

Statutory Audit Report **F.Y. 2019-2020**

SPC Pharmaceuticals Private Limited

284/1,2,3, GIDC Estate,
Makarpura,
Vadodara-390010

B M Patel & Company

Chartered Accountants

402, OM Plaza,
Opp. R C Patel Industrial Estate,
Akota, Vadodara-390020
Mobile : 98796 94843
Email: bhaves@bmpatel.in
Website: www.bmpatel.in



CA Bhavesh Patel
M.Com, FCA

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Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To,
The Members of SPC Pharmaceuticals Private Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **SPC Pharmaceuticals Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the standards on auditing 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 financial statements under the provisions of the Act and the rules made 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 audit opinion.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's



Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

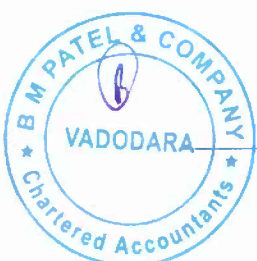
When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

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

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

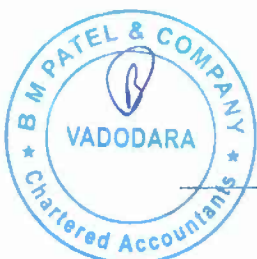


Auditor's responsibilities for the audit of the financial statements

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

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

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



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

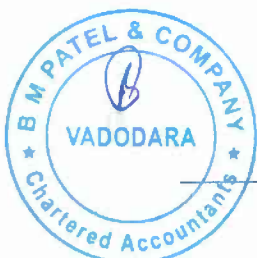
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is not applicable to the Company.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The balance sheet and the statement of profit and loss dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2020 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 with reference to financial statements of the company and the operating effectiveness of such controls as required under Clause (i) of Sub-section 3 of Section 143 of the Act, the same is not applicable to the Company vide amendment to the notification G.S.R 464 (E) dated 13th June 2017
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, the same is not applicable to the company, it being a private company, and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;



- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2020;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B M Patel & Company
Chartered Accountants

(F.R.No. 150817W)

B. Patel

Bhavesh Patel
Proprietor

(M. No. 133653)

UDIN: 20133653AAAAC1296



Place of Signature: Vadodara
Dated: 18th December, 2020

SPC PHARMACEUTICALS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount in Rs.)

Particulars	Note	As At 31-Mar-20	As At 31-Mar-19
EQUITY AND LIABILITIES			
1 Shareholder's Funds			
a Share Capital	1	1,00,000	1,00,000
b Reserves and Surplus	2	(2,27,229)	(20,000)
2 Non Current Liabilities			
a Long term borrowings		-	-
b Deferred Tax Liabilities		-	-
3 Current Liabilities			
a Short-Term Borrowings		-	-
b Trade payables	3	2,10,400	-
c Other current Liabilities		-	-
d Short-term provisions	4	14,000	20,000
	Total	97,171	1,00,000
ASSETS			
1 Non - Current Assets			
Fixed Asset			
(i) Tangible Asset		-	-
(ii) Capital Work In Progress		-	-
2 Current assets			
a Inventory		-	-
b Trade receivables		-	-
c Cash and cash equivalents	5	97,171	1,00,000
d Short-term Loan & Advances		-	-
e Other Assets		-	-
	Total	97,171	1,00,000
Significant Accounting Policies			
Notes forming part of financial statements	1-14		

As per our report of even date

For B M Patel & Company

Chartered Accountants

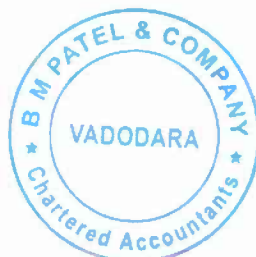
(Firm Regn No. 150817W)

B. Patel

(Bhavesh Patel)

Proprietor

(M No 133653)

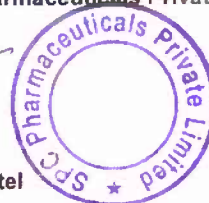


For SPC Pharmaceuticals Private Limited

Director

Snehal R Patel

00165190



Director

Mili S Patel

00030884

Vadodara, dated : 18th December, 2020

SPC PHARMACEUTICALS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in Rs.)

