

**INDEPENDENT AUDITOR'S REPORT**

To The Members of **Scitech Specialities Private Limited**

**Report on the Standalone Financial Statements**

1. We have audited the accompanying Standalone financial statements of **Scitech Specialities Private Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity for the year then ended and, notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, total comprehensive income, its cash flows and the Statement of Change in Equity for the year ended on that date

**Basis of Opinion**

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

**Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined that there are no key audit matters to communicate in our report.



### **Information other than the financial statements and auditors' report thereon**

6. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.
7. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Management's Responsibility for the Standalone Financial Statements**

9. The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the Statement of Change in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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



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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other Legal and Regulatory Requirements**

17. As required by section 197(16) of the Act, In our opinion and to the best of our information and according to the explanations given to us, we report that the remuneration paid by the Company to its directors during the year is in accordance with the provision of section 197 of the Act.
18. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the Statement of Change in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31st March, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations, if any on its financial position in note no. 37 of its standalone financial statements;



- ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and
- iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) No dividend has been declared or paid during the year by the Company.

**For Ladha Singhal & Associates**  
Chartered Accountants  
Firm Registration No.: 120241W

*Vinod Ladha*  
(Vinod Ladha)

**Partner**

M. No.: 104151

Place : Mumbai

Dated : 7<sup>th</sup>, May, 2023

UDIN : 23104151BQVQUN3445



### Annexure A to Independent Auditor's Report

Referred to as 'Annexure A' in paragraph 18 of the Independent Auditors' Report of even date to the members of **Scitech Specialities Private Limited** on the standalone financial statements for the year ended on 31<sup>st</sup> March, 2023, we report that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets, in our opinion, the frequency of verification is reasonable considering to the size of the Company and the nature of its assets. Physical verification of the assets has been carried out during the year pursuant to the programme in that respect. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.
  - (e) In our opinion and according to the information and explanations given to us, neither any proceedings have been initiated during the year nor are pending as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.  
  
(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters except as disclosed in Note No 46 of the standalone financial statement.



- iii. In respect of Investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:
- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
  - (b) According to the information and explanations given to us, the investment made are in the ordinary course of business and accordingly not prejudicial to the Company's interest.
  - (c) The Company has not granted any loans or advances in the nature of loans during the year. Accordingly, clauses 3(iii)(c), (d), (e) and (f) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 to the extent applicable. The Company has not made investment, provided any loans, guarantee and security during the year
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of company's products. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
  - (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023
- viii. According to the information and explanations given to us. there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the order is not applicable to the Company.



- ix. (a) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lenders. Accordingly, the provisions of clause 3(ix) of the order is not applicable to the Company.
- (b) On the basis of information and explanations given to us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiaries, associates and joint ventures during the year and hence, reporting under clause (ix) (e) of the order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) Based on our audit procedure performed and according to the information and explanations given to us, no whistle blower complaints were received by the Company during the year. Accordingly, the provisions of clause 3(xi)(d) of the Order are not applicable to the Company.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and accordingly reporting under clause 3(xiv)(b) of the Order is not applicable.





- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash losses amounting to Rs 52.16 million during the financial year covered by our audit but had not incurred any cash losses in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly reporting under clause 3(xvi)(d) of the Order is not applicable to the Company
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, the Company has not transferred the unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date out of the amounts that was required to be spent during the year, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months from the expiry of the financial year as permitted under the second proviso to section 135(5) of the Act, has not elapsed till the date of our report.
- (b) According to the information and explanations given to us, there are no ongoing projects, hence reporting under clause 3(xx) (b) of the Order is not applicable to the Company

**For Ladha Singhal & Associates**  
Chartered Accountants  
Firm Registration No.: 120241W

*Vinod Ladha*  
(Vinod Ladha)  
Partner

M. No.: 104151

Place : Mumbai

Dated : 7<sup>th</sup>, May, 2023

UDIN : 23104151BQVQUN3445



## **Annexure B to Independent Auditor's Report**

Referred to as 'Annexure B' in paragraph 18(f) of the Independent Auditors' Report of even date to the members of **Scitech Specialities Private Limited** on the standalone financial statements for the year ended on 31<sup>st</sup> March, 2023.

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

1. We have audited the internal financial controls over financial reporting of **Scitech Specialities Private Limited** ("the Company") as on 31<sup>st</sup> March, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended and as on that date.

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

2. 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 ("the Guidance Note"). 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 Act.

#### **Auditors' Responsibility**

3. 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 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 over financial reporting. Those Standards and the Guidance Note require that we comply with the 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.
5. 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**

6. 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 standalone Ind AS 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 standalone Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. 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.

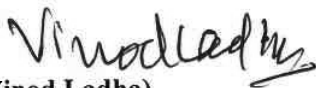
### **Opinion**

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Ladha Singhal & Associates**

Chartered Accountants

Firm Registration No.: 120241W



(Vinod Ladha)

**Partner**

M. No.: 104151

Place : Mumbai

Dated : 7<sup>th</sup>, May, 2023

UDIN : 23104151BQVQUN3445

SCITECH SPECIALITIES PRIVATE LIMITED  
Balance Sheet as at 31 March, 2023  
(All amounts in ₹ million, unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>	<b>Notes</b>		
Non-current assets			
Property, plant and equipment	5	327.72	396.90
Capital work-in-progress	6	-	0.13
Other intangible assets	7	6.88	8.86
Intangible asset under development	8	4.67	2.94
Financial assets			
Investments	9	1.03	0.03
Other financial assets	10	4.30	2.73
Other non-current assets	-	-	-
Deferred Tax Assets (net)	35	29.74	-
Total non-current assets		374.32	411.58
Current assets			
Inventories	11	52.43	66.20
Financial assets			
Trade receivables	12	51.87	34.33
Cash and cash equivalents	13	61.23	59.35
Loans	14	-	0.01
Other financial assets	15	12.48	23.21
Current tax assets (net)	26	3.09	1.99
Other current assets	16	13.64	30.44
Total current assets		194.74	215.54
Total assets		569.06	627.12
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	17	10.20	10.20
Other equity	18	410.35	472.68
Total equity		420.55	482.88
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	71.82	73.52
Lease liability	20	0.28	1.00
Employee benefit obligations	21	1.43	1.08
Deferred Tax Liabilities (net)	35	-	2.53
Total non-current liabilities		73.53	78.12
Current liabilities			
Financial liabilities			
Borrowings	22	3.26	7.54
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	23	13.17	14.38
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise	23	5.72	3.86
Other financial liabilities	24	33.52	20.47
Other current liabilities	25	19.09	19.55
Employee benefit obligations	21	0.22	0.34
Current tax liabilities (net)	26	-	-
Total current liabilities		74.97	66.13
Total liabilities		148.51	144.24
Total equity and liabilities		569.06	627.12

See accompanying notes to the financial statements

The accompanying notes are an Integral part of the financial statements.

As per our report of even date  
For Latha Singhal and Associates  
Chartered Accountants  
Firm Registration No.: 120241W

Vinod Leedhy  
Vinod Latha  
Partner  
Membership No: 104151

Place: Mumbai  
Date: 7th May 2023



For and on behalf of the Board of Directors  
Scitech Specialities Private Limited  
CIN: UB5190MH2007PTC175484

Pradeep Gadre  
Managing Director  
DIN: 00432894

Date: 7th May 2023

Mukund Kabra  
Director  
DIN: 00148294

Place: Mumbai

SCITECH SPECIALITIES PRIVATE LIMITED  
Statement of Profit and Loss for the year ended 31 March, 2023  
(All amounts in ₹ million, unless otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
<b>Income</b>			
Revenue from operations	27	353.23	475.96
Other income	28	8.63	6.65
<b>Total income</b>		<b>361.86</b>	<b>482.61</b>
<b>Expenses</b>			
Cost of material consumed	29	143.21	182.97
Changes in inventories of finished goods and work-in-progress	30	7.78	3.36
Employee benefits expense	31	100.18	86.66
Finance costs	32	9.27	8.78
Depreciation and amortization expense	33	46.69	45.29
Other expenses	34	83.95	105.09
<b>Total expenses</b>		<b>391.07</b>	<b>432.14</b>
<b>Profit before exceptional items &amp; tax</b>		<b>(29.21)</b>	<b>50.47</b>
<b>Exceptional items</b>			
Arrears of Electricity Charges	59	24.48	-
Loss by Fire	60	40.62	-
		<b>65.11</b>	<b>-</b>
<b>Profit before tax</b>		<b>(94.31)</b>	<b>50.47</b>
<b>Tax expense</b>			
Current tax	35	-	13.30
Adjustment of tax relating to earlier periods		0.36	0.42
Deferred tax	35	(32.28)	(0.61)
<b>Total income tax expense</b>		<b>(31.92)</b>	<b>13.12</b>
<b>Profit for the year</b>		<b>(62.39)</b>	<b>37.35</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of net defined benefit liability		0.09	1.76
Income tax effect		(0.02)	(0.44)
		<b>0.06</b>	<b>1.32</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>0.06</b>	<b>1.32</b>
<b>Total comprehensive income for the year</b>		<b>(62.33)</b>	<b>38.66</b>
<b>Earnings per share face value of ₹10 each fully paid up</b>			
Basic earnings per share (₹)	36	(61.14)	36.60
Diluted earnings per share (₹)	36	(61.14)	36.60

