,464
<b>* Group Total *</b>	<b>2,74,781</b>	<b>3,65,756</b>
<b>Purchases of raw-materials and stores</b>		
Purchase of Packing Material	23,10,862	0
Purchase of Raw Material	34,93,446	82,86,693
<b>* Group Total *</b>	<b>37,04,308</b>	<b>82,86,693</b>
<b>** Grand Total **</b>	<b>64,52,439</b>	<b>86,52,449</b>

NOTE NO.-P4		
Particulars	Current Year	Previous Year
Purchase of Goods	7,93,02,633	21,01,582
<b>** Grand Total **</b>	<b>7,93,02,633</b>	<b>21,01,582</b>

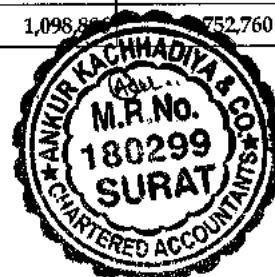
NOTE NO.-P5						
Description	Current Year			Previous Year		
	Opening	Closing	Consumption	Opening	Closing	Consumption
Raw Material	5,782,614	9,786,463	-4,003,849	0	5,782,614	-5,782,614
Stock in Trade	1,970,146	5,005,870	-3,035,724	1,098,886	1,970,146	-871,260
<b>** GRAND TOTAL **</b>	<b>7,752,760</b>	<b>14,792,333</b>	<b>-7,039,573</b>	<b>1,098,886</b>	<b>7,752,760</b>	<b>-6,653,874</b>



For, SOTAC PHARMACEUTICALS PVT. LTD.

*[Signature]*

Director



NOTE NO.-P6		
Particulars	Current Year	Previous Year
Salaries and Wages	31,81,105	9,10,436
Staff Welfare Expenses	2,62,008	53,564
Director Remuneration	15,00,000	7,50,000
ESIC Contribution	1,45,076	22,691
Provident Fund	1,84,524	0
<b>** Grand Total **</b>		17,36,691

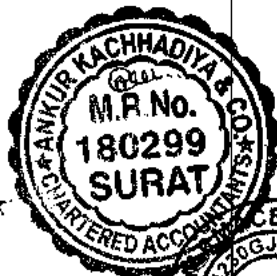
NOTE NO.-P7		
Particulars	Current Year	Previous Year
Bank Interest- Term Loan	45,80,049	9,51,017
Interest on TDS	754	671
Interest on Vehicle Loan	32,086	10,930
Bank Interest -CC	9,99,701	1,01,822
Bank Charges	13,707	80,648
Processing Fees	51,625	1,40,875
Interest In Service Tax	138	0
Interest On Unsecured Loan	38,000	0
<b>** Grand Total **</b>	57,95,000	1,23,533

NOTE NO.-P8		
Particulars	Current Year	Previous Year
Audit Fees	24,000	10,000
Petrol & Conveyance Expenses	6,11,625	4,25,065
Insurance Expenses	39,861	34,833
Office Expenses	1,71,000	56,238
ROC Expenses	18,700	15,700
Consumable And Stores	1,93,721	3,92,833
Professional Tax	2,400	2,400
Legal & Professional Expenses	4,22,470	5,42,388
Municipal Tax	0	28,768
Membership Expenses	0	11,000
Internet Expenses	14,748	18,038
Repair And Maintainance Expenses	8,08,750	2,03,691
Sales And Pomotion Expenses	5,94,228	61,000
Vat Reduction	0	4,644
Postage & Courier Expenses	1,11,504	45,256
Stationery and printing expenses Expenses	6,31,826	55,549
Tea & Snack Expenses	3,13,393	71,675
Telephone & Mobile Expenses	48,000	18,250
Office Rent	1,65,000	1,98,000
Labotary and testing Expenses	5,74,122	17,596
Labour Charges	17,43,533	3,70,728
Licence Fees	0	2,77,074
Misc. Expenses	41,433	2,400
Salary Expenses	0	6,68,500

