TPL (MALTA) LIMITED

Financial Statements
31 March 2022

C 99991

General Information

Company registration

TPL (Malta) Limited is a limited liability company registered in Malta in terms of the Maltese Companies Act (Cap. 386). The company's registration number is C99991. The company was registered on 17 August 2021.

Director

Amul Kamal Kumar Agrawal

Company secretary

EMD Trust Services Ltd

Auditor

Charles Scerri and Associates

Registered office

Vault 14, Level 2,
Valletta Waterfront
Floriana FRN 1914
Malta

Bankers

HSBC Malta Plc.

Index

Director's Report
31 March 2022

The director presents the annual report together with the audited financial statements of the company for the period ended 31 March 2022.

Principal Activities

The company's principal activity is to hold an investment in a subsidiary.

Review of Business Development

During the period under review, the company invested in a Maltese subsidiary Torrent Pharma (Malta) Ltd.

Results and Dividends

The subsidiary company has not begun operating and has not distributed any dividend as yet. TPL (Malta) Limited incurred administrative expenses during the period incurring a loss of €10,897. The director expects the company's results to improve once the trading company commences operations. The director does not recommend the distribution of a dividend.

Principal risks and uncertainties

The successful management of risk is essential to enable the company to achieve its objectives. The ultimate responsibility for risk management rests with the company's director, who evaluates the company's risk appetite and formulates policies for identifying and managing such risks. The principal risks and uncertainties facing the company are included below:

Financial risk management and exposures

Note 13 to the financial statements provides details in connection with the company's use of financial instruments, its financial risk management objectives and policies and the financial risks to which it is exposed.

Director

The director of the company who held office during the period was:

Amul Kamal Kumar Agrawal

In terms of the company's Articles of Association the present director will continue in office.

Director's Report - continued
31 March 2022

Going Concern

After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operating existence for the foreseeable future. For this reason the going concern basis in preparing financial statements continues to be adopted.

Statement of Director's Responsibilities

The Maltese Companies Act (Cap. 386) require the director to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit or loss of the company for that period.

In preparing the financial statements, the director is required to:-

- adopt the going concern basis, unless it is inappropriate to presume that the company will continue in business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relative to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and to enable the director to ensure that the financial statements have been properly prepared in accordance with International Financial Reporting Standards, as adopted by the EU, and the requirements of the Maltese Companies Act (Cap 386). The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Amul Kamal Kumar Agrawal
Director

Registered Address:
Vault 14, Level 2,
Valletta Waterfront,
Floriana FRN 1914
Malta

12 April 2022

Statement of Comprehensive Income
For the period ended 31 March 2022

	Notes	Period from 17 August 2021 31 Mar 2022 €
Administrative expenses		(10,745)
Operating loss	4	(10,745)
Interest payable and similar charges	5	(152)
Loss for the Period before Taxation		(10,897)
Taxation	6	-
Loss for the Period		(10,897)

The accounting policies and explanatory notes on pages 7 to 21 form an integral part of the financial statements.

Statement of Financial Position
31 March 2022

	Notes	Period ending 31 March 2022 €
ASSETS		
Non-Current Assets		
Investment in subsidiary undertaking	7	955,000
Current Assets		
Cash and cash equivalents	10	41,783
Total Assets		966,783
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	8	1,005,000
Accumulated losses		(10,897)
		994,103
Current Liabilities		
Trade and other payables	9	2,680
Total Equity and Liabilities		966,783

The accounting policies and explanatory notes on pages 7 to 21 form an integral part of the financial statements.

The financial statements on pages 3 to 21 were approved and authorised for issue by the Director on 12 April 2022 and signed on its behalf by:

Amul Kamal Kumar Agrawal
Director

Statement of Changes in Equity
31 March 2022

	Share Capital €	Accumulated Losses €	Total €
Issue of share capital	1,005,000	-	1,005,000
Loss for the period	-	(10,897)	(10,897)
Balance at 31 March 2022	**1,005,000**	**(10,897)**	**944,103**

The accounting policies and explanatory notes on pages 7 to 21 form an integral part of the financial statements.