Particulars	Note	For Year 2019-20	For Year 2018-19
INCOME			
Revenue from operations		-	-
Other Income		-	-
Total		-	-
EXPENDITURE			
Cost of materials consumed		-	-
Employee benefits expense		-	-
Finance Cost	6	1,829	-
Depreciation and amortization expense		-	-
Other expenses	7	2,04,400	10,000
Total		2,06,229	10,000
PROFIT BEFORE TAX		(2,06,229)	(10,000)
Tax Expense			
Current Tax		-	-
Prior Period Tax Adjustments		1,000	-
Deferred Tax		-	-
PROFIT AFTER TAX FOR THE YEAR		(2,07,229)	(10,000)
EARNING PER EQUITY SHARE			
Basic & Diluted	8	(20.72)	(1.00)
Significant Accounting Policies			
Notes forming part of financial statements		1-14	

As per our report of even date

For B M Patel & Company
Chartered Accountants
(Firm Regn No. 150817W)

B. Patel

(Bhavesh Patel)
Proprietor
(M No 133653)



For SPC Pharmaceuticals Private Limited

S. R. Patel

Director
Snehal R Patel
00165190



Mili S. Patel

Director
Mili S Patel
00030884

Vadodara, dated : 18th December, 2020

Significant Accounting Policies**A CORPORATE INFORMATION**

SPC PHARMACEUTICALS PRIVATE LIMITED is a private limited company domicile in India and incorporated under the provisions of the Companies Act, 2013, having CIN U74999GJ2017PTC099193. The company is to be mainly engaged in the business of manufacturing of Pharmaceuticals and allied products.

B i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles (GAAP) in India. GAAP comprises mandatory Accounting Standards specified under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 and provision of the Act (to the extend notified).

ii) USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates. Differences between the actual results and the estimates are recognised in the period in which the same are known/materialised.

C Property Plant & Equipment

Property Plant & Equipment (PPE) are stated at cost after deducting accumulated depreciation and impairment loss if any. Costs directly attributable to acquisition are capitalized until the PPE are ready for use, as intended by management and include financing costs relating to any borrowing attributable to acquisition.

Subsequent expenditures relating to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

Depreciation

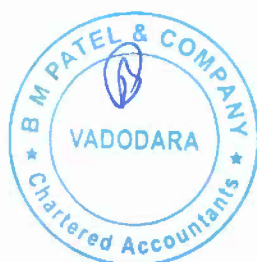
Depreciation on the PPE commence when the assets are available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the cost of the PPE less their residual value, using Straight Line method over the useful lives of PPE. The estimated useful life of the assets are as follows.

Sr.No	Particular	Useful Lives (Years)
1	Plant & Machinery	15
2	Factory Building	30
3	Office Equipment	5
4	Computer	3
5	Electrification	10
6	Furniture and fittings	10
7	Motor Vehicles	8

The estimated useful life, residual value and depreciation method are reviewed at the end of the accounting period, with the effect of any changes in estimate accounted as per Changes in the accounting estimate.

Each item of an Property Plant & Equipment with a cost that is significant in relation to the total cost of the item is to be depreciated separately.



E IMPAIRMENT OF ASSETS

The Company assesses at each Balance Sheet date Whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimated the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at the recoverable amount.

F REVENUE RECOGNITION

- a) Sales
Sales are recognized on dispatch to customer and net of trade discounts and returns
- b) Other Income
Other Income is recognized on accrual basis except when realization of such income is uncertain.

G BORROWING COSTS

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expense in the period in which they are incurred.

H RETIRING BENEFITS

- a) Provident Fund
Contribution to Provident Fund is made to Government / Recognized provident fund as required by the statutes / rules.
- b) Gratuity
The company is accounting for Gratuity on payment Basis.
- c) Leave Encashment
The company extends the benefit of encashment of leave to it's employees at their option accounted for as & when claimed.

H PROVISION FOR TAX

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

I PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

A disclosure for contingent liability is made when there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the enterprise.

A contingent asset is a possible asset that arises from past events the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the enterprise. Contingent asset if any meeting the above definition is disclosed in the report of director only when there is probability of its occurrence.



J DEFERRED TAX

Deferred tax assets and liabilities are recognized on timing differences, being the differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods using tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognised only if there is reasonable certainty that they will be realised in the future. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Deferred Tax assets are reviewed at each balance sheet date for their realisability.

K INVENTORIES

All the items of Inventories are valued on the basis of cost or market value whichever is lower, (FIFO).

- a) Raw materials Lower of Cost / Net Realisable value
 b) Finished Goods Material cost plus Labour, Mfg overheads
 c) Packing Material & Consumables At Cost

Spare parts, servicing equipment and standby equipment meeting the definition of property, plant and equipment as per AS 10 are classified as PPE.

Notes to Financial Statements for the year ended 31 March 2019**1 SHARE CAPITAL**

	As At 31-Mar-20	As At 31-Mar-19
Authorized Share Capital		
10,000 Equity Shares of Rs. 10/- each	1,00,000	1,00,000
Issued, Subscribed and fully Paid-up Capital		
10,000 Equity Shares of Rs. 10/- each	1,00,000	1,00,000
Total	1,00,000	1,00,000

1.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	Nos.	Rs.
Equity Shares		
At the beginning of the period	10,000	1,00,000
Issued during the period	-	-
Outstanding at the end of the period	10,000	1,00,000

1.2 Terms / Rights attached to equity shares

The Company has one class of equity shares having a par value of ` 10 each. Each shareholder is eligible for one vote per share held.