For, SOTAC PHARMACEUTICALS PVT. LT

*[Signature]*

Director

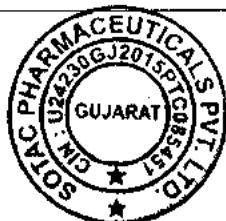


Sales and Distribution Expenses	1,40,850	4,32,526
Supervision Expenses	29,500	4,136
<i>Inspection Charges</i>		
Travelling Expenses	0	40,000
Round off	0	69
Water Charge	12,240	25,075
<i>Municipal water</i>		
Calibaration Services	58,750	0
Cash Discount	1,83,587	0
Face Mask Expenses	46,967	0
Consultancy Services Expenses	49,421	0
Cylinder Charges	1,14,053	0
Excise Expenses	5,50,562	0
Factory and Maintanance Expenses	45,600	0
Gardening Expenses	18,000	0
Kasar Vatav Expenses	21,125	0
Penalty PF	5,194	0
Pest Control Services	36,498	0
Software Renewal Expenses	7,611	0
Rubber Stamp Expenses	10,000	0
Transportation Charges	1,27,168	0
Wastage Purifire Expenses	73,500	0
Product Permission Expenses	2,40,300	0
Cleaning And Main. Expenses	72,167	0
<b>** Grand Total **</b>		<b>40,33,433</b>

NOTE NO.-P9		
Particulars	Current Year	Previous Year
Exceptional Items	0	0
<b>** Grand Total **</b>	<b>0</b>	<b>0</b>

NOTE NO.-P10		
Particulars	Current Year	Previous Year
Extraordinary items	0	0
<b>** Grand Total **</b>	<b>0</b>	<b>0</b>

NOTE NO.-P11		
Particulars	Current Year	Previous Year
Deferred Tax	14,34,245	6,03,686
<b>** Grand Total **</b>	<b>14,34,245</b>	<b>6,03,686</b>



For, SOTAC PHARMACEUTICALS PVT. LTD.

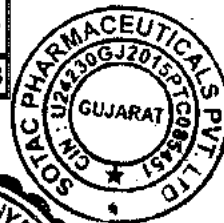
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Director





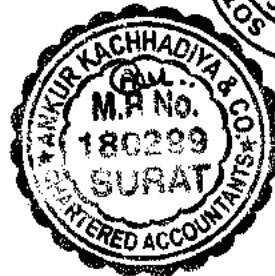
<b>Schedual-A</b>	
<b>Creditors for Expenses</b>	
<b>Particular</b>	<b>Amount</b>
Balaji Enterprise	84122.00
Baldevbhai T. Jotania (Current)	300000.00
Best Tec	4010.00
Dinesh B. Gelot (Current)	300000.00
Patidar Electrical	21098.00
Sharad D. Patel (Current)	300000.00
Vishalkumar D. Patel (Current)	300000.00
Amisha Vinyals Pvt.Ltd-Daman	577691.00
Arihant Enterprise	11646.00
Aroma Internation	31390.00
Aum Research Laboratories	46832.00
Bhoomi Sales	4347.00
Bombay Stationery Mart	112493.80
Chetanbhai B. Patel (Current)	542854.00
Cyno-Chem Inc.	2380.00
Devashish Enterprises	6825.00
Faestiva Pharma	7198.00
Hame Enterprise	28786.00
Industry Buying	6949.00
Jignesh M Soni	5001.00
Milab Distributors	390.00
Neelam Scientific	2832.00
Nirvana Consultancy Service	41625.00
Rentokil India Pvt Ltd	7178.00
Satyam Stationary Mart	107142.00
Shashwat & Company	150732.00
Shiva Trading Co.	1015716.00
Shobh Sales	1961.00
S & S Printers	155738.10
Vee Pee Inc Delhi	5400.00
Vinodbhai Kantibhai Patel	2970.00
V Trans(India) Ltd.	326.18
<b>Total</b>	<b>4185633.08</b>



For, SOTAC PHARMACEUTICALS PVT. LTD.

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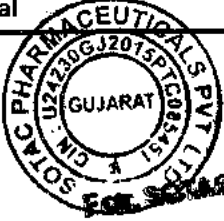
Director



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**Schedual -B****Provision For Salary And Wages**

