

LUPIN ONCOLOGY INC.

AUDITED ACCOUNTS

**FOR THE PERIOD from
MARCH 15,2021 to MARCH 31, 2021**

**5801 Pelican Bay Blvd, Suite 500 Naples,
FL 34108, USA**

Independent Auditor's Report

**To the Board of Directors of
Lupin Oncology Inc.
USA**

Report on the Financial Statements

We have audited the accompanying financial statements of **LUPIN ONCOLOGY INC. USA** ('the Company') which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period then ended, and a summary of significant accounting policies and other explanatory information, which are prepared and presented only to facilitate the preparation of the consolidated financial statements of the Holding Company – Lupin Limited, in terms of Section 129(3) of the Indian Companies Act, 2013 ('the Act') and are in accordance with the requirements of Schedule III to the Act.

These financial statements / financial information are "special purpose financial statements / financial information" and do not constitute a set of statutory financial statements in accordance with the local laws in which the Company is incorporated and cannot be used for any purpose other than the aforesaid.

Management's Responsibility for the Financial Statements

The Holding Company and Company's Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India and in particular SA 800 'Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks'. Those Standards 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 control 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 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 a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, the changes in equity and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

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 purpose of our audit.
- (b) In our opinion, proper books of account as required for preparation of these financial statements have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts for which there were any material foreseeable losses. There were no derivative contracts.
 - (iii) The provisions relating to the Investor Education and Protection Fund are not applicable to the Company.

Other Matter

This report is issued for the purpose of consolidation of financial statements of the Company's holding Company Lupin Limited, India and to comply with the provisions of Section 129 (3) of the Companies Act, 2013.

For Arora & Arora
Chartered Accountants
Firm's Registration No: 100544W

Girish Arora
Partner
Membership No.: 41019
UDIN : 21041019AAAABP5264
Mumbai, May 06, 2021

LUPIN ONCOLOGY INC.
BALANCE SHEET AS AT MARCH 31, 2021

| | Note | As at 31.03.2021 \$ | As at 31.03.2021 ₹ |
|---|------|---------------------------|--------------------------|
| ASSETS | | | |
| Non Current Assets | | | |
| Property, Plant and Equipment | | - | - |
| Current Assets | | | |
| Financial Assets | | | |
| Cash and Cash Equivalents | 1 | - | - |
| | | - | - |
| Total | | - | - |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 2 | - | - |
| (b) Other Equity | 3 | - | - |
| | | - | - |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Trade Payables | | | |
| - Total outstanding dues of Micro Enterprises and Small Enterprises | 4 | - | - |
| - Total outstanding dues of other than Micro Enterprises | 4 | - | - |
| | | - | - |
| Total | | - | - |

See accompanying notes forming part of financial statement

In terms of our report attached

For Arora & Arora
Chartered Accountants
Registration No. 100544W

**For and on behalf of the Board of Directors of
Lupin Oncology Inc.**

Girish Arora
Partner
Membership No. 41019

Vinita Gupta
Director

Place : Mumbai

LUPIN ONCOLOGY INC.**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM MARCH 15,2021 to MARCH 31, 2021**

| <u>Note</u> | <u>For The Period From March 15,2021 to March 31,2021 \$</u> | <u>For The Period From March 15,2021 to March 31,2021 ₹</u> |
|--|--|---|
| Income | - | - |
| Expenses | - | - |
| Profit / (Loss) before Tax | - | - |
| Tax Expense: | | |
| Current Tax (Net) | - | - |
| Deferred Tax (Net) | - | - |
| Profit / (Loss) for the period | - | - |
| Other Comprehensive Income | | |
| (A)(i) Items that will not be reclassified to profit or loss | - | - |
| (ii) Income tax relating to item that will not be reclassified to profit or loss | - | - |
| (B)(i) Items that will be reclassified to profit or loss | - | - |
| (ii) Income tax relating to item that will be reclassified to profit or loss | - | - |
| Other Comprehensive Income for the period, net of tax | - | - |
| Total Comprehensive Income for the period | - | - |
| Earnings per equity share: | | |
| Basic and Diluted | 10 | - |
| Face Value of Equity Share (in USD) | 1 | |
| See accompanying notes forming part of financial statement | | |

In terms of our report attached

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Registration No. 100544W

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Partner
Membership No. 41019

Vinita Gupta
Director

Place : Mumbai

LUPIN ONCOLOGY INC.**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM MARCH 15, 2021 to MARCH 31, 2021****(a) Equity share capital**

| Particulars | No. of Shares | Amount in USD | Amount in INR |
|---|---------------|---------------|---------------|
| Balance as at March 15, 2021 | - | - | - |
| Changes in equity share capital during March 15, 2021 to March 31, 2021 | - | - | - |
| Balance as at March 31, 2021 | - | - | - |