See accompanying notes to the financial statements

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For Ladha Singhal and Associates  
Chartered Accountants  
Firm Registration No.:120241W

Vinod Ladha  
Partner  
Membership No: 104151

Place: Mumbai  
Date: 7th May 2023



For and on behalf of the Board of Directors of  
Scitech Specialities Private Limited  
CIN: U85190MH2007PTC175484

Pradeep Gadre  
Managing Director  
DIN:00432894

Place: Mumbai  
Date: 7th May 2023

Mukund Kabra  
Director  
DIN:00148294

SCITECH SPECIALITIES PRIVATE LIMITED  
Statement of changes in equity for the year ended 31 March, 2023  
(All amounts in ₹ million, unless otherwise stated)

(A) Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid  
Balance as at 1 April 2021  
Add: issue during the year  
Balance as at 31 March 2022  
Add: issue during the year  
Balance as at 31 March 2023

No. of shares	Amount
10,20,408	10.20
-	-
10,20,408	10.20
-	-
10,20,408	10.20

(B) Other equity

Particulars	Reserve and surplus		Items of OCI	Total
	Securities premium	Retained earnings	Remeasurement of net defined benefit liability	
Balance as at 1 April 2021	311.06	124.48	(1.53)	434.01
Securities premium credited on share issue	-	-	-	-
Profit for the year	-	37.35	-	37.35
Other comprehensive income	-	-	1.32	1.32
Total other comprehensive income for the year	-	37.35	1.32	38.67
Balance as at 31 March 2022	311.06	161.83	(0.21)	472.68

Particulars	Reserve and surplus		Items of OCI	Total
	Securities premium	Retained earnings	Remeasurement of net defined benefit liability	
Balance as at 1 April 2022	311.06	161.83	(0.21)	472.68
Securities premium credited on share issue	-	-	-	-
Profit for the year	-	(62.39)	-	(62.39)
Other comprehensive income	-	-	0.06	0.06
Total other comprehensive income for the year	-	(62.39)	0.06	(62.33)
Balance as at 31 March 2023	311.06	99.44	(0.15)	410.35

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For Ladha Singhal and Associates  
Chartered Accountants  
Firm Registration No.:120241W

For and on behalf of the Board of Directors of  
Scitech Specialities Private Limited  
CIN: U85190MH2007PTC175484

*Vinod Ladha*  
Vinod Ladha  
Partner  
Membership No: 104151



Place: Mumbai  
Date: 7th May 2023

*Pradeep Gadre*  
Pradeep Gadre  
Managing Director  
DIN: 00432894

Place: Mumbai  
Date: 7th May 2023

*Mukund Kabra*  
Mukund Kabra  
Director  
DIN: 00148294

SCITECH SPECIALITIES PRIVATE LIMITED  
Statement of Cash Flow for the year ended 31 March, 2023  
(All amounts in ₹ million, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before tax	(94.31)	50.47
Adjustments for :		
Loss (Gain) on sale of property, plant and equipment	(0.36)	0.12
Depreciation and amortisation expense	46.69	45.29
Prepaid Lease Amortisation	-	-
Loss by Fire	34.94	-
Interest expense	9.27	7.85
Interest income	(1.96)	(1.76)
<b>Operating profit before working capital changes</b>	<b>(5.74)</b>	<b>101.96</b>
Working capital adjustments :		
Decrease/(Increase) in Non-current loans	(1.51)	(0.10)
(Increase) / Decrease in Inventories	13.77	(8.96)
(Increase) / Decrease in trade receivables	(17.54)	(1.50)
Increase) / Decrease in Current loans	0.01	0.11
Increase) / Decrease in Other non-current assets	-	(0.01)
(Increase) / Decrease in financial current assets - Others	10.73	5.89
(Increase) / Decrease in other current assets	16.80	2.77
(Decrease)/Increase in trade payables	0.65	(5.46)
(Decrease) / Increase in current financial liabilities - others	13.76	(12.05)
(Decrease) / Increase in other current liabilities	(0.46)	2.58
(Decrease) / Increase in Employee benefit obligations	0.32	0.61
<b>Cash generated from operations</b>	<b>30.80</b>	<b>85.83</b>
Direct taxes paid (net of refunds)	(1.45)	(16.79)
<b>Net cash flow from operating activities (A)</b>	<b>29.35</b>	<b>69.04</b>
<b>Cash flow from investing activities</b>		
Purchase of property and equipment (tangible and intangible both)	(13.60)	(84.07)
Sale of property and equipment (tangible)	0.54	0.24
Insurance claim received	0.50	-
Purchase of non current investments	(1.01)	-
Interest received	1.90	1.71
<b>Net cash flow (used in) Investing activities (B)</b>	<b>(11.66)</b>	<b>(82.13)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares	-	-
Payment lease liabilities	(0.57)	(1.32)
Proceeds from long term borrowings	-	-
Repayment of long term borrowings	(1.69)	(14.61)
Repayment of short term borrowings (net)	(4.28)	(23.64)
Interest paid	(9.27)	(7.85)
<b>Net cash flow (used in)/from financing activities (C)</b>	<b>(15.81)</b>	<b>(47.43)</b>
<b>Net increase in cash and cash equivalents (A)+(B)+(C)</b>	<b>1.88</b>	<b>(60.52)</b>
Cash in hand at the beginning of the year/period	0.09	0.09
Balances with bank at the beginning of the year/period	59.26	119.77
<b>Cash and cash equivalents at the end of the year (refer note 13)</b>	<b>61.23</b>	<b>59.34</b>
<b>Cash and cash equivalents as above comprises of the following</b>		
Cash in hand	0.08	0.09
Balances with bank	61.15	59.26
<b>Total cash and cash equivalents (refer note 13)</b>	<b>61.23</b>	<b>59.35</b>

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date  
For Ladha Singhal and Associates  
Chartered Accountants  
Firm Registration No.:120241W

Vinod Ladha  
Partner  
Membership No: 104151

Place: Mumbai  
Date: 7th May 2023



For and on behalf of the Board of Directors  
Scitech Specialities Private Limited  
CIN: U85190MH2007PTC175484

Pradeep Gadre  
Managing Director  
DIN:00432894

Place: Mumbai  
Date: 7th May 2023

Mukund Kabra  
Director  
DIN:00148294

# SCITECH SPECIALITIES PRIVATE LIMITED

## Notes forming part of the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ million, unless otherwise stated)

### 1 Overview of the Company

Scitech Specialities Private Limited ('the Company') was incorporated on 29 October 2007 under the provisions of Companies Act, 1956. The Company is engaged in the business of manufacturing, trading and export of all types of speciality products for veterinary and Human use in all does forms.

### 2 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements up to year ended 31 March 2020 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

### 3 Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements and reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 are as follows:

#### a. Property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

#### b. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

#### c. Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

#### d. Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

### 3A Standards issued but not yet effective

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

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

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

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





# SCITECH SPECIALITIES PRIVATE LIMITED

## Notes forming part of the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ million, unless otherwise stated)

### 4 Significant accounting policies:

The accounting policies set out below have been applied consistently to the periods presented in the financial statements.

#### a. Revenue recognition

- i. Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.
- ii. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Sales are exclusive of Goods and Service Tax (GST).
- iii. Export incentives received pursuant to the Duty Drawback Scheme and Merchandise Export from India Scheme are accounted on an accrual basis, to the extent it is probable that realization is certain.
- iv. Interest income is recognized on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

#### b. Property, plant and equipment and depreciation

##### Recognition and measurement

- i. Items of property, plant and equipment are stated at cost less accumulated depreciation and amortisation and accumulated impairment losses, if any. Cost includes taxes, non refundable duties and taxes, freight and other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving the purchase price. Interest on borrowings to finance acquisition of property, plant and equipment during qualifying period is capitalized.
- ii. Leasehold improvements represent expenses incurred towards civil work and interior furnishings on the leased premises.
- iii. An asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal of property, plant and equipment carried at cost are recognised in the Statement of Profit and Loss.
- iv. Capital work-in-progress includes assets not ready for their intended use and related incidental expenses and attributable interest.
- v. The Company has elected to continue with the carrying value of all its property, plant and equipment 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.