Particular	Amount
Abhilasha Singh Emp	8022.00
Ajaybhai Jadav Emp	12500.00
Akshesh Patel Emp	15000.00
Anita Rathod Emp	8022.00
Ankita Parihar Emp	8022.00
Bharatbhai Solanki Emp	13500.00
Bhavesh Patel Employee	12000.00
Dharmendrasinh R Vaghela Emp	12000.00
Hardik Trivedi Employee	18750.00
Harshal Patel Emp	12000.00
Jagdish Kataria Emp	8022.00
Jaiminee Kanubhai Patel Emp	10000.00
Mehul Patel Emp	8022.00
Nikhilesh Shah Emp	8022.00
Nikunjibhai Emp	8913.00
Nilesh Sanghani Emp	13500.00
Piyushkumar Gelot Emp	9500.00
Pratik Patel Emp	6171.00
Rasilaben Ahir Emp	12000.00
Saurabh Emp	15000.00
Shaileshbhai Makvana Emp	11000.00
Shikha Singh Emp	10000.00
Suresh Sadhu Emp	8022.00
Umeshbhai Avdheshbhai	11213.00
Urvashi Patel Emp	12000.00
Vipul Desai Emp	11000.00
Vipul Patel Emp	11000.00
Yagnesh Mochi Emp	8022.00
<b>Total</b>	<b>301223.00</b>



**SOTAC PHARMACEUTICALS PVT. LTD.**

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**Director**



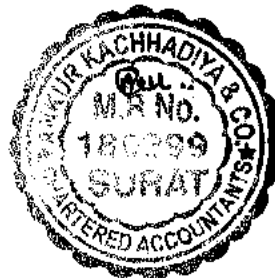
<b>Schedual-C</b>	
<b>Sundry Creditors for Goods</b>	
<b>Particular</b>	<b>Amount</b>
Ace Technologies	5017.60
Adarsh Enterprise	4307.00
Agora Associates	135000.00
Alfa The U V Expert	5018.00
Amoli Organics Pvt.Ltd-Vapi	115589.00
Antila Lifesciences Pvt. Ltd	285282.00
Apikore Impex	35671.00
Bills Biotech Pvt Ltd	105610.00
Dev Print & Pack Pvt.Ltd	2548029.60
Dhanuka Laboratories	61950.00
D V Patel & Associates	135000.00
Everst Tools & Dies -Mumbai	71744.00
Gujarat Industrial Development	92996.00
Jaipur Golden Transport Co.P Ltd.	39958.00
Kawman Pharama-Kudikadu	211220.00
Kleanspace Technologies	91261.94
K.P.MANISH GLOBAL INGREDIENTS PRIVATE LIMITED.	211220.00
Krishna Calibration & Devices	35046.00
MEDHEAL PHARMACEUTICALS	7350.00
Nenshi Healthcare-Kadi	624721.00
PATEL PNEUMATICS AND FITTINGS	791.00
Starco Metplast Pvt.Ltd-Ghaziadbad	101053.20
Stepup Enterprise	174050.00
Uday CNC Centre	11210.00
VALID AIR ENGINEERS	23600.00
VIJAY HEAT INDUSTRIES	6528.00
VYALI INTERNATIONAL,MUMBAI	165377.00
Ambalica Engineers	87470.00
An Pack Engineers	61675.00
Arsh Enterprise	9373.00
Caelsons Industries	27563.00
Chitra Machineries Pvt Ltd	103432.00
F P Machinery	25000.00
Harsiddhi Pharma Equipment	31618.00
Kalindi Machinery	6082.00
Kesar Control Systems	56065.00
Maruti Electrical	30001.15
Mechzeal Interphasind Pvt Ltd	40450.55
Mother EHS Solution	1764.00
Ruchi Enterprise	1000.00
Shiv Engineering Co.	172799.00



**For, SOTAC PHARMACEUTICALS PVT. LTD.**

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**Director**



Shree Water Technology	89601.00
Sigma Air Source	75260.00
Tech India Infosolution Pvt Ltd	2549.00
Veego Insrtument Corporation	55539.00
A-1 Gravure (2017-18) GST	30208.00
Akshar Healthcare	656.50
Altra Analytical Laboratories	17427.00
Anand Enterprise	326235.00
Apple Drugs & Chemicals	77172.00
Arit Pharmaceuticals Pvt Ltd	852295.20
Asha Agency	88835.64
Astron Packaging Limited	212548.01
BCM Corporaion	2927545.00
Bharat Trading Co	1130606.00
Bright Polypack Industries	462418.64
Caprihans India Ltd Nasik	200883.00
Casablanca Corporation Gujarat	7318.00
Disha Apis Pvt Ltd	717420.00
Emtex Engineering Pvt Ltd	7800.00
Enaltec Labs Pvt Ltd	1888000.00
Espee Pharma Chem Pvt.Ltd	9765697.00
Evolve Aqua Solution LLP	14986.00
Garesh Pet	106961.00
Green Pack Foils	2507672.70
Hema Pharmaceuticals Pvt Ltd	84960.00
H. Mehta & Company	6813.00
Impulz Systems	2415.00
Jyoti Packaging	894146.00
Jyoti Trading Co.	37478.00
Meghmani LLP	6073460.00
Metrochem Api Pvt.Ltd	5153101.04
Metro Machinery Suppliers	101395.84
M/s Boxpack International	621105.00
Naredra Packāging Pvt Ltd	335782.60
Neelam Enterprises	10703.00
Neha Lifescience Pvt.Ltd	26550.00
Patel Flexo Printing	178984.00
Pharma Care	55991.00
Pharma Supply Agencies	3673880.00
Poly Pharma Products	142476.50
Quintus Pharma	262175.00
Rakesh Chemicals	12476.34
Ramesh Trading Co. Pvt. Ltd	2251388.41
Ras Packaging	12500.00
Richie Pharma	189676.00
Roto- Gravure Printers Pvt.Ltd	320176.25
Samchem India Haryana	767725.00