Statement of Cash Flows
For the year ended 31 March 2022

	Notes	Period from 17 August 2021 to 31 Mar 22 €
Operating Activities		
Loss for the year before taxation		(10,897)
Working capital changes:		
Increase in trade and other payables		2,680
Net Cash used in Operating Activities		(8,217)
Investing Activities		
Payments to acquire investments in subsidiary	7	(955,000)
Net Cash used in Investing Activities		(955,000)
Financing Activities		
Issue of share capital	8	1,005,000
Net Cash generated from Financing Activities		1,005,000
Movement in Cash and Cash Equivalents		41,783
Cash and Cash Equivalents at Beginning of Year		-
Cash and Cash Equivalents at End of Year	10	41,783

The accounting policies and explanatory notes on pages 7 to 21 form an integral part of the financial statements.

Notes to the Financial Statements

31 March 2022

1. Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Maltese Companies Act (Cap. 386), enacted in Malta, which require adherence to International Financial Reporting Standards (IFRSs), as adopted by the EU and their interpretations adopted by the International Accounting Standards Board (IASB). The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies (refer to Note 3 - Critical accounting estimates and judgements).

In accordance with Section 174 of the Maltese Companies Act (Cap, 386) the company has taken advantage of the exemption from consolidation due to the fact that the company forms part of a larger group with the consolidation being prepared by Torrent Pharmaceuticals Limited. Due to this statutory exemption the company has departed from the requirement for consolidation under IFRS10 and prepared separate financial statements.

Going concern

The financial statements have been drawn up on a going concern basis on the presumption that the related undertakings will continue to provide the company with financial support to enable it to meet its commitments as and when they fall due.

Covid 19

Since early 2020, the world is experiencing an unprecedented crisis caused by the COVID-19 pandemic. The Company considers the effects of the COVID-19 outbreak as the only relevant event arising during the reporting date.

The Company did not trade during the period. The crisis has not resulted in the temporary cessation in the Company's activities. The overall impact of COVID-19 on the Company is therefore expected to be relatively contained in the context of the Company's financial resources and accordingly the director considers it to be appropriate to prepare these financial statements on a going concern basis.

Notes to the Financial Statements
31 March 2022

1. **Basis of Preparation** - continued

Standards, interpretations and amendments to published standards not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements that are mandatory for the company's accounting periods beginning on 1 April 2022. The company has not early adopted these revisions to the requirements of IFRSs, as adopted by the EU, and the company's director is of the opinion that there are no requirements that will have a possible significant material impact on the company's financial statements in the period of initial application.

2. **Principal Accounting Policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Reporting currency

The reporting currency used for the preparation of the financial statements is the Euro, which is the currency in which the company's share capital is denominated.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of value-added tax or other sales taxes, returns, rebates and discounts.

Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Investments in group and associated undertakings

Subsidiary undertakings are all entities over which the company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

Notes to the Financial Statements
31 March 2022

2. **Principal Accounting Policies** - continued

Investments in group and associated undertakings - continued

Associated undertakings are all entities over which the company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

In the company's financial statements, investments in company and associated undertakings are accounted for by the cost method of accounting. The dividend income from such investments is included in the statement of comprehensive income in the accounting year in which the company's rights to receive payment of any dividend is established.

The company gathers objective evidence that an investment is impaired using the same process disclosed in accounting policy *Impairment of Financial Assets*. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of debts.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the statement of comprehensive income.

Notes to the Financial Statements
31 March 2022

2. Principal Accounting Policies - continued

Impairment of non-financial assets

At the end of each reporting period, the carrying amounts of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

In case of assets tested for impairment, the recoverable amount is the higher of fair value less costs to sell (which is the amount obtainable from sale in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal) and value in use (which is the present value of future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated.

Impairment losses are recognised immediately in profit or loss. An impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment reversals are recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

Notes to the Financial Statements
31 March 2022

2. **Principal Accounting Policies** - continued

Income taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous periods.

Deferred taxation is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the unutilised deferred tax credits can be utilised.

Currency translation

The financial statements of the company are presented in its functional currency, the Euro, being the currency of the primary economic environment in which the company operates. Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year-end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in profit or loss.

Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at fair value are re-translated using the exchange rate ruling on the date the fair value was determined. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured in terms of historical cost are not re-translated.

