

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF S CUBE ERGONOMICS  
PRIVATE LIMITED**

**Opinion:**

We have audited the accompanying standalone financial statements of S Cube Ergonomics Private Limited ("the Company"), which comprise the Balance Sheet as of March 31, 2023, the Statement of Profit and Loss and cash flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements subject to matters detailed in notes 37 and 38 not being furnished in accordance with Schedule III to the Companies Act, 2013 (Act) give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profits and cash flows for the year ended on that date.

**Basis of Opinion:**

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is the director's 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 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. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management for Standalone Financial Statements**

The Company's Board of Directors is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including any other applicable. 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 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 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.

Those 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 scepticism 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. Under sec 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 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:**

1. 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, we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the best of our belief and based on the information and explanations furnished to us.
2. 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - d. In our opinion, the aforesaid standalone financial statements comply with the AS 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, 2023, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to separate report in "Annexure B".
  - g. The Company is a private company and hence the provisions of section 197 of the Act are not applicable to the Company. Accordingly, no opinion is expressed on the other matters prescribed in section 197(16) of the Act.
  - 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note - 35.1 to the financial statements.
- ii. Management has represented to us that in respect of long-term contracts, no material foreseeable losses as required under the applicable law or accounting standards are anticipated and that no provision is required to be recognized in the financial statements. The Company has not entered into any derivative contracts.
- iii. There were no amounts outstanding as of March 31, 2023, which required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. 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.
- v. 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.
- vi. Based on such audit procedures that we 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 (iv) and (v) above contain any material misstatement.
- vii. In our opinion and to the best of our knowledge, no dividends have been declared or paid during the year by the Company.



- viii. The proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For B. K. Ramadhyani & Co LLP.  
*Chartered Accountants*  
Firm Registration No. 0028785/ S200021



H S Vasuki  
*Partner*

Membership No: 212013

Place: Bangalore  
Date: September 27, 2023

B K RAMADHYANI & CO. LLP  
CHARTERED ACCOUNTANTS  
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**ANNEXURE 'A' - AS REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF SCUBE ERGONOMICS PRIVATE LIMITED**

1. a) i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
ii) The company is maintaining proper records showing full particulars of intangible assets.  
  
b) As explained to us, fixed assets were not physically verified by the management during the year. Accordingly, the question of reporting on whether the discrepancies were material or not and whether they have been properly dealt with in the books of account does not arise.  
  
c) According to the information and explanation given to us by the Company, there are no immovable properties held in the name of the Company. Accordingly, the provisions of clause 3 (i) (c) of the Order is not applicable. However, there was no lease agreement duly executed in favour of the Company in respect of one of properties at Pune. (Total rent paid/payable during the year Rs 1,51,800).  
  
d) Based on the information and explanation given to us by the Company, it has not revalued any of its PPE or intangible assets.  
  
e) Based on the information and explanation given to us by the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
2. a) The Company has physically verified the inventory as at the end of the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed between book records and such inventory have not been comprehensively quantified and as such we are unable to state whether discrepancies of 10% or more in aggregate for each class of inventory were noticed. However, management has represented to us that such discrepancies were not material and the same have been properly adjusted in the books of account. The valuation of inventories as at year end is as per the migrated software and is subject to rectification of errors, if any. Refer notes 37 and 38 to the financial statements.  
  
b) The Company has been sanctioned working capital loan limits in excess of Rs. 5 crores on security of current assets in aggregate during the year. However, we are unable to comment whether the quarterly returns/statements filed by the Company with its bank agree with the books of account of the Company, in view of matters specified in notes 37 and 38 of the financial statements.
3. The Company has not made any investments 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. Accordingly, clauses 3(iii) (a) to (f) of the Order are not applicable.



4. The Company has not given any loans, guarantees or securities to entities covered under section 185 of the Act during the year and accordingly the provisions of sections 185 of the Act are not applicable. No loans to, investments in, guarantees and security on behalf of any party were given during the year and accordingly the provisions of section 186 of the Act are not applicable.
5. The Company has not accepted any deposits as applicable under the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other provisions of the Act and rules framed under. Accordingly, the provisions of clause 3(v) of the said Order are not applicable.
6. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act for any of the services rendered by the Company.
7. A) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues as per books of account including provident fund, employees state insurance, income tax, goods and services tax, cess and other material statutory dues have generally been deposited during the year by it within the prescribed time limit with the appropriate authorities except for sums of Rs. 3,525 and Rs. 4,081 for the months April 2022 and May 2022 respectively. According to the information and explanations given to us, no such outstanding undisputed statutory amounts were in arrears as of 31 March 2023, for a period of more than six months from the date they became payable except for sums of Rs. 3,525 and Rs. 4,081 for the months April 2022(due date May 15, 2022) and May 2022(due date June 15, 2022) respectively.