For, SOTAC PHARMACEUTICALS PVT. LTD.

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Director



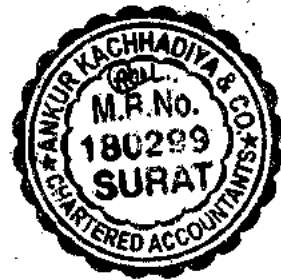
Shah Keshavlal Maganlal	63780.92
Shape Plast	191766.00
Shiv Industries	6615.00
Shree Parikh Pharma	4212.00
Shree Parikh Trading	475846.00
Shree Umiya Chemicals	10054.00
Shyam Printers	78536.24
Spoton Logistics Pvt Ltd	1837.02
Sun Enterprise	17417.00
Suren Healthcare	2039231.39
Synergene Active Ingrdients Pvt.Ltd	171100.00
Techno Enterprise	2876.68
Unique Product	774147.00
Velnex Pharma	29264.00
Viral Industries Pvt.Ltd	970128.10
Biocare Formulation	20165.86
India Life Bio Science	164933.00
UNI WORTH ENTERPRISES LLP AHMD	617566.00
Clean Air Engineers	4146.00
Cranex Equipments Pvt.Ltd	106.00
Fluidpack	14302.00
Helios Concrew Machiners	103672.00
Narayani Print Industries Pvt.Ltd	18191.00
I C Speciality Distribution	65283.48
Pacemaker Pharmachem	94940.00
<b>TOTAL</b>	<b>54680001.40</b>



**For, SOTAC PHARMACEUTICALS PVT. LTD.**

*[Handwritten Signature]*

**Director**

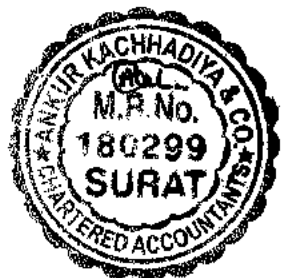


<b>Schedual- D</b>	
<b>Sundry Debtors</b>	
<b>Particular</b>	<b>Amount</b>
Gallops Autolink Pvt Ltd	51000.00
Girish Rambhai Patel	24480.00
Adesh Medical Store - Gota	29638.03
Aero Chem Nutron	125688.18
AJANTA MEDICAL & PRO.STORES	12060.00
Ambika Medical Stores - Chanakyapuri	24097.00
Anand Clinic	323022.00
Ande Medical - Amravati	4858.40
Ankur Medicals	2483.00
Apoha Pharmaceuticals Pvt Ltd	116726.25
Arab Medical Stores	8368.86
Arbuda Medical Store Modasa	7780.00
Arihant Medicines	9029.00
Arpit Medicines	9175.00
Ashirvad Hospital - Bavla	7637.00
ASHIRVAD MEDICAL STORES	7052.00
Ashmi Medical Stores	5358.00
Averest Lifescience	16981.44
Balaji Medicos	6292.00
Bhagvati Medical Stores	17690.86
Bhagvati Medical Stores Vav	105478.00
Bhakti Clinic Dholka	2121.00
Bhakti Medical Store-Amedabad	2540.00
Bharat Medical Agency Chandkheda	55896.48
Bharat Medical - Kalol	29945.04
Bhavesh Medical Store-Kalol	51321.00
Bhavni Medical Store Amirgath	37661.00
Cadila Pharmaceuticals Ltd.	23720356.22
Curils Lifescience Pvt.Ltd	23474.00
Darshana Medical Stores	1725.00
Decent Pharamaceuticals	169873.50
Dhanlaxmi General Medical Stores	11190.00
Dhaval Medical Stores	3723.00
Disha Medi & Prov Store Tajpur	2530.00
DMP Pharma	71446.00
DR ARPITBHAI C PATEL	4045.00
Dr Atul Shah	2431.00
Dr. Bharatbhai Patel	2030.00
DR C N YAGNIK KUKARVADA	7705.00
Dr Dhaval Gajjar	5676.00
Dr Dinesh Varvadia (Patel)	6325.00
Dr Hetalbhai Bhavsar	2481.00



For, SOTAC PHARMACEUTICALS PVT. LTD.