##### Subsequent expenditure

- vi. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

##### Depreciation

- vii. Depreciation on Property, plant and equipment has been provided on Written Down Value method. Depreciation is provided on a pro-rata basis, i.e. from the date on which asset is ready for use.

*The estimated useful life of assets are as follows:*

Particulars	Estimated useful life
Building	30 years - 60 years
Plant and Machinery	15 years
Vehicles	8 years
Electric installations	10 years
Office equipments	5 years
Furniture and fixture	10 years
Computer	3 - 6 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

- viii. Leasehold improvements and leasehold land are amortized over the unexpired primary period of lease except for lease hold land acquired under perpetual lease.
- ix. The Company has reviewed its policy for providing depreciation on its tangible assets and has also reassessed their useful lives as per Part C of Schedule II of the Act. The revised useful lives, as assessed by the management, match those specified in Part C of Schedule II of the Act, for all classes of tangible assets.

#### c. Intangible assets

- i. Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment losses, if any.
- ii. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.



## SCITECH SPECIALITIES PRIVATE LIMITED

### Notes forming part of the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ million, unless otherwise stated)

- iii. An intangible asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.
- v. Any expected loss is recognized immediately in the Statement of Profit and Loss.
- vi. Intangible assets that are ready for use are amortized on a straight line basis as follows:

Particulars	Estimated useful life
Computer software	5 years
Non-compete fees	6 years

#### d. Impairment of non-financial assets

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

#### e. Foreign currency transactions

- i. Initial recognition - Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.
- ii. Subsequent measurement- Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Foreign currency differences are generally recognised in the Statement of Profit and Loss.
- iii. Exchange differences - All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Statement of Profit and Loss in the period in which they arise.



# SCITECH SPECIALITIES PRIVATE LIMITED

## Notes forming part of the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ million, unless otherwise stated)

### 4 Significant accounting policies (Continued)

#### f. Inventories

- i. Inventories of raw materials, packing materials, consumables, finished goods and work in process are valued at lower of cost or net realizable value on an item-by-item basis.
- ii. Cost of raw materials, consumables and packing materials is determined on first-in-first-out basis. Cost of finished goods and stock in process is determined by considering materials, labour costs, conversion costs, including an appropriate share of fixed production overheads based on normal operating capacity and other related costs incurred in bringing the inventories to their present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of inventories are not written down below cost except in case where material prices have declined and it is estimated that the cost of the finished product will exceed its net realisable value.

#### g. Employee benefits

Employee benefits payable wholly within twelve months of receiving employees services are classified as short-term employee benefits. The short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

#### i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company contributes to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders services.

#### ii. Defined benefit plans

The Company provides for Gratuity benefit, which is defined benefit plan, covering all its eligible employees. Liability towards gratuity benefits expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations are carried out at the balance sheet date. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets.

The short term provision for compensated absences has been calculated on undiscounted basis, based on the balance of leave available over and above the maximum accumulation allowed as per the Company policy.

#### h. Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

##### Current tax

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### Deferred tax

Deferred tax is recognised in respect of temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity.

Deferred tax assets and liabilities are offset only if:

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.



# SCITECH SPECIALITIES PRIVATE LIMITED

## Notes forming part of the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ million, unless otherwise stated)

### 4 Significant accounting policies (Continued)

#### i. Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the Effective Interest Rate (EIR) applicable to the respective borrowing. Borrowing cost include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalized as cost of that asset until it is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue and recognized as an expense in the Statement of Profit and Loss.

#### j. Provisions and contingencies

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

#### k. Leases

The Company has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in substance fixed payments; The lease liability is measured at amortised cost using the effective interest method.

The Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straightline basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Company's leases mainly comprise of land and buildings used for manufacturing and storage.

#### l. Cash and cash equivalents

Cash comprises of cash at bank and in hand and cash equivalents comprise of short-term bank deposits with an original maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and balance with banks.



# SCITECH SPECIALITIES PRIVATE LIMITED

## Notes forming part of the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ million, unless otherwise stated)

### 4 Significant accounting policies (Continued)

#### m. Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the nature of products/ activities of the Company, the management has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### o. Financial Instruments

##### a. Financial assets

##### i. Recognition and Initial measurement

Trade receivables and debt instruments issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value. In the case of financial assets which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the Statement of Profit and Loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

##### ii. Classification

On initial recognition, a financial asset is classified as measured at

- amortised cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI) - debt investment or equity investment

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

##### i. Recognition and Initial measurement (Continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

##### ii. Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.



## SCITECH SPECIALITIES PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ million, unless otherwise stated)

### 4 Significant accounting policies (Continued)

#### iii. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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

#### b. Financial liabilities

##### i. Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value. In the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the Statement of Profit and Loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

##### ii. Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

##### iii. Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

##### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

##### p. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



**SCITECH SPECIALITIES PRIVATE LIMITED**

Notes forming part of the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ million, unless otherwise stated)

**5 Property, plant and equipment**

	Gross block			Depreciation			Net block	
	01-Apr-22	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2023	01-Apr-22	For the year	Deductions/ Adjustments	As at 31 March 2023
Freehold land	42.52	-	-	42.52	-	-	-	42.52
Buildings	202.23	4.40	(14.73)	191.90	22.22	12.74	(1.23)	158.17
Plant and Machinery	170.81	4.86	(32.58)	143.09	54.64	21.34	(12.94)	80.04
Vehicles	8.61	1.63	(0.89)	9.35	3.76	1.83	(0.85)	4.60
Electric installations	19.17	0.04	(2.41)	16.80	5.79	3.29	(0.54)	8.27
Office Equipments	4.41	0.25	(0.24)	4.43	2.04	1.13	(0.13)	1.40
Computers	5.01	0.52	(0.56)	4.97	2.99	1.42	(0.44)	1.01
Furniture and fixtures	11.83	0.30	(0.62)	11.51	4.42	1.95	(0.19)	5.33
Right of use assets (refer note 44)	32.83	-	(3.08)	29.75	4.65	1.02	(2.31)	26.39
<b>Total</b>	<b>497.41</b>	<b>12.00</b>	<b>(55.11)</b>	<b>454.31</b>	<b>100.52</b>	<b>44.72</b>	<b>(18.64)</b>	<b>327.72</b>
								<b>396.90</b>

	Gross block			Depreciation			Net block	
	01-Apr-21	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2022	01-Apr-21	For the year	Deductions/ Adjustments	As at 31 March 2022
Freehold land	42.52	-	-	42.52	-	-	-	42.52
Buildings	162.42	39.81	-	202.23	10.86	11.36	-	180.01
Plant and Machinery	129.16	42.69	(1.05)	170.81	34.87	20.51	(0.73)	116.16
Vehicles	7.93	1.40	(0.72)	8.61	2.59	1.85	(0.68)	4.85
Electric installations	8.48	10.69	-	19.17	3.52	2.27	-	13.38
Office Equipments	3.35	1.06	-	4.41	0.59	1.45	-	2.37
Computers	2.56	2.45	-	5.01	1.37	1.62	-	2.02
Furniture and fixtures	10.67	1.16	-	11.83	2.07	2.35	-	7.41
Right of use assets (refer note 44)	32.83	-	-	32.83	2.87	1.78	-	28.17
<b>Total</b>	<b>399.92</b>	<b>99.26</b>	<b>(1.77)</b>	<b>497.41</b>	<b>58.74</b>	<b>43.19</b>	<b>(1.41)</b>	<b>396.90</b>
								<b>314.74</b>



**SCITECH SPECIALITIES PRIVATE LIMITED**

**Notes forming part of the Financial Statements for the year ended 31 March 2023**

(All amounts in ₹ million, unless otherwise stated)

**6 Capital work-in-progress**  
Capital work-in-progress

	31 March 2023	31 March 2022
	-	0.13
	-	0.13

**Capital work in progress ageing schedule for the year ended 31 March, 2023**

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in Progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
Total	-	-	-	-

**Capital work in progress ageing schedule for the year ended 31 March 2022**

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in Progress	0.13	-	-	0.13
Projects temporarily suspended	-	-	-	-
Total	0.13	-	-	0.13





**Notes forming part of the Financial Statements for the year ended 31 March 2023**  
(All amounts in ₹ million, unless otherwise stated)

**SCITECH SPECIALITIES PRIVATE LIMITED**

Notes forming part of the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ million, unless otherwise stated)

<b>8</b>	Intangible asset under development	31 March 2023	31 March 2022
	Intangible asset under development	4.67	2.94
		<u>4.67</u>	<u>2.94</u>

Intangible asset under development ageing schedule for the year ended 31 March, 2023

Intangible asset under development	Amount in CWIP for a period of			Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in Progress	1.72	2.94	-	4.67
Projects temporarily suspended	-	-	-	-
<b>Total</b>	<b>1.72</b>	<b>2.94</b>	<b>-</b>	<b>4.67</b>

Intangible asset under development ageing schedule for the year ended 31 March 2022

Intangible asset under development	Amount in CWIP for a period of			Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in Progress	2.94	-	-	2.94
Projects temporarily suspended	-	-	-	-
<b>Total</b>	<b>2.94</b>	<b>-</b>	<b>-</b>	<b>2.94</b>



9 Non Current Investments

Investment in equity instruments (unquoted)

Equity shares at fair value through profit and loss (FVTPL)-  
2,520 Equity shares (31 March 2022 - 2,520) of 10 each fully paid up of Saraswat  
Coop Bank Ltd.  
140 Equity shares (31 March 2022 - Nil) of RAND 15000 each fully paid up of  
Vecteng Scitech Property Limited

31 March 2023 31 March 2022

0.03 0.03  
1.01 -

1.03 0.03

10 Non-Current financial assets

Unsecured, considered good  
Security Deposits  
Share Application Money

31 March 2023 31 March 2022

4.30 2.73  
- -  
4.30 2.73

11 Inventories\*

(Valued at lower of cost and net realizable value)

Raw material  
Packing material  
Work in progress  
Finished goods

31 March 2023 31 March 2022

25.38 30.78  
19.25 19.84  
2.36 5.90  
5.44 9.67  
52.43 66.20

\*Hypothecated as charge against short term borrowings.