Notes to the Financial Statements

31 March 2022

2. Principal Accounting Policies – continued

Currency translation - continued

Exchange differences arising on the translation of non-monetary items earned at fair value are included in profit or loss for the period, except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Foreign exchange gains and losses are included with operating profit or classified with other operating income or other operating expenses as appropriate, except in the case of significant exchange differences arising on investing and financing activities, which are classified within investment income, investment losses or finance costs as appropriate.

Share capital

Ordinary shares are classified as equity. Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Trade Payables

Trade payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, billed to the company.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

Financial Assets

Financial assets within the scope of IFRS 9 are classified as financial assets at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Notes to the Financial Statements
31 March 2022

2. **Principal Accounting Policies** - continued

Financial Assets - continued

The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

(a) Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
  and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(a) Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements
31 March 2022

2. Principal Accounting Policies - continued

Financial Assets – continued

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

(b) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Company elected to classify its non-listed equity investments under this category.

(c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Notes to the Financial Statements
31 March 2022

2. Principal Accounting Policies - continued

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 statement of financial position) 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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Notes to the Financial Statements
31 March 2022

2. Principal Accounting Policies - continued

Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables. 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. The company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

The subsequent measurement of financial liabilities depends on their classification, as described below:

(a) 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. Gains or losses on liabilities held for trading are recognised in the statement of profit or 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 IFRS 9 are satisfied.

(b) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of 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 or loss.

Notes to the Financial Statements
31 March 2022

2. Principal Accounting Policies - continued

Determination of fair values

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date.

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described below are financial instruments that trade in frequently and have little price transparency, fair value is less objective and requires assumptions reflecting observable market data depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instruments.

Observable inputs reflect data obtained from independent sources, while unobservable inputs reflect the company's market assumptions. Preference is given to observable inputs.

Measurement of fair values

The company measures fair values using the following fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1* Inputs that are quoted market prices (unadjusted) in active markets for identical financial instruments
- *Level 2* Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- *Level 3* Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Non-derivative financial assets measured at amortised cost

The fair value of non-derivative financial assets measured at amortised cost is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The carrying amount of cash and cash equivalents and trade and other receivables is a reasonable approximation of their fair value.

Notes to the Financial Statements
31 March 2022

3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the director, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).

4. Operating Loss

	2022
	€
This is stated after charging:	
Audit fee	1,000
Legal and professional fees	9,745
	10,745

5. Interest Payable and Similar Charges

	2022
	€
Bank charges	152

6. Taxation

No tax charge has been provided during the year under review in view of the losses incurred.

Notes to the Financial Statements
31 March 2022

7. Investments in Group Undertakings

	2022
	€
Additions	955,000
Closing net book amount at 31 March 2022	955,000
Additions	955,000
Net book amount at 31 March 2022	955,000

The principal undertaking which is unlisted at 31 March 2021 is shown below:

	Registered office	Principal activities	Percentages of shares held 2022
Torrent Pharma (Malta) Limited	Vault 14, Level 2 Valletta Waterfront, Floriana FRN1914	Manufacture, testing and storage of pharmaceutical products	99.99

8. Share Capital

	2022
	€
Authorised share capital	
4,999,999 Ordinary 'A' shares of € 1 each	4,999,999
1 Ordinary 'B' share of €1	1
	5,000,000
Issued and fully paid share capital	
1,004,999 Ordinary 'A' shares of € 1 each	1,004,999
1 Ordinary 'B' share of €1	1
	1,005,000

Notes to the Financial Statements

31 March 2022

8. Share Capital - continued

The holders of both classes of shares shall rank equally in all respects saving that the holder of the ordinary B share not be entitled to exercise any voting rights and shall not be entitled to participate in any profit sharing in respect of such shareholding.

9. Trade and Other Payables

	2022
	€
Accruals	2,680
	2,680

10. Cash and Cash Equivalents

Cash and cash equivalents at the end of the period comprise the following:

	2022
	€
Cash at bank	41,783
	41,783

11. Related Party Transactions

TPL (Malta) Limited is fully owned by Torrent Pharmaceuticals Ltd parent company and its shareholders and associated companies are related party transactions.