*[Signature]* Director



Dr.Hitendra N Patel	7828.00
Dr.Jamini Nirav Pandya	2853.00
Dr.Jaydevsing Makwana	717.00
Dr. Jayeshbhai Prajapati	6322.00
Dr. Kalpeshbhai Joshi	12690.00
Dr Kardambhai Vaishnav - Deesa	604.00
Dr. Ketanbhai Patel-Visnagar	4165.00
DR MAHENDRABHAI PATEL	16742.00
Dr. Mahendrabhai Raval-Gandhinagar	839.00
Dr. Mehul Shah Gandhinagar	2430.00
Dr M G Momin,Dholka	1050.00
Dr. M J Pandya	3618.00
DR MOHANBHAI PADHIYAR IQBALGAD	56110.00
DR NARESH KAPADIYA	8925.00
Dr Naresh Prajapati	2756.00
Dr Niravbhai Chaudhary - Dhanera	5473.00
Dr Pankaj P Patel - Iqbalgadh	31920.00
Dr. Parikshitbhai Vyas	2342.00
Dr. Piyushbhai Patel	2.00
Dr.Pravin Patel Odhav	2400.00
Dr Ranjitbhai	4270.00
Dr.Ravi Prajapati	6280.00
DR S A PATEL AMIRGADH	29837.00
Dr.Shilpa Patel	426.00
Dr. Smitesh Patel	1144.00
Dr.Sureshbhai Prajapati	4076.80
Dr. Tejas Balsara-Vasai	1075.00
Dr Vijay R. Mohania	915.00
DR VIPUL PATEL NETRA KUTCH	1050.00
Dr. Viral Luhar	1153.00
Dr.Yogeshbhai Patel	5004.00
Dwarkesh Hospital	43560.00
Essential Healthcare	163466.83
Gandhi Medical Stores	16404.00
Ganesh Clinic Mankol	5488.00
Gauri Medical Stores	3322.00
Gayatri Medical & Provision Store	1904.00
Gayatri Medical Store Anjali	1472.00
Geeta Medical Stores - Ranip	598.00
GOPI MEDICAL STORE, GOTA	5620.00
Gujarat Medica&Provisione Store-Kalol	4260.00
Gujarat Medica&Prov. Store Hansol	1102.00
Gurukrupa Medical - Lakhani	2944.00
HAGIOS LIFE SCIENCES PVT.LTD.	5250.00
Hanumat Medical Store-Una	3696.00
Happy Medical Store	1299.00
Harekrishna Medical Store	17361.00

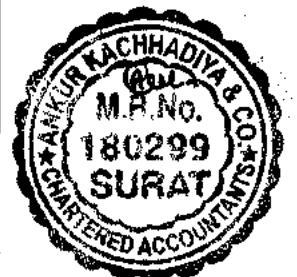


For, SOTAC PHARMACEUTICALS PVT. LTD.