12 Trade receivable\*

Unsecured, considered good (refer note 39)  
Unsecured, credit impaired  
Less-Impairment loss allowance

31 March 2023 31 March 2022

51.87 34.33  
1.11 0.91  
(1.11) (0.91)  
51.87 34.33

\*Hypothecated as charge against short term borrowings.

Refer note 43 about information on credit risk and market risk of trade receivables

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Trade receivable ageing schedule for the year ended on 31 March, 2023

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	45.93	5.94	-	-	-	51.87
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - Credit Impaired	-	-	0.02	1.09	-	1.11
Disputed Trade Receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant	-	-	-	-	-	-
Total	45.93	5.94	0.02	1.09	-	52.98
Less : Provision for doubtful trade receivables	-	-	-	-	-	1.11
Total trade receivable	-	-	-	-	-	51.87

Trade receivable ageing schedule for the year ended on 31 March, 2022

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	34.19	0.14	-	-	-	34.33
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - Credit Impaired	-	-	0.91	-	-	0.91
Disputed Trade Receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant	-	-	-	-	-	-
Total	34.19	0.14	0.91	-	-	35.23
Less : Provision for doubtful trade receivables	-	-	-	-	-	0.91
Total trade receivable	-	-	-	-	-	34.33



SCITECH SPECIALITIES PRIVATE LIMITED  
Notes forming part of the Financial Statements for the year ended 31 March 2023  
(All amounts in ₹ million, unless otherwise stated)

13 Cash and cash equivalents

Balances with banks:  
On Fixed Deposits  
On current accounts  
On Cash credit facility account  
On EEFC  
Cash on hand

31 March 2023	31 March 2022
52.12	51.12
1.82	6.07
7.21	0.69
-	1.37
0.08	0.09
61.23	59.35

14 Current financial assets - Loans

Unsecured, considered good, unless otherwise stated

Loans and advances to employees

31 March 2023	31 March 2022
-	0.01
-	0.01

15 Other financial assets

Unsecured, considered good, unless otherwise stated

Export Incentive receivable  
Government grant receivable  
Others

31 March 2023	31 March 2022
4.61	9.22
7.77	13.86
0.11	0.13
12.48	23.21

16 Other current assets

Unsecured, considered good, unless otherwise stated

Balance with Government Authorities  
Advance to Suppliers  
Prepaid Expenses

Total

31 March 2023	31 March 2022
7.67	18.04
3.58	9.44
2.39	2.96
13.64	30.44



**SCITECH SPECIALITIES PRIVATE LIMITED**

Notes forming part of the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ million, unless otherwise stated)

**17 Equity Share capital**
**(A) Equity shares**

	31 March 2023	31 March 2022
<u>Authorized</u>		
1,500,000 (31 March 2022: 1,500,000) Equity Shares of ₹ 10 each	15.00	15.00
	<u>15.00</u>	<u>15.00</u>
<u>Issued, subscribed and paid up</u>		
1,020,408 (31 March 2022: 1,020,408) equity shares of ₹ 10 each fully paid	10.20	10.20
<b>Total</b>	<u>10.20</u>	<u>10.20</u>

**(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year:**

	31 March 2023		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	10,20,408	10.20	10,20,408	10.20
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>10,20,408</u>	<u>10.20</u>	<u>10,20,408</u>	<u>10.20</u>

	31 March 2023	31 March 2022
<b>(b) Shares held by holding Company</b>		
Advanced Enzyme Technologies Limited	5,20,408	5,20,408
520,408 (31 March 2022: 520,408)		

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder	31 March 2023		31 March 2022	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Advanced Enzyme Technologies Ltd	5,20,408	51.00	5,20,408.00	51.00
Scitech Healthcare Private Limited	2,08,650	20.45	2,08,650	20.45
Sharda Yadava	1,50,000	14.70	1,00,000	9.80

**(e) Terms/rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(g) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

**(h) Shares held by promoters**

Promoter Name	31 March 2023			31 March 2022		
	No. of Shares	% of total shares	% Change during the period	No. of Shares	% of total shares	% Change during the period
Advanced Enzyme Technologies Ltd	5,20,408	51.00	-	5,20,408	51.00	-
Scitech Healthcare Private Limited	2,08,650	20.45	-	2,08,650	20.45	-
Ravi Yadava	50,000	4.90	-	50,000	4.90	-
Pradeep Gadre	25,000	2.45	-	25,000	2.45	-
Sharada Yadava	1,50,000	14.70	50%	1,00,000	9.80	-
Yashaswini T V	50,000	4.90	-	50,000	4.90	-
Pravin Gadre	5,000	0.49	-	5,000	0.49	-
Devprakash Yadava	-	-	-100%	50,000	4.90	-

**18 Other equity**
**(A) Securities premium (SP)\***

Opening balance  
Add : Securities premium credited on share issue  
Closing balance

	31 March 2023	31 March 2022
	311.06	311.06
	<u>311.06</u>	<u>311.06</u>

\* Nature and purpose of reserves

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.



18 Other equity (Continued)

(B) Surplus in the Statement of Profit and Loss

Opening balance  
Add: Net profit for the year  
Closing balance

(C) Other Comprehensive Income

Opening balance  
Add: Re-measurement (gain)/loss on post employment benefit obligation (net of tax)  
Closing balance

Total other equity

31 March 2023	31 March 2022
161.83	124.48
(62.39)	37.35
99.44	161.83

(0.21)	(1.53)
0.06	1.32
(0.15)	(0.21)
410.35	472.68

19 Non-current borrowings

Secured

(a) Term loan  
From Banks\*

(b) Vehicle loan  
From Banks

31 March 2023	31 March 2022
---------------	---------------

72.88	75.55
-------	-------

2.20	3.94
------	------

75.08	79.50
-------	-------

3.26	5.98
------	------

71.82	73.52
-------	-------

Less: Amount disclosed under the head "Short-term borrowings" (Refer note 22)  
Total non current maturities of long term borrowings

Terms of borrowings-

\* a) The term loan is secured by way of equitable mortgage of Building located at 501, DLH Park, S. V. Road, Goregaon (West), Mumbai, Maharashtra and personal guarantee by the directors (refer note below ##).

b) The Vehicle Loan is secured by way of Hypothecation of respective Vehicle.

c) Repayment profile of Term Loans is set out as below:

Bank/Loan	Rate of Interest	Balance No. of Installments w.e.f 01.04.2023	Date of last installment	Outstanding as at	
				31 March 2023	31 March 2022
<u>Term loan from banks</u>					
Deutsche Bank AG ##	11.65%	178	31-Dec-37	72.88	75.55
<u>Vehicle loan from banks</u>					
HDFC Bank (Tata Nexon XZ)	8.55%	0	07-May-22	-	0.25
HDFC Bank (Tata Tigor)	8.55%	6	07-Sep-23	0.10	0.30
HDFC Bank (Tempo Traveller)	10.20%	6	05-Sep-23	0.16	0.51
HDFC Bank (Mahindra Scorpio)	8.50%	28	05-Jul-25	0.69	0.95
HDFC Bank (Mono Bus)	9.10%	20	05-Nov-24	1.01	1.54
HDFC Bank (Tata Intra)	10.00%	17	15-Aug-24	0.24	0.39
<b>Total</b>				<b>75.08</b>	<b>79.50</b>



**SCITECH SPECIALITIES PRIVATE LIMITED**

Notes forming part of the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ million, unless otherwise stated)

**20 Lease liability**

Lease liability (refer note 44)

Total Lease liability

31 March 2023	31 March 2022
0.28	1.00
<b>0.28</b>	<b>1.00</b>

**21 Employee benefit obligations**

Provision for employee benefits

Provision for Gratuity (refer note 38)

31 March 2023	31 March 2022
1.43	1.08
<b>1.43</b>	<b>1.08</b>

Provision for employee benefits

Provision for Gratuity (refer note 38)

Provision for leave encashment

31 March 2023	31 March 2022
0.22	0.21
-	0.13
<b>0.22</b>	<b>0.34</b>

**22 Short-term borrowings**

Secured, from bank, working capital facility (Refer footnote i)

Cash credit facility (Refer footnote ii)

Packing credit foreign currency facility (Refer footnote iii)

31 March 2023	31 March 2022
---------------	---------------

- 1.56

Current maturity of long term borrowings (refer note 19)

- Vehicle loan

- Term loans

1.29 1.74

1.97 4.24

**3.26 7.54**

Total short-term borrowings

Terms and conditions of loans

(i) The working capital facility from bank are secured against the inventories and Trade receivables of the Company.