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.

1.3 Details of shareholders holding more than 5% shares in the company

Name of the Shareholders	As At 31-Mar-20		As At 31-Mar-19	
	Nos.	% holding	Nos.	% holding
Snehal R Patel	9,800	98.00%	9,800	98.00%
Mili S Patel	200	2.00%	200	2.00%
Total	10,000	100.00%	10,000	100.00%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



2 RESERVES AND SURPLUS

	As At 31-Mar-20	As At 31-Mar-19
Profit & Loss Account		
Opening Balance	(20,000)	(10,000)
Profit / (Loss) for the year	(2,07,229)	(10,000)
Balance	(2,27,229)	(20,000)

3 TRADE PAYABLES**a. Trade payables consists of the following:****Particulars**

-Due to micro and small enterprises

-Due to other than micro and small enterprises

a) For Goods

b) For Capital Goods

c) For Others

Total

	As At 31-Mar-20	As At 31-Mar-19
	-	-
	-	-
	2,10,400	-
Total	2,10,400	-

b. The amount due to Micro and Small Enterprise as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The payments made to suppliers beyond the due date during the year were Rs. Nil (P.Y. Nil). No interest during the year has been paid to Micro and Small Enterprises as there were no delayed payments. Further, interest accrued and remaining unpaid at the year end is Rs. Nil (P.Y. Nil).

4 SHORT-TERM PROVISIONS

Statutory dues payable

Other Provisions

Provision for Audit Fees

Provision for Expenses

Total

	As At 31-Mar-20	As At 31-Mar-19
	-	-
	10,000	20,000
	4,000	-
Total	14,000	20,000

5 CASH AND BANK BALANCES

Cash and cash equivalents

Balances with banks

In current accounts

Cash on hand

Total

	As At 31-Mar-20	As At 31-Mar-19
	8,171	-
	89,000	1,00,000
Total	97,171	1,00,000

6 FINANCE CHARGES

Bank Charges

Total

	As At 31-Mar-20	As At 31-Mar-19
	1,829	-
Total	1,829	-

7 OTHER EXPENSES

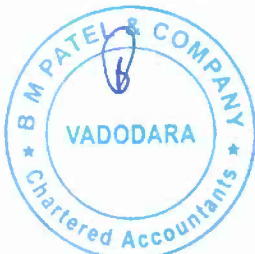
Audit Fee

Rent Rates & Taxes

Legal & Professional Services

Total

	As At 31-Mar-20	As At 31-Mar-19
	10,000	10,000
	1,20,000	-
	74,400	-
Total	2,04,400	10,000



7.1 Payment to auditors		
For Audit fees	10,000	10,000
For Other Services	-	-
Total	10,000	10,000

8 EARNING PER SHARE (EPS)

	As At 31-Mar-20	As At 31-Mar-19
(i) Net Profit after Tax as per Statement of Profit & Loss attributable to Equity Shareholder	(2,07,229)	(10,000)
(ii) Weighted Average number of Equity shares used as denominator for calculating EPS	10,000	10,000
(iii) Basic & Diluted Earning per share	(20.72)	(1.00)
(iv) Face Value per Equity share	10.00	10.00

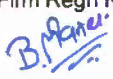


9 RELATED PARTY DISCLOSURES

Disclosures as required by Accounting Standard 18 are given below:

Nature of Relationship	Name of Related Party
Key Management Personnel	Snehal R Patel Mili S Patel
Other Parties which significantly Influence/are influenced by the Company (either individually or with others)	NA

No transaction were carried out with the Related Parties in Ordinary course of business.

- 10 In the opinion of the Board of Directors; the current assets, the loans & advances are approximately of the value as stated, if realized in ordinary course of business.
- 11 Balance of Trade Receivables/ Trade payables are subject to adjustments, if any on reconciliation / settlement of respective accounts.
- 12 The Company is a Small and medium sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 of India. Accordingly, the Company has complied with the Accounting Standard as applicable to a small and medium sized Company.
- 13 Balance of debtors and creditors are subject to confirmation from respective parties.
- 14 Figures of the previous year have been regrouped and reclassified wherever necessary.

As per Attached Report of Even Date	
For B M Patel & Company Chartered Accountants (Firm Regn No. 150817W)  (Bhavesh Patel) Proprietor (M No 133653)	
 Director Snehal R Patel 00165190	For SPC Pharmaceuticals Private Limited  Director Mili S Patel 00030884
Vadodara, dated : 18th December, 2020	