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Director



Hariom Medical Stores	6358.00
Hem Agency	20726.00
Hema Laboratories Pvt Ltd	256571.44
Highness Medical Stores	350.00
Hi-Kare Pharmacy	616.36
HITANSH MEDICAL, WAV	2818.00
I C Medical	5514.00
Innowayz Pharma Navsari	181587.24
JALARAM CHEMIST NARANPURA	7992.00
JALARAM MEDICAL JANTANAGAR	861.00
Jalaram Medical Stores - Sola Road	6920.00
Jalaram Med. Store-Chandlodia	316.00
Jan Aushad Medical Store-Visnagar	180306.00
Jan Aushdi Kendra Visnagar	12480.00
Jay Ambe Enterprise - Nadiad	68258.00
Jay Goga Medical & Provision	3917.00
Jayshree Clinic	5227.00
Jay Umiya Medical & Provision Store	1503.00
JAYVEER MEDICAL STORE CHANAKYAPURI	652.00
J D Medical & Provision	12709.00
Jincy Medicines Chemist & Drugist	2376.00
Jivandeep Clinic	18593.00
Jivandeep Multy Specility Hospital	1834.00
Joitaba General Hospital	944.00
Jolly Medicines	504.00
Joshi Medical Store	1080.00
Kailash Medical Stores	10500.00
Kalikund Medical Stores	2764.00
Karnavati Healthcare	545.00
Kentosa Pharamaceuticals	1213758.40
KESAR MEDICAL STORE SARKHEJ	19838.00
Kesharkrupa Medical Store-T[harad	138.00
Keya Pharmacy - Nadiad	9681.00
Khodiyar Medical Agency - Manasa	100604.00
Kismat Medical & Provision	3269.00
Krishna Distributors-Radhanpur	58735.08
Krishna Medical - Kalol	12226.00
Krishna Medical Stores Ranip	1253.00
Krishna Medical Stores - Vadaj	1200.00
Krishna Medical Stores - Vejalpur	5265.00
Krishna Pharmcy	17984.00
Krishna Pharmacy Gandhinagar	3528.00
Labh Enterprise	318009.20
Labh Medical Stores	25145.00
Lifecare Formulation Pvt.Ltd	1500.00
Lincon Phamaceuticals Ltd.	8824177.43



For, SOTAC PHARMACEUTICALS PVT. LTD.

*Aditya Chatterjee*  
Director





Lotus Medical Stores	2268.00
Maa Krupa Medical	5054.00
Mac Heal Laboratories Ltd.	67623.00
Mahakali Chemist -Lakhani	3175.00
Mahakali Medical Stores	14057.00
Mahesh Clinic BOL	394.00
Mahesh Medical Stores	1048.00
Maheta Medical & Pro Store - Chandesar	18999.00
Maruti Clinic & Child Care	11257.00
M Cure Medical Stores	3362.00
Medwise Pharmaceuticals	67562.85
Meet Medicines - Naroda	2704.00
Megan Health Care	576813.11
Meldi Chemist - Chandlodiya	792.00
M M Gandhi Kalol	20755.00
Murli Medical - Lakhani	1992.00
Mylife Medical Stores	1560.00
Navrang Medical Stores	17667.00
Neptune Chemist	7554.00
New Dhanlaxmi Medical - Odhav	1817.00
New Life Medical-Sanand	60325.60
New Ramdev Chemist (Sola)	4495.00
New Rasik Medical Kalol	36.40
New Sapan Chemist - Modasa	750.00
Nooremohmmadi Medical & Pro Store	1467.00
NPM Process Equipement	3540.00
Nutron Systems Pvt Ltd	11000.00
Oicare Laboratories	1830836.92
Om Clinic - Deodar	58956.00
Om Medical Agency Kheda	500.00
Om Medical Vastral	9284.00
Om Sai Medical Surat	302.80
Optival Health Solution Pvt Ltd	105.00
Parth Chemist - Saraspur	3292.00
Parth Medical Store Ahmedabad	1779.00
Parth Medicines - Halvad	357.00
Patel Medical & Provision Stores	541.00
Pipleshwar Clinic	26620.00
Pooja Clinic	7493.00
Prabhuji Trading Company	25715.00
Pragati Medical Vijapur	7520.00
Pramukh Medical Agency	6333.00
Principal RPRC	540.00
Pulse Pharmacy	362.00
Purple Inc.	521842.56
Que Pharam Pvt.Ltd	73541.60
Radhe Medical & Pro Store- Kadi	1058.00



For, SOTAC PHARMACEUTICALS PVT. LTD.