(ii) Cash Credit from bank for ₹ Nil (31 March 2022: ₹ 1.56 million) carries an interest rate of 9.25% to 9.83%.

**23 Trade payables**

Total outstanding dues of micro enterprises and small enterprises

Total outstanding dues of creditors other than micro enterprises and small enterprises\*

Total trade payables

31 March 2023	31 March 2022
13.17	14.38
5.72	3.86
<b>18.89</b>	<b>18.24</b>

\*Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company

Particulars	31 March 2023	31 March 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	13.17	14.38
Interest	-	-
Total	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small medium Enterprises Development Act, 2006. accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 2022 and 31 March 2021 has been made in the financial statements based on the information received and available with the Company.



**SCITECH SPECIALITIES PRIVATE LIMITED**

Notes forming part of the Financial Statements for the year ended 31 March 2023

(All amounts in ₹ million, unless otherwise stated)

**Trade payables ageing schedule for the period ended on 31 March, 2023**

Particulars	Not due	Outstanding for the following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	3.46	9.72	-	-	-	13.17
Others	2.30	0.50	2.92	-	-	5.72
<b>Total</b>	<b>5.76</b>	<b>10.21</b>	<b>2.92</b>	<b>-</b>	<b>-</b>	<b>18.89</b>

**Trade payables ageing schedule for the year ended on 31 March, 2022**

Particulars	Not due	Outstanding for the following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	11.06	3.33	-	-	-	14.38
Others	0.86	3.00	-	-	-	3.86
<b>Total</b>	<b>11.92</b>	<b>6.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.24</b>

**24 Other financial liabilities**
**Other financial liabilities at amortised cost**

	31 March 2023	31 March 2022
Payable for Expenses	32.91	19.15
Interest accrued but not due on borrowings	-	-
Payable for capital expenditure	0.61	1.32
Lease liability (refer note 44)	33.52	20.47
<b>Total other financial liabilities</b>	<b>55.67</b>	<b>46.24</b>

**Total financial liability**
**25 Other current liabilities**

	31 March 2023	31 March 2022
Statutory due payable	1.43	1.81
Advance from customers	17.66	17.73
<b>Total other current liabilities</b>	<b>19.09</b>	<b>19.55</b>

**26 Current tax liabilities (net)**

	31 March 2023	31 March 2022
Current tax payable	-	13.30
Advance tax	(3.09)	(15.29)
Current tax payable	(3.09)	(1.99)
<b>Total current tax liabilities</b>	<b>(3.09)</b>	<b>(1.99)</b>





**SCITECH SPECIALITIES PRIVATE LIMITED**
**Notes forming part of the Financial Statements for the year ended 31 March 2023**

(All amounts in ₹ million, unless otherwise stated)

**27 Revenue from operations**
**Revenue from contracts with customers (refer note below \*)**

Sale of goods

Export

Domestic (refer note 39)

**Other operating revenues**

Export incentives

Government grants

**Total revenue from operations**

\* Revenue from contracts with customers

**28 Other income**

Net gain on foreign currency transactions

Product Development &amp; Analytical Charges Received

Interest income on VAT Refund

Interest income on fixed deposits

Interest unwinding on security deposits

Lease Modification

Profit on sale of fixed assets

Miscellaneous income

**Total other income**
**29 Cost of material consumed**

Inventory at the beginning of the year

Add: Purchases (refer note 39)

Less: Inventory at the end of the year

**30 Changes in inventories of finished goods and work-in-progress**
**Inventories at the beginning of the year**

-Finished goods

-Work-in-progress

**Less: Inventories at the end of the year**

-Finished goods

-Work-in-progress

**Net decrease/ (Increase)**
**31 Employee benefits expense**

Salaries, wages, bonus and other allowances (refer note 39)

Contribution to Provident Fund and ESI (Refer note 38)

Gratuity and compensated absences expenses (Refer note 38)

Staff welfare expenses

**Total employee benefits expense**

Year ended 31 March 2023	Year ended 31 March 2022
167.42	259.29
185.74	213.56
<b>353.16</b>	<b>472.84</b>
0.07	0.48
-	2.64
<b>353.23</b>	<b>475.96</b>

Year ended 31 March 2023	Year ended 31 March 2022
3.85	2.11
1.30	0.38
-	0.05
1.90	1.65
0.06	0.06
0.09	-
0.27	-
1.17	2.39
<b>8.63</b>	<b>6.65</b>

Year ended 31 March 2023	Year ended 31 March 2022
50.62	38.30
137.21	195.30
(44.63)	(50.62)
<b>143.21</b>	<b>182.97</b>

Year ended 31 March 2023	Year ended 31 March 2022
9.67	18.31
5.90	0.63
<b>15.58</b>	<b>18.94</b>
5.44	9.67
2.36	5.90
<b>7.80</b>	<b>15.58</b>
<b>7.78</b>	<b>3.36</b>

Year ended 31 March 2023	Year ended 31 March 2022
90.79	77.50
4.71	4.27
1.19	1.16
3.49	3.72
<b>100.18</b>	<b>86.66</b>



**SCITECH SPECIALITIES PRIVATE LIMITED**  
**Notes forming part of the Financial Statements for the year ended 31 March 2023**  
(All amounts in ₹ million, unless otherwise stated)

**32 Finance costs**

Interest expense on financial Liabilities-	
-Term Loan carried at amortised Cost	
-Vehicle Loan carried at amortised cost	
-Short-term borrowings carried at amortised Cost	
Processing fees	
Interest on lease liability (refer note 44)	
<b>Total finance costs</b>	

Year ended 31 March 2023	Year ended 31 March 2022
7.88	7.11
0.28	0.44
1.01	0.06
-	0.93
0.09	0.24
<b>9.27</b>	<b>8.78</b>

**33 Depreciation and amortization expense**

Depreciation on property, plant and equipment (refer note 5)	
Amortisation of intangible assets (refer note 7)	
Amortisation of right to use of assets (refer note 44)	
<b>Total depreciation and amortization expense</b>	

Year ended 31 March 2023	Year ended 31 March 2022
43.70	41.84
1.97	2.10
1.02	1.35
<b>46.69</b>	<b>45.29</b>

**34 Other expenses**

Power and fuel	
Freight outward and forwarding	
Consumption of stores and spare parts	
Factory Expenses	
Labour Charges Paid	
Product Development Charges	
Repairs and Maintenance - Machinery	
Repair and Maintenance - Building	
Repair and Maintenance - other	
Analysis and Testing charges	
Water Charges	
Travelling and conveyance	
Insurance	
Printing & Stationery	
Documentation Charges	
Rent, Rates & Taxes	
Rates & Taxes	
Job Work Charges	
Communication Expenses	
Legal & Professional Fees	
Donation	
Payment to auditors *	
Selling and distribution expenses	
Commission Paid	
Provision of doubtful debts charge	
Bank Charges	
Sundry balances written off	
Prepaid lease amortisation	
Loss on sale of fixed assets	
Provision for doubtful trade receivables	
Corporate Social Responsibility expenditure	
Miscellaneous expenses	
<b>Total other expenses</b>	

Year ended 31 March 2023	Year ended 31 March 2022
23.41	23.23
11.05	21.18
4.46	8.31
1.84	1.61
3.19	4.54
1.91	0.73
7.26	7.67
2.46	2.15
0.62	1.30
0.67	0.70
0.35	0.41
4.54	4.68
1.58	1.98
1.08	1.38
1.18	0.78
2.29	2.20
-	-
-	-
1.25	1.09
2.91	2.92
0.24	0.05
0.52	0.50
0.34	0.19
5.51	10.82
-	-
0.36	0.45
1.30	0.10
-	-
-	0.12
0.20	0.91
0.84	0.60
2.58	4.50
<b>83.95</b>	<b>105.09</b>

\* Payment to auditors (exclusive of GST)