(b) Other equity

| Particulars | Reserves & Surplus (in USD) | | | Reserves & Surplus (in INR) | | |
|---|------------------------------|-------------------|-------|------------------------------|-------------------|-------|
| | Securities Premium Account | Retained Earnings | Total | Securities Premium Account | Retained Earnings | Total |
| Balance as at March 15, 2021 | - | - | - | - | - | - |
| Profit for the period from March 15, 2021 to March 31, 2021 | - | - | - | - | - | - |
| Other comprehensive income for the period from March 15, 2021 to March 31, 2021 | - | - | - | - | - | - |
| Balance as at March 31, 2021 | - | - | - | - | - | - |

In terms of our report attached

For Arora & Arora
Chartered Accountants
Registration No. 100544W

**For and on behalf of the Board of Directors of
Lupin Oncology Inc.**

Girish Arora
Partner
Membership No. 41019

Vinita Gupta
Director

Place : Mumbai

LUPIN ONCOLOGY INC.**STATEMENT OF CASH FLOWS FOR THE PERIOD FROM MARCH 15,2021 to MARCH 31,2021**

| | For The Period FROM March 15,2021 to March 31,2021 \$ | For The Period FROM March 15,2021 to March 31,2021 ₹ |
|---|--|---|
| A. Cash Flow from Operating activities | | |
| Profit before Tax | - | - |
| Gain on Sale of Investments | - | - |
| Operating Loss before Working Capital Changes | - | - |
| Changes in working capital: | | |
| Adjustments for : | | |
| Trade Payables | - | - |
| Other Financial Assets | - | - |
| Cash (used in) / generated from Operations | - | - |
| Direct Taxes paid | - | - |
| Net Cash Used in Operating Activities | - | - |
| B. Cash Flow from Investing Activities | | |
| Issue of Equity Shares | - | - |
| Net Cash Generated from Investing Activities | - | - |
| C. Cash Flow from Financing Activities | | |
| Proceeds from issue of shares | - | - |
| Issue of Equity Shares | - | - |
| Net Cash Generated from Financing Activities | - | - |
| Net decrease in Cash and Cash equivalents | - | - |
| Cash and Cash equivalents at the beginning of the period | - | - |
| Cash and Cash equivalents at the end of the period | - | - |

Note :

1) The cash flow statement has been prepared under the "indirect method" as set out in the Indian Accounting Standard 7 (Ind AS-7) "Statement of Cash Flows".

For Arora & Arora
Chartered Accountants
Registration No. 100544W

**For and on behalf of the Board of Directors of
Lupin Oncology Inc.**

Girish Arora
Partner
Membership No. 41019

Vinita Gupta
Director

Place : Mumbai

LUPIN ONCOLOGY INC.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1A. Company Overview:

Lupin Oncology Inc., ('the Company') incorporated in State of Delaware on 15th March, 2021, is an innovation led Transnational Pharmaceutical Company that would produce, develop and market wide range of branded products pertaining to cancer globally.

The Company is a public limited company incorporated and domiciled in USA. The address of its registered office is 5801 Pelican Bay Blvd, Suite 500 Naples, FL 34108, USA.

1B. Significant Accounting Policies

i. Basis of preparation of Financial Statements:

The Financial Statement of the Company have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India.

ii. Use of Estimates:

The preparation of the Standalone Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the Standalone Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialize.

iii. Property, Plant and Equipment:

Fixed Assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Amortisation of lease hold land is provided over the lease period.

iv. Financial Instruments

A) Financial Assets

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

The Company has elected to continue with the carrying value of all its equity investments as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - i) the Company has transferred substantially all the risks and rewards of the asset, or
 - ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- ii) Trade receivables.
The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

B) Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

v. Revenue Recognition:

Interest income is recognised with reference to the Effective Interest Rate method. Dividend from investments is recognized as revenue when right to receive is established.

vi. Income Tax:

Income Taxes are accounted for in accordance with Indian Accounting Standard 12 on "Income Taxes" (Ind AS 12). Tax expense comprises both current tax and deferred tax. Current tax is measured at the amount expected to be paid or recovered from the tax authorities using applicable tax rates.