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Director



Radhe Medical Stores Tajpur	437.00
Radheshyam Clinic - Deesa	2336.00
Radley Pharma	9959.00
Rajeshwar Medical Stores Lakhni	32289.00
Raj Medical Stores Gota	2499.00
Rajshree Chemist	509.00
Ramdev Chemist Chanakyapuri	1083.00
Ranu Medical & Provision Stores	27618.00
Ravi Agency	200.00
Ravi Medical Stores Dholka	6685.00
RBRC Dispensary	2058.00
Revabhai General Hospital	8204.00
Sadbhav Chemist	27355.00
Saibaba Chemist Palanpur	6499.00
Saikrupa Medical Store	9229.00
Samir Medical Saraspur	583.00
Santosh Medicores - Dr Prembhai	11738.00
Saral Pharma	170045.00
Satkaival Medical & Pro.Store	1512.00
Saumil Clinic	10884.00
SEHAT MEDICAL STORE DHOLKA	2600.00
Sevida Pharmaceuticals Pvt.Ltd	122387.00
Shakti Chemist	520.00
Sharda Chemist - Saraspur	1193.00
Shaswat Pharmacy	5015.00
Shatayu Pharmacy	535.06
Shital Mediplus Vadodara	7509.00
Shivam Medical Store - Kadi	9074.00
Shivam Medical Stores	4613.00
Shiv Shakti Medical & Provision	825.00
Shlok Medical Stores Kalol	3590.00
Shree Ambika Medical Chandlodia	5555.00
SHREE DATT PHARMA	18124.00
Shree Dhanvantari Medical Stores	17221.00
Shreeji Medical Stores - Saraspur	6720.00
Shree Kalikund Parshwanath Genenaral Hosp Medi	551.00
Shree Krishna Distributors-Deesa	307383.56
Shree Patel Medicines Haldav	236.00
SHREE RAJESHWAR MEDICAL STORE	2472.00
Shree Ramdev Medical Stores	2202.00
Shree Ram Medical & Provision	1560.00
Shree Saikrupa Medical -PNU	10139.90
Shree Sharda Chemist	9357.00
Shri Bhagwati Medical Stores	14982.00
Shri Gayatri Medical & Prostore	541.00
Shri Hari Chemist	49745.00
Shri Hari Medical Stores	3674.00



For, SOTAC PHARMACEUTICALS PVT. LTD.

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Director



Shri Hari Medicines-Wadhwanacity	3308.00
Shriji Distributors Naroda	87970.52
Shri Medical Stores	938.00
Shri Saikrupa Chemist Deesa	14469.00
Shri Umiya Sugical Shop	1568.00
Shri Vijay Agencies	3981.00
Shubham Medical & Pro-Ahmedbad	8374.00
Shubham Medical Store Dhanera	4200.00
Smit Medicals Stores	7135.00
Soham Medicines	440.00
Solderma Pharamceuticals Pvt.Ltd	542722.60
Stallion Laboratories Pvt.Ltd	334521.81
Sulabh Pharmaceuticals Pvt.Ltds	205345.00
Sundaram Medical	22463.00
Sun Medicines - Ghattodia	1273.00
Swaminarayan Medical Ranip	2715.00
Sweta Medical Stores - Dhanera	2888.00
Tapan Medical Stores - Odhav	3794.00
Thaker Medical Store	6320.00
Treatwell Pharma	280435.52
Uma Medical & Pro Store-Gandhinagar	10357.00
Uma Medical Stores - Manasa	616.00
Umiya Clinic Kalol	3707.00
Umiya Medical & Provision - Gurukul	3985.00
UMIYA MEDICAL STORE AMIRGADH	7503.00
Umiya Medical Store - Kalol	2060.00
Umiya Medical Store - Kujad	44660.00
Vaibhav Medical Stores	4481.00
Vinayak Medical Store	192.00
Vishwa Medical Store Vijapur	472.00
Ximing Drugs House	2146.00
Zalak Medical Stores	34726.00
<b>Total</b>	<b>43087146.83</b>



For, SOTAC PHARMACEUTICALS PVT. LTD.

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Director



NOTE - 1 : SIGNIFICANT ACCOUNTING POLICIES

1.0 **BASIS OF ACCOUNTING**

The Financial statements are prepared under the historical cost convention and on accrual basis in accordance with applicable accounting standards referred to in section 133 read with rule 7 of the Companies (Accounts) rules, 2014.

1.1 Accounting policies have been consistently applied by the Company.

1.2 **USE OF ESTIMATES :**

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could be differ from these estimates.

1.3 **REVENUE RECOGNITION**

a. In appropriate circumstances, Revenue is recognised on accrual basis when no significant uncertainty as to determination or realization exists.

b. **SALES**

Domestic Sales are accounted exclusive of Excise, net of Central Sales tax, VAT, sales return and rate difference, if any. Exports sales are accounted on the basis of FOB value.

c. **EXPORT BENEFITS**

Income in respect of Duty Drawback in respect of exports made during the year are accounted on accrual basis.

d. Insurance claims are recognised on the basis of approval of claim by insurance company.

e. Dividend income is recognised on the basis of dividend declared by Company.