**SCITECH SPECIALITIES PRIVATE LIMITED**  
**Notes forming part of the Financial Statements for the year ended 31 March 2023**  
(All amounts in ₹ million, unless otherwise stated)

**34 Other expenses ((Continued))**

As auditor:  
Statutory audit  
In other capacity:  
Tax audit  
Other matters

**Total**

Year ended 31 March 2023	Year ended 31 March 2022
0.25	0.25
0.05	0.05
0.22	0.20
<b>0.52</b>	<b>0.50</b>

**35 Income Tax**

(A) Deferred tax relates to the following:

**Deferred tax assets**  
On Account of right of use assets and lease liability  
On property, plant and equipment  
On provision for employee benefits  
On provision for doubtful debts  
On carry forward business loss  
On others

**Deferred tax liabilities**  
On property, plant and equipment  
Non compete fees

Deferred tax asset/(liabilities), net

31 March 2023	31 March 2022
0.02	0.04
8.40	-
0.42	0.36
0.28	0.23
22.29	-
<b>31.41</b>	<b>0.63</b>
-	(1.03)
(1.67)	(2.11)
<b>(1.67)</b>	<b>(3.15)</b>
<b>29.74</b>	<b>(2.52)</b>
<b>29.74</b>	<b>(2.52)</b>

(B) Recognition of deferred tax asset to the extent of deferred tax liability

**Balance sheet**

**Deferred tax asset**

On account of Ind AS 115  
On account of Ind AS 116  
Provision for Gratuity and leave enchashment  
Provision for doubtful debts  
Excess of depreciation/amortisation on Property, plant and equipment under income-tax law over depreciation/amortisation provided in financial statements  
Carry forward business loss

**Deferred tax liabilities**

Non compete fees  
Excess of depreciation/amortisation on Property, plant and equipment under income-tax law over depreciation/amortisation provided in financial statements  
Deferred tax assets/ (liabilities), net

31 March 2023	31 March 2022
-	-
0.02	0.04
0.42	0.36
0.28	0.23
8.40	-
22.29	-
<b>(1.67)</b>	<b>(2.11)</b>
-	(1.03)
<b>29.74</b>	<b>(2.52)</b>

(C) Reconciliation of deferred tax assets/ (liabilities) (net):

Opening balance as of 1 April  
Tax liability recognized in Statement of Profit and Loss  
Non-compete fees  
Excess of depreciation/amortisation on Property, plant and equipment under income-tax law over depreciation/amortisation provided in financial statements  
On account of Ind AS 115  
On account of Ind AS 116  
Provision for Gratuity and leave enchashment  
Provision for doubtful debts  
Carry forward business loss  
Tax liability recognized in OCI  
On re-measurements gain/(losses) of post-employment benefit obligations  
Tax asset recognized in Statement of Profit and Loss

Closing balance as at 31 March

31 March 2023	31 March 2022
(2.52)	(2.69)
0.44	0.44
9.43	(0.17)
-	-
(0.02)	(0.05)
0.08	0.16
0.05	0.23
22.29	-
(0.02)	(0.44)
<b>29.74</b>	<b>(2.52)</b>



35 Income Tax (Continued)

(D) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss

	31 March 2023	31 March 2022
Tax liability	(0.42)	(0.22)
Tax asset	(31.85)	(0.39)
	(32.28)	(0.61)

(E) Income tax expense

	31 March 2023	31 March 2022
- Current tax charge	-	13.30
- Adjustments in respect of current income tax of previous year	0.36	0.42
- Deferred tax charge / (income)	(32.28)	(0.61)
	(31.92)	13.12

Income tax expense reported in the statement of profit or loss

(F) Income tax expense charged to OCI

	31 March 2023	31 March 2022
Net loss/ (gain) on remeasurements of defined benefit plans	(0.02)	(0.44)
	(0.02)	(0.44)

Income tax charged to OCI

(G) Reconciliation of tax charge

	31 March 2023	31 March 2022
Profit before tax	(94.31)	50.47
Income tax expense at tax rates applicable	(23.74)	12.70
Tax effects of:		
- Loss by fire	(8.90)	-
- Others	0.36	0.42
	(32.28)	13.12

Income tax expense



## SCITECH SPECIALITIES PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31 March 2023  
(All amounts in ₹ million, unless otherwise stated)

## 36 Earnings per share

Basic earnings per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Year ended 31 March 2023	Year ended 31 March 2022
Profit attributable to equity holders	(62.39)	37.35
Weighted average number of equity shares for basic EPS	10,20,408	10,20,408
Basic and Dilutive Earnings per share (₹)	(61.14)	36.60

## 37 Contingent liabilities and commitments (to the extent not provided for)

	Year ended 31 March 2023	Year ended 31 March 2022
Contingent liabilities	-	-
Estimated amount of commitments remaining to be executed	-	-
- Capital (net of advances)	-	1.87

## 38 Employee benefits

## (A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss -  
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 31)

Year ended 31 March 2023	Year ended 31 March 2022
4.71	4.27

## (B) Defined benefit plans

	Year ended 31 March 2023	Year ended 31 March 2022
Defined Benefit Obligation	5.06	5.25
Fair value of plan assets	3.40	2.88
Net defined benefit obligation/(assets)	1.66	2.37

## i) Reconciliation in present value of obligations ('PVO') - defined benefit obligation:

	Employee's gratuity fund	
	31 March 2023	31 March 2022
Opening Balance	4.33	5.25
Current service cost	0.86	0.71
Interest Cost	0.30	0.35
Benefit Payments from Employers	(0.29)	(0.17)
Other (Employee Contribution, Taxes, Expenses)	(0.05)	(0.05)
	5.15	6.09
Included in OCI-		
Remeasurement loss/ (gain)		
Actuarial loss/ (gain) arising from:		
-Financial Assumptions	(0.09)	(0.25)
-Experience adjustments	-	(1.51)
	5.06	4.33
Benefits paid	-	-
Closing Balance	5.06	4.33

## ii) Change in fair value of plan assets

	Employee's gratuity fund	
	31 March 2023	31 March 2022
Opening Balance	3.05	2.89
Included in Profit or loss		
Expected return on plan assets	0.23	0.21
	3.28	3.10
Included in OCI		
Remeasurement loss/ (gain)	(0.01)	-
	3.27	3.10
Other		
Contributions paid by the employer	0.18	-
Other (Employee Contribution, Taxes, Expenses)	(0.05)	(0.05)
Closing balance	3.40	3.05

## Impact on Standalone Statement of Profit and Loss for the current year

	Employee's gratuity fund	
	31 March 2023	31 March 2022
Service cost:		
Current service cost	0.86	0.71
Past service cost and loss/ (gain) on curtailments and settlement		
Net Interest cost	0.07	0.14
Total included in Employee Benefit Expenses	0.93	0.85
Expenses deducted from the fund	-	-
Total Charge to Standalone Statement of Profit and Loss	0.93	0.85

## Impact on Other Comprehensive Income for the current year

Components of actuarial gain/losses on obligations:		
-Due to change in Demographic Assumptions	-	(0.25)
-Due to change in Financial Assumptions	(0.09)	(1.51)
-Due to experience adjustments	-	-
Return on plan assets excluding amounts included in Interest Income	0.01	-
Amounts recognized in Other Comprehensive Income	(0.08)	(1.76)



### Plan Assets

### Gratuity

### Insurance Policies

Year ended 31 March 2023	Year ended 31 March 2022
100%	100%
100%	100%

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2023	31 March 2022
Policy of insurance	100.00%	100.00%
Discount rate	7.37%	7.23%
Salary escalations	6.00%	6.00%
Withdrawal rates	2% to 10%	2% to 10%
Retirement age	65 Years	65 Years
Mortality Rates	As published under the Indian assured lives mortality (2012-14) table	As published under the Indian assured lives mortality (2012-14) table

**Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as shown below.

benefit obligation as shown below.		Year ended 31 March 2023	Year ended 31 March 2022
Increase in			
Discount rate (0.5% movement)		4.75	4.07
Future salary growth (0.5% movement)		5.41	4.64
Withdrawal rates (10% movement)		5.38	4.58
Decrease in			
Discount rate (0.5% movement)		5.39	4.62
Future salary growth (0.5% movement)		4.73	4.06
Withdrawal rates (10% movement)		4.70	4.08

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The expected contributions for the defined benefit plan for the next financial years are mentioned below:

Expected future benefit payments

	As At 31 March 2023	As At 31 March 2022
Expected future benefit payments		
Year 1	0.22	0.21
Year 2	0.25	0.19
Year 3	0.62	0.22
Year 4	0.24	0.54
Year 5	0.36	0.21
Thereafter	1.27	1.24

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

## Expense recognised in the statement of profit and loss

Year ended 31 March 2023	Year ended 31 March 2022
0.26	0.31

(A) Names of related parties and description of relationship as identified and certified by the Company:

Holding Company  
Advanced Enzyme Technologies Limited

Entity under common control  
Scitech Healthcare Private Limited  
Cipex Inc.