Deferred tax assets and liabilities are recognized for future tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant tax rates. At each Balance Sheet date the Company reassesses unrealized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

vii. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

viii. Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period adjusted for the effects of all dilutive potential equity shares.

| | As at 31.03.2021 \$ | As at 31.03.2021 ₹ |
|---|---------------------------|--------------------------|
| 1. CASH AND CASH EQUIVALENTS | | |
| Cash and Cash Equivalents (as per Ind AS-7 "Statements of Cashflows") | | |
| Bank Balances | | |
| - In Current Account (including money-in-transit) | - | - |
| Total | - | - |

2. EQUITY

a) SHARE CAPITAL

| Particulars | As at 31.3.2021 | | |
|--|------------------|-------|--------|
| | Number of shares | \$ | ₹ |
| Authorised Equity Shares of \$ 1 each | 1,000 | 1,000 | 72,715 |
| Issued, Subscribed & Paid up Equity Shares of \$ 1 each fully paid | - | - | - |
| Total | - | - | - |

b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

| Particulars | As at 31.3.2021 | | |
|---|------------------|----|---|
| | Number of shares | \$ | ₹ |
| Equity Shares outstanding as at March 15,2021 | - | - | - |
| Equity Shares Issued during the period March 15,2021 to March 31,2021 pursuant to exercise of ESOPs | - | - | - |
| Equity Shares outstanding at the end of the period | - | - | - |

c) Rights attached to Equity Shares

The Company has only one class of Equity shares having a par value of USD 1 per share. Each holder of Equity share is entitled to one vote per share. In the event of liquidation of the company, the shareholders 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.

d) More than 5% shareholding in the Company by each shareholder

| Name of Shareholder | As at 31.3.2021 | |
|---------------------|--------------------|--------------|
| | No. of Shares held | % of Holding |
| NA | - | - |

| | As at 31.03.2021 \$ | As at 31.03.2021 ₹ |
|---|---------------------------|--------------------------|
| 3. OTHER EQUITY | | |
| Reserves and Surplus | | |
| Retained Earnings | | |
| Profit for the period from March 15,2021 to March 31,2021 | - | - |
| Balance as at the year end | - | - |
| Total | <u>-</u> | <u>-</u> |
| 4. TRADE PAYABLES | | |
| - Other than Acceptances | | |
| - Total outstanding dues of Micro and Small Enterprises | - | - |
| - Total outstanding dues of Others | - | - |
| Total | <u>-</u> | <u>-</u> |

5. Since the Company was incorporated on March 15, 2021, these are the first accounts of the Company for the period from March 15,2021 to March 31,2021.
6. The formation costs of the company were borne by Lupin Inc., USA (sister company). Accordingly, legal and professional expenses is nil for the period from March 15,2021 to March 31,2021.
7. There was no capital infusion by Lupin Limited (Parent company) during the period from March 15,2021 to March 31,2021. Accordingly, the equity share capital is nil as at March 31,2021.
8. The audit fees of the company is borne by Lupin Limited (Parent company) and hence is nil for the period from March 15,2021 to March 31,2021.
9. Considering the definitions of reportable business segment and reportable geographical segment contained in Indian Accounting Standard 108 (Ind AS 108) "Operating Segments", the management is of the opinion that there is only one reportable business and geographical segment, the results of which are disclosed in the financial statements.
10. **Basic and Diluted earnings per share is calculated as under:**

| Particulars | 2020-21 (\$) | 2020-21 (₹) |
|--|-----------------|----------------|
| Net Profit / (Loss) after tax attributable to Equity Shareholders (₹) | NIL | NIL |
| Weighted average number of equity shares outstanding for the period March 15,2021 to March 31,2021 | NIL | NIL |
| Earnings per share - Basic and Diluted (₹) | NIL | NIL |

11. **Related party Disclosures:**

- a) Name of Related parties and description of relationship:

Category I : Company whose control exist:

- Lupin Limited (Holding Company)

Category II : Key management personnel:

- Ms. Vinita Gupta (Director)

- b) Related party Transactions: -

| Sr No. | Description and Nature of transactions | 2020-21 (\$) | 2020-21 (₹) |
|--------|--|-----------------|----------------|
| 1. | None | None | None |

- c) Balance due from / to related parties:

| Sr No. | Description and Nature of transactions | 2020-21 (\$) | 2020-21 (₹) |
|--------|--|-----------------|----------------|
| 1. | NIL | NIL | NIL |

Related Party relationship is as identified by the Company and relied upon by the Auditors.

- 12.** In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement captions up to the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves globally. The Company will continue to closely monitor any material changes to future economic conditions.

Signatures to notes 1 to 12

For Arora & Arora
Chartered Accountants
Registration No. 100544W

**For and on behalf of the Board of Directors of
Lupin Oncology Inc.**

Girish Arora
Partner
Membership No. 41019
Place : Mumbai

Vinita Gupta
Director