	Percentage of shares held
	2022
Torrent Pharmaceuticals Ltd - holder of Ordinary "A" shares	99.99
Torrent Investments Private Ltd - holder of ordinary shares without voting rights	0.01

Notes to the Financial Statements
31 March 2022

12. Financial Instruments

Fair values of non-derivative financial instruments

At the period end, the company's main financial assets on the statement of financial position comprised trade and other receivables and cash and cash equivalents. At the period end there were no unreported financial assets in the statement of financial position.

At the period end, the company's main financial liabilities on the statement of financial position consisted of trade and other payables. At the period end there were no unreported financial liabilities in the statement of financial position.

13. Financial Risk Management

13.1 Overview

The Company has exposure to the following risks from its use of financial instruments:

- related parties risk
- liquidity risk
- capital risk management

This note presents information about the Company's exposure to each of the above mentioned risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The director has overall responsibility for the establishment and oversight of the Company's risk management framework.

13.2 Related parties risk

The director deems related parties risk to be limited due to the commercial viability of the companies within the group.

13.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The carrying amount of financial liabilities represents the maximum liquidity risk exposure. The carrying amount of financial liabilities and the contractual cash flows necessary to settle these financial liabilities are not materially different.

Notes to the Financial Statements
31 March 2022

13.4 Capital risk management

The Company's objective when managing capital is to safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining sufficient level of funds, in order to support and further expand upon the Company's current product base. There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

14. Statutory information

TPL (Malta) Limited is registered in Malta as a limited liability company under the Maltese Companies Act (Cap. 386). The registered office is Vault 14, Level 2, Valletta Waterfront, Floriana FRN 1914, Malta.

The parent company of TPL (Malta) Limited is Torrent Pharmaceuticals Ltd a company registered in India.

CHARLES SCERRI

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of TPL (Malta) Limited

Report on the audit of the financial statements

Opinion

In my opinion:

- TPL (Malta) Limited's financial statements (the "financial statements") give a true and fair view of the Agency's financial position as at 31 March 2022, and of the Company's financial performance for the period then ended in accordance with the International Financial Reporting Standards (IFRSs), as adopted by EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

What I have audited

TPL (Malta) Limited's financial statements, set out on 7 pages to 21, comprise:

- the statement of financial position as at 31 March 2022;
- the statement of comprehensive income for the period then ended; and
- the statement of changes in equity for the year then ended:
- the cash flow statement for the period then ended;
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Independence

I am independent of the Agency in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to my audit of the financial statements in Malta. I have fulfilled my other ethical responsibilities in accordance with these Codes.

CHARLES SCERRI

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of TPL (Malta) Limited

Other information

The director is responsible for the other information. The other information comprises of the director's report (but does not include the financial statements and our auditor's report thereon).

My opinion on the financial statements does not cover the other information, including the director's report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Directors' report, we also considered whether the director's report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386).

Based on the work we have performed, in our opinion:

- The information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- The director's report has been prepared in accordance with the Maltese Companies Act (Cap. 386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the director's report and other information. I have nothing to report in this regard.

Responsibilities of the director for the financial statements

The director is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs), as adopted by EU and the Schedule accompanying and forming an integral part of those Regulations, and the requirements of the of the Maltese Companies Act (Cap.386) for such internal control as the director determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether to due to fraud or error.

In preparing the financial statements the director 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

CHARLES SCERRI

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of TPL (Malta) Limited

Auditor's responsibility for the audit of the financial statements

My objectives is 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.

- Conclude on the appropriateness of the director's use of the going 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Agency's ability to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the Agency's trade, customers and suppliers, and the disruption to its business and the overall economy.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Agency to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

CHARLES SCERRI

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of TPL (Malta) Limited

Report on other Legal and Regulatory Requirements

I also have responsibilities under the Maltese Companies Act (Cap.386) to report to you if, in my opinion:

- Adequate accounting records have not been kept, or that returns adequate for my audit have not been received from branches not visited by me.
- The financial statements are not in agreement with the accounting records and returns.
- I have not received all the information and explanations I require for the audit.

I have nothing to report to you in respect of these responsibilities.

Charles Scerri
Certified Public Accountant
The Penthouse, Carolina Court, Giuseppe Cali Street, Ta' Xbiex XBX 1425

12 April 2022

Detailed Accounts

Schedule

1	Administrative expenses

Administrative Expenses
For the year ended 31 March 2022

	2022
	€
Legal and professional fees	9,745
Audit fee	1,000
	10,745