**Key Management Personnel (KMP)**

Mr. Ravi Yadava  
Mr. Mukund Madhusudan Kabra  
Mr. Beni Prasad Rauka  
Mr. Abhijit Rath  
Ms. Rasika Vasant Rath

**Relatives of Key Management Personnel (KMP)**  
Mr. Pravin Gadre, Brother of Mr. Pradeep Gadre

**Relationship**  
Managing Director  
Director  
Director  
Director  
Director



## 39 Related Party Disclosures (Continued)

## (B) Details of transactions with related party in the ordinary course of business for the year ended:

	Holding Company		KMP and Relatives		Other Related Parties	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
<b>Sale of Goods</b>						0.59
M/s. Scitech Healthcare Private Limited	-	-	-	-	-	-
M/s Advanced Enzyme Technologies India Ltd.	4.69	3.29	-	-	-	-
<b>Job work Income</b>						
M/s Advanced Enzyme Technologies India Ltd.	1.44	-	-	-	-	-
<b>Purchase of Material</b>						
M/s Advanced Enzyme Technologies India Ltd.	1.51	2.44	-	-	0.14	-
M/s. Scitech Healthcare Private Limited	-	-	-	-	-	-
<b>Staff Welfare Expenses</b>						
M/s. Scitech Healthcare Private Limited	-	-	-	-	1.81	1.79
<b>Selling and distribution expenses</b>						
M/s. Scitech Healthcare Private Limited	-	-	-	-	-	0.12
<b>Commission Paid</b>						
M/s. Cipex Inc	-	-	-	-	3.12	7.52
<b>Remuneration paid</b>						
Mr. Pradeep Gadre	-	-	5.85	4.88	-	-
Mr. Pravin Gadre	-	-	2.67	2.47	-	-
<b>Rent paid</b>						
Mr. Pradeep Gadre	-	-	-	0.90	-	-

## (C) Details of balances at the year end

	Holding Company		KMP and Relatives		Other Related Parties	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
<b>Trade Payables</b>						
M/s Advanced Enzyme Technologies India Ltd.	0.44	0.19	-	-	-	-
<b>Other Payables</b>						
M/s Cipex Inc	-	-	-	-	1.31	1.76
<b>Trade Receivable</b>						
M/s Advanced Enzyme Technologies India Ltd.	3.39	-	-	-	-	-

## 40 Segment reporting

Basis of segment Information  
segment business segment viz

Geographical information

The Geographical information analysis

## (A) Revenue based on location of customer

India  
Outside India

Year Ended 31 March 2023		Year Ended 31 March 2022	
Amount (₹)	%	Amount (₹)	%
185.74	52.59%	213.56	45.16%
167.42	47.41%	259.29	54.84%
353.16	100.00%	472.84	100.00%

## (B) Segment assets based upon location of asset

India  
Outside India

As on 31 March 2023		As on 31 March 2022	
Amount (₹)	%	Amount (₹)	%
544.36	95.66%	606.96	96.79%
24.70	4.34%	20.16	3.21%
569.06	100.00%	627.12	100.00%

Major customer

Revenue from one customer in based in India is ₹ 74.75 Million (31 March 2022: ₹ 62.78 millions) and one customer based outside India is ₹ 63.93 Million (31 March 2022: ₹ 101.74 millions) out of total revenue of the Company.

## 41 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.



## 42 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

•Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

•Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

As on 31 March 2023

	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets</b>								
Investment - Non-current	1.03	-	-	1.03	1.03	-	-	1.03
Loans - Non-current	-	-	4.30	4.30	-	-	-	-
Trade receivables	-	-	51.87	51.87	-	-	-	-
Cash and cash equivalents	-	-	61.23	61.23	-	-	-	-
Loans - Current	-	-	-	-	-	-	-	-
Other financial assets -Current	-	-	12.48	12.48	-	-	-	-
<b>Financial liabilities</b>								
Borrowings - Non current	-	-	71.82	71.82	-	-	-	-
Lease liability - Non current	-	-	0.28	0.28	-	-	-	-
Borrowings - Current	-	-	3.26	3.26	-	-	-	-
Trade payables	-	-	18.89	18.89	-	-	-	-
Other financial liabilities -Current	-	-	33.52	33.52	-	-	-	-

As on 31 March 2022

	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets</b>								
Investment - Non-current	0.03	-	-	0.03	0.03	-	-	0.03
Loans - Non-current	-	-	2.73	2.73	-	-	-	-
Trade receivables	-	-	34.33	34.33	-	-	-	-
Cash and cash equivalents	-	-	59.35	59.35	-	-	-	-
Loans - Current	-	-	0.01	0.01	-	-	-	-
Other financial assets -Current	-	-	23.21	23.21	-	-	-	-
<b>Financial liabilities</b>								
Borrowings - Non current	-	-	73.52	73.52	-	-	-	-
Lease liability - Non current	-	-	1.00	1.00	-	-	-	-
Borrowings - Current	-	-	7.54	7.54	-	-	-	-
Trade payables	-	-	18.24	18.24	-	-	-	-
Other financial liabilities -Current	-	-	20.47	20.47	-	-	-	-

The carrying amount of cash and cash equivalents, trade receivables, trade payables, lease liabilities, other payables and short-term borrowings are considered to be the same as their fair values.

## 43 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

## (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

## (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

## Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax
For Year ended 31 March 2023		
INR	+25	(0.18)
INR	-25	0.18
For Year ended 31 March 2022		
INR	+25	(0.19)
INR	-25	0.19





43 Financial risk management objectives and policies (Continued)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

Exposure to currency risk

The currency profile of financial assets and financial liability is as follows

	31 March 2023	31 March 2022
	USD	USD
Financial Assets		
Trade receivables	0.25	0.27
Advances to suppliers	0.04	-
	0.29	0.27
Financial liabilities		
Borrowings - Non current	-	-
Trade payables	-	-
Advances from customers	0.10	0.11
	0.10	0.11
Net exposure	(0.19)	(0.16)

Foreign currency sensitivity

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Change in US\$ rate	Effect on profit before tax
As on 31 March 2023	+1% -1%	0.00 (0.00)
As on 31 March 2022	+1% -1%	0.00 (0.00)

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is the carrying amounts as mentioned in Note 9 to 14.

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities:

	Within 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
<u>As on 31 March 2023</u>					
Short term borrowings	-	-	-	-	-
Long-term borrowings	3.26	5.61	5.91	60.30	75.08
Trade payables	18.89	-	-	-	18.89
Other financial liability	32.91	-	-	-	32.91
Lease liability	0.61	0.28	-	-	0.89
	55.67	5.89	5.91	60.30	127.77
<u>As on 31 March 2022</u>					
Short term borrowings	1.56	-	-	-	1.56
Long-term borrowings	5.98	11.70	11.44	50.38	79.50
Trade payables	18.24	-	-	-	18.24
Other financial liability	19.15	-	-	-	19.15
Lease liability	1.32	1.00	-	-	2.32
	46.24	12.70	11.44	50.38	120.76



**44 Leases**  
**As a Lessee**

a Following are the carrying value of right of use assets for the year ended 31 March 22 and 31 March 2021  
Please refer note no.6 for detailed presentation of fair value of right of use assets

b Impact of adoption of Ind AS 116 is as follows:

Decrease in lease rentals by  
Increase in finance cost by  
Increase in depreciation by  
Net Impact on profit/loss

For Year ended 31 March 2023	For Year ended 31 March 2022
(0.66)	(1.56)
0.09	0.24
1.02	1.35
0.45	0.03

c Maturity analysis of lease liabilities- contractual undiscounted cash flows:

Less than one year  
One to five year  
More than five year  
Total undiscounted lease liabilities as at  
Discounted lease liability included in the statement of financial position  
Current lease liability  
Non-current lease liability

For Year ended 31 March 2023	For Year ended 31 March 2022
0.61	1.32
0.28	1.00
-	-
0.89	2.32
0.61	1.32
0.28	1.00

d Ica currency borrowings has been applied for measuring the lease liability at the date of initial application.

e The total cash outflow for leases for year ended 31 March 2023 and 31 March 2022 is

0.66 1.56

General Description of leasing agreements:

Leased Assets: Factory premises

Future Lease rentals are determined on the basis of agreed terms.

At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing

Lease agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms.

**45 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing and current borrowing from banks NBFCs and others. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		As on 31 March 2023	As on 31 March 2022
Equity		420.55	482.88
Total equity	(i)	420.55	482.88
Borrowings		75.08	81.06
Less: cash and cash equivalents		(61.23)	(59.35)
Total debt	(ii)	13.86	21.71
Overall financing	(iii) = (i) + (ii)	434.41	504.58
Debt to Equity ratio	(ii) / (i)	0.03	0.04

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and 31 March 2022.