1.4 **FOREIGN CURRENCY TRANSACTIONS**

a. Monetary items remaining unsettled or those transactions at the balance sheet date are translated at the contracted rates (where applicable) or at the exchange rates prevailing at the end of accounting year. The net Loss / Gain arising from transactions of revenue nature is charged to relevant revenue heads in the profit and loss accounts and net Loss / Gain arising from transaction relating to capital expenditure is adjusted with relevant assets.

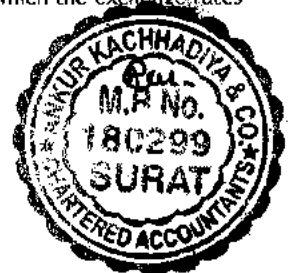
b. Exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the profit and loss account in the reporting period in which the exchange rates change.

For, **SOTAC PHARMACEUTICALS PVT. LTD.**



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**Director**



- c. In order to hedge exposure to foreign exchange risks arising from Export or Import foreign currency, bank borrowings and trade receivables, the company enters into forward contracts. In case of forward contracts, the cost of the contract is amortised over the period of the contract. Any profit or loss arising on the cancellation or renewal of a forward exchange contract is recognised as income or expenses for the year.
- d. Non monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

#### 1.5 FIXED ASSETS

- a. Fixed assets are stated at cost of acquisition or construction less accumulated depreciation, including financial cost till such assets are ready for its intended use.
- b. Fixed assets in the course of work-in-progress for production or administrative purposes are carried at cost less any impairment loss. Work-in-progress includes expenditure pending for capitalisation.
- c. Cost includes land and building improvement cost, related acquisition expense and construction costs incurred during the period of construction. Depreciation of these assets, on the same basis as the other property assets, commences when the assets are ready for their intended use.
- d. The exchange rate gain or loss relating to acquisition of capital assets is adjusted to the cost of fixed assets.
- e. The cost of self-constructed assets includes cost of materials plus any other directly attributable costs of bringing the assets to working condition for its intended use.

#### 1.6 INTANGIBLE ASSETS

Intangible assets are recognized at acquisition cost when the asset is identifiable, non monetary in nature, without physical substance and it is probable that such expenditure is to result in future economic benefits to the entity.

#### 1.7 DEPRECIATION

- a. Depreciation is charged on Written Down Value Method (WDV) as per useful life of assets prescribed under schedule II of the Companies Act, 2013.
- b. Depreciation is not provided on freehold land.
- c. When assets are disposed or retired, their cost and accumulated depreciation are removed from the financial statements.
- d. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in profit and loss account for the relevant financial year.

#### 1.8 INVESTMENTS

Long term investment are stated at cost less amount written off, where there is a diminution in its value of long term nature. Current investments are stated at lower of cost and fair value. Gain or loss arising from sale or disposal of such investment is accounted at the time of actual sale or disposal.



For, SOTAC PHARMACEUTICALS PVT. LTD.

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Director



1.9 **INVENTORIES**

Inventory is valued at cost or net realisable value which ever is lower

1.10 **BORROWING COST**

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one which is that necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account. Capitalisation of borrowing cost suspended when active development is interrupted.

1.11 **EMPLOYEE BENEFITS**

Contribution to Defined Contribution schemes such as Provident Fund, etc are charged to the Profit and Loss account as and when incurred.

1.12 **PRIOR YEAR EXPENSES AND INCOME**

Transactions pertaining to period prior to Current Accounting Year are adjusted through prior year adjustments, if any.

1.13 **EXCISE DUTY**

Excise duty (including Education cess) on Finished Goods are shown separately in Manufacturing and other expenses and included in the valuation of finished goods.

1.14 **CENVAT**

CENVAT Credit of raw materials and other consumables is accounted at the time of purchase and the same is being adjusted to the cost of raw materials and other consumables.

1.15 **ACCOUNTING FOR TAXES ON INCOME**

- a. Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- b. Deferred tax is recognized, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- c. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized if there is virtual certainty that sufficient future taxable income will be available against which such assets can be realized. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed at each Balance sheet date to reassess realization.
- d. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

1.16 **PROVISIONS AND CONTINGENT LIABILITIES**

A provision is recognized when it is more likely than not that an obligation will result in an outflow of resources.

Provisions are not discounted to their present value and are determined based on management's estimation of the obligation required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.



For, SOTAC PHARMACEUTICALS PVT. LTD.

*[Handwritten Signature]*

Director



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