B) According to the information and explanations given to us, there were no dues of such statutory dues which had not been deposited with the appropriate authorities on account of any dispute as of March 31, 2023, except for the following:

Name of the Statute	Period to which the amount relates	Forum where dispute is pending	Amount (In INR)	
Income Tax (As per the Income Tax Portal)	Financial year 2017-18	Assessing Officer	5,02,026	
Custom Duty	(Financial years 2014-15, 2015-16 and 2017-18)	CESTAT	Disputed amount	5,64,43,413
			Paid	2,50,00,000
			Balance	3,14,43,413

8. According to the information and explanation given to us, there are no transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessment in the Income Tax Act, 1961. Accordingly, the provisions of clause 3 (viii) of the Order is not applicable.



9. a) In our opinion based on the information and explanation given to us, the Company has not borrowed any amount from financial institution and government. However, in respect of amounts borrowed from the Bank, the Company has not defaulted in payment of instalment or interest.
- b) Based on the information and explanation furnished to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) Based on the information and explanation furnished to us by the Company, it has not taken any terms loans from banks during the year.
- d) On an overall examination of the balance sheet of the Company as at year end, funds raised on short term basis have, prima facie, not been used for long-term purposes by the Company
- e) Management has represented to us that it had no subsidiaries, associates, or joint ventures during the year. Accordingly, provision of clause 3(ix)(e) of the Order is not applicable.
- f) Management has represented to us that the Company had no subsidiaries, joint ventures, or associate companies during the year. Accordingly, provision of clause 3(ix)(f) of the Order is not applicable.
10. a) According to the information and explanation given to us, the Company has not raised any monies during the year by way of initial public offer or follow-on public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the said Order are not applicable.
- b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, the provisions of clause 3(x)(b) of the said Order are not applicable.
11. a) Management has represented to us that there are no frauds noticed or reported during the year. Accordingly, the provisions of clause 3(xi)(a) of the said Order is not applicable.
- b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the 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 up to the date of this report.
- c) Management has represented to us that there are no whistle blower complaints received by the Company during the year and accordingly, provisions of the clause 3(xi)(c) of the Order is not applicable.
12. The Company is not a Nidhi company and accordingly, provisions of paragraph 3(xii) of the Order is not applicable.





13. According to the information and explanations given to us, transactions during the year with related parties are in compliance with sections 188 of Act, where applicable. Details of transactions with related parties have been disclosed in the financial statements as required by the applicable accounting standards.
14. To the best of our knowledge, the Company did not have an internal audit system during the year. Accordingly, the provisions of the clause 3 (xi)(c) of the Order is not applicable.
15. The Company has not entered into any non-cash transactions with directors or persons connected with them and accordingly provisions of section 192 of Act are not applicable.
16. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi)(a), (b) and (d) 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 the provisions of the clause 3(xvi)(c) of the Order is not applicable.
17. The Company has not incurred any cash loss during the year or in the immediately preceding previous year.
18. According to the information and explanation furnished to us by the Company, there is no resignation of statutory auditors during the year.
19. 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 will not be 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.
20. The provisions of section 135 of the Act mandating spend of monies towards corporate social responsibility are not applicable to it. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.



21. The Company did have any subsidiaries and the report is furnished for the standalone financial statements. Accordingly, the provisions of clause 3(xxi) of the said Order are not applicable.

For B K RAMADHYANI & CO LLP  
Chartered Accountants  
Firm Registration No. 002878S/S200021



H S Vasuki  
Partner  
Membership No. 212013

Place: Bangalore  
Date: September 27, 2023

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**ANNEXURE-B REFERRED TO IN PARAGRAPH 2 (f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF SCUBE ERGONOMICS PRIVATE LIMITED.**

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

We have audited the internal financial controls over financial reporting of S Cube Ergonomics Private Limited (“the Company”) as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls:**

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“the Act”).

**Auditors’ Responsibility:**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



### **Meaning of Internal Financial Controls Over Financial Reporting:**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting:**

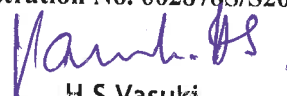
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Disclaimer of Opinion:**

In our opinion, the Company is in the process of formally documenting its operating procedures, mapping them with the risks identified with such processes 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, implementing requisite processes and testing them. Accordingly, we are not expressing any opinion thereof.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements and the disclaimer does not affect our opinion on such financial statements of the Company.

**For B. K. RAMADHYANI & CO LLP**  
Chartered Accountants  
Firm Registration No. 002878S/S200021



**H S Vasuki**  
Partner

Membership No. 212013

Place: Bangalore  
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