**46 Borrowings secured against current assets**

The Company is having working capital limits from ICICI Bank Limited and Axis Bank Limited. The quarterly returns or statement of current assets filed by the Company with banks are in agreement with the books of account with minor differences. The summary of reconciliation and reason for material discrepancies is as under

For the quarter ended	Name of Bank	Particulars of Securities Provided	Amount as per books of accounts	Amount reported in the quarterly return /statement	Amount of difference	Reason for material discrepancies
Jun-22	ICICI Bank Ltd & Axis Bank Ltd	Stock	67.41	67.41	-	NA
		Book Debts	25.70	26.61	(0.91)	Due to provision for doubtful debts not considered
Sep-22	ICICI Bank Ltd & Axis Bank Ltd	Stock	68.65	76.01	(7.36)	Due to some calculation error in raw material stock valuation
		Book Debts	38.05	48.31	(10.26)	Due to effect of INDAS 115 given while preparing quarterly financial
Dec-22	ICICI Bank Ltd & Axis Bank Ltd	Stock	54.30	53.17	1.13	Due to stock in transit not considered in statement submitted to bank
		Book Debts	36.13	32.37	3.76	Due to GST amount excluded in statement submitted to bank
Mar-23	ICICI Bank Ltd & Axis Bank Ltd	Stock	52.43	50.80	1.62	Due to stock in transit not considered in statement submitted to bank
		Book Debts	51.87	61.37	(9.50)	Due to GST amount excluded in statement submitted to bank & adjustment of payable amount against receivable amount of party



46 Borrowings secured against current assets (Continued)

For the quarter ended	Name of Bank	Particulars of Securities Provided	Amount as per books of accounts	Amount reported in the quarterly return /statement	Amount of difference	Reason for material discrepancies
Jun-21	HDFC Bank Ltd	Stock	61.10	57.54	3.56	Change in WIP stock due to some calculation error
		Book Debts	74.85	75.09	-0.24	No material difference
Sep-21	HDFC Bank Ltd	Stock	65.04	64.64	0.40	No material difference
		Book Debts	20.57	20.69	-0.12	No material difference
Dec-21	ICICI Bank Ltd & Axis Bank Ltd	Stock	79.25	79.25	-0.00	No material difference
		Book Debts	16.35	16.34	0.01	No material difference
Mar-22	ICICI Bank Ltd & Axis Bank Ltd	Stock	66.20	67.20	-1.00	Due to reclassification of material
		Book Debts	17.50	17.41	0.09	No material difference

47 Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company has not registered following charges with the Registrar of Companies (ROC) as on 31 March, 2023

Brief description of the charge	Location of Registrar	Due date for filing charge	Reason for delay
Hypothecation of Vehicle	Mumbai, Maharashtra	05/10/2018	Remained unfilled due to oversight
Hypothecation of Vehicle	Mumbai, Maharashtra	30/07/2020	Remained unfilled due to oversight
Hypothecation of Vehicle	Mumbai, Maharashtra	25/05/2019	Remained unfilled due to oversight

The Company has not registered following charges with the Registrar of Companies (ROC) as on 31 March, 2022

Brief description of the charge	Location of Registrar	Due date for filing charge	Reason for delay
Mortgage of Immovable property	Mumbai, Maharashtra	30/01/2021	Remained unfilled due to oversight
Hypothecation of Vehicle	Mumbai, Maharashtra	05/10/2018	Remained unfilled due to oversight
Hypothecation of Vehicle	Mumbai, Maharashtra	30/07/2020	Remained unfilled due to oversight
Hypothecation of Vehicle	Mumbai, Maharashtra	09/03/2018	Remained unfilled due to oversight
Hypothecation of Vehicle	Mumbai, Maharashtra	25/05/2019	Remained unfilled due to oversight

48 Details of Benami Property Held

No proceedings have been initiated during the financial year or pending as at the end of the financial year against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

49 Relationship with Struck off Companies

The Company has not entered into any transaction during the current or previous financial year with the companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 and there is no outstanding receivable from / payable to such companies as at the end of year.

50 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the current or preceeding financial year.

51 Utilisation of Borrowed funds and share premium

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

52 Willful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the current or preceeding financial year.

53 Undisclosed Income

The Company does not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

54 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended 31 March 2023 and 31 March 2022.

55 Compliance with approved Scheme(s) of Arrangements

There is no any scheme of Arrangement or Amalgamation Initiated or approved by the Board of Directors and / or Shareholders of the Company or competent authority during the year ended 31 March 2023 and 31 March 2022 or in earlier years.

56 Title deeds of Immovable Properties not held in name of the Company

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



**57 Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company's CSR policy intends to focus on certain long term projects which shall include initiatives, inter alia, in the fields of Education, skill development/vocational training, Health Care, Sanitation, Safe Drinking Water, Environment Sustainability, Women Empowerment and Rural Development which will enable creation of a sustainable livelihood in society and better human capital culture. The CSR policy of the Company covers the proposed CSR activities in line with Section 135 of the Companies Act, 2013 (as amended) and Schedule VII thereto.

	As on 31 March 2023	As on 31 March 2022
Amount required to be spent by the company during the year	0.84	0.60
Amount of expenditure incurred	0.44	-
Shortfall at the end of the year	0.20	0.60
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA

The Company has not transferred the unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date out of the amounts that was required to be spent during the year, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of signing of financial statements. However, the time period for such transfer i.e. six months from the expiry of the financial year as permitted under the second proviso to section 135(5) of the Act, has not elapsed till the date of signing of financial statements.

Nature of CSR activities

The Company's CSR policy intends to focus on certain long term projects which shall include initiatives, inter alia, in the fields of Education, skill development/vocational training, Health Care, Sanitation, Safe Drinking Water, Environment Sustainability, Women Empowerment and Rural Development which will enable creation of a sustainable livelihood in society and better human capital culture.

Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure

**58 Ratios**

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	% of change compared to previous year
Current Ratio**	Current Assets	Current Liabilities	2.60	3.26	-20.41
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.17	0.15	11.10
Debt Service Coverage Ratio*	Earnings Available for Debt Service	Debt Service	-0.26	2.83	-109.28
Return On Equity (ROE)†	Net Profit After Taxes	Average Shareholder's Equity	-13.81%	8.06%	-271.41
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.55	3.02	-15.64
Trade Receivables Turnover Ratio***	Net Credit Sales	Average Trade Receivable	8.19	14.08	-41.81
Trade Payables Turnover Ratio	Net Credit Purchase	Average Trade Payables	7.39	9.31	-20.64
Net Capital Turnover Ratio	Net Sales	Working Capital	2.95	2.16	-6.82
Net Profit Ratio†	Net Profit	Net Sales	-17.67%	7.90%	-323.65
Return On Capital Employed (ROCE)*	Earning Before Interest and Taxes	Capital Employed	-17.21%	10.56%	-262.07
Return On Investment (ROI)					
Unquoted	Income Generated from Investments	Time Weighted Investments	NA	NA	NA
Quoted	Income Generated from Investments	Time Weighted Investments	NA	NA	NA

Reasons where the changes is more than 25%

\* Losses due to exceptional items and decrease in the operations during the year has resulted in the change in the ratio

\*\* Increase in receivable and payable period during the year has resulted in the change in the ratio.

\*\*\* Increase in receivable period during the year has resulted in the change in the ratio.

59 During the year the company has received demand notice for Rs. 24.48 million for the period from March 2019 to August 2022 from Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) for application of wrong MF 5 instead of MF 10. The demand has been debited to the statement of profit and loss as Arrears of Electricity Charges and shown under exceptional items.

60 On 24th January, 2023, a fire occurred in one of facility situated at Plot No A-43, STICE, Alusalgaoon, Sinnar, Nashik. There has been loss to assets comprising of Inventories, Plant Buildings, Plant & Machinery and other Fixed Assets etc. As per the best estimate of the Management, the book value of the loss due to fire is Rs 40.62 million, which has been debited to the statement of profit and loss which is included in exceptional items. The Company is adequately insured and in process of filing the required documents with the Insurance Company. The insurance claim would be recognised as per the requirements of the accounting standards in the subsequent years on the admission/approval of the claim by the Insurance Company.

61 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date  
For Latha Singhal and Associates  
Chartered Accountants  
Firm Registration No.: 103047W

Vinod Latha

Partner  
Membership No: 104151  
Place: Mumbai  
Date: 7th May 2023



For and on behalf of the Board of Directors  
Scitech Specialities Private Limited  
CIN: U85190MH2007PTC175484

Pradeep Gadre

Managing Director  
DIN: 00432894  
Place: Mumbai  
Date: 7th May 2023

Mukund Kabra

Director  
DIN: 00148294