

**EMPE Diagnostics Private Limited****Balance Sheet as at 31 March 2022**

(All amounts are in Indian Rupees (₹) in Lakhs, except share data and as otherwise stated)

	Notes	As at	
		31 March 2022	31 March 2021
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	243.60	149.40
Reserves and surplus	4	335.07	157.28
		<b>578.67</b>	<b>306.68</b>
<b>Non-current liabilities</b>			
Other non-current liabilities	5	9.97	8.34
<b>Current liabilities</b>			
Short-term borrowings	6	-	10.50
Trade payables:			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	7	5.13	30.04
Other current liabilities	5	30.23	91.37
		<b>35.37</b>	<b>121.41</b>
<b>Total</b>		<b>624.01</b>	<b>446.93</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment - Tangible	8	342.53	314.14
Other non-current assets	9	16.94	16.93
		<b>359.47</b>	<b>331.07</b>
<b>Current assets</b>			
Inventories	10	78.61	34.53
Cash and cash equivalents	11	54.89	10.89
Short-term loans and advances	12	131.04	70.44
		<b>264.54</b>	<b>115.85</b>
<b>Total</b>		<b>624.01</b>	<b>446.93</b>

The accompanying notes form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001076N/N500013

For and on behalf of the Board of Directors of  
**EMPE Diagnostics Private Limited**  
CIN: U33309TG2019PTC149550

**Sanjay Kumar Jain**

Partner  
Membership No: 207660

Place: Hyderabad  
Date: 30 September 2022

**Pavankumar Asalapuram Ramachandran**

Director  
DIN: 06959121

Place: Hyderabad  
Date: 30 September 2022

**Raghavendra Goud Vaggu**

Director  
DIN: 08730399

Place: Hyderabad  
Date: 30 September 2022

**EMPE Diagnostics Private Limited****Statement of Profit and Loss for the year ended 31 March 2022**

(All amounts are in Indian Rupees (₹) in Lakhs, except share data and as otherwise stated)

	Notes	For the year ended	
		31 March 2022	31 March 2021
Revenue from operations	13	419.53	-
Other income		0.07	-
<b>Total income</b>		<b>419.60</b>	<b>-</b>
<b>Expenses</b>			
Cost of material consumed	14	153.01	-
Employee benefits expenses	15	99.64	53.82
Depreciation and amortisation expense	8	36.55	7.80
Finance costs	16	0.30	0.15
Other expenses	17	140.70	72.60
<b>Total expenses</b>		<b>430.20</b>	<b>134.38</b>
<b>Loss before tax</b>		<b>(10.60)</b>	<b>(134.38)</b>
<b>Tax expense</b>		-	-
<b>Loss for the year</b>		<b>(10.60)</b>	<b>(134.38)</b>
<b>Earnings per equity share (EPES)</b>			
Basic and diluted (in absolute ₹)		(0.53)	(23.59)
Weighted average number of equity shares considered for EPES		20,07,632	5,69,572
Face value per equity share (in absolute ₹)		10	10

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

This is the Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001076N/N500013

For and on behalf of the Board of Directors of  
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CIN: U33309TG2019PTC149550

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Director  
DIN: 08730399

Place: Hyderabad  
Date: 30 September 2022

**EMPE Diagnostics Private Limited****Cash Flow Statement for the year ended 31 March 2022**

(All amounts are in Indian Rupees (₹) in Lakhs, except share data and as otherwise stated)

	For the year ended	
	31 March 2022	31 March 2021
<b>Cash flows from operating activities</b>		
Loss before tax	(10.60)	(134.38)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	36.55	7.80
Rent equalisation expense	1.63	8.34
<b>Operating profit/ (loss) before working capital changes</b>	<b>27.58</b>	<b>(118.23)</b>
Increase in Loans and advances and other assets	(60.61)	(87.37)
Increase in Inventory	(44.08)	(34.53)
Increase/ (Decrease) in Trade payables	(24.91)	30.04
Increase/ (Decrease) in Other liabilities	(31.35)	33.57
<b>Net cash used in operating activities</b>	<b>(A) (133.37)</b>	<b>(176.51)</b>
<b>Cash flows from investing activities:</b>		
Purchase of Property, plant and equipment	(105.22)	(267.94)
<b>Net cash used in investing activities</b>	<b>(B) (105.22)</b>	<b>(267.94)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issue of equity shares	282.59	445.21
<b>Net cash generated from financing activities</b>	<b>(C) 282.59</b>	<b>445.21</b>
<b>Net Increase in cash and cash equivalents</b>	<b>(A) + (B) + (C) 44.00</b>	<b>0.76</b>
Cash and cash equivalents as at beginning of the year	10.89	10.13
<b>Cash and cash equivalents as at end of the year (Refer Note 1 below)</b>	<b>54.89</b>	<b>10.89</b>

	As at	
	31 March 2022	31 March 2021
<b>Note 1:</b>		
<b>Cash and cash equivalents includes</b>		
Cash on hand*	-	0.00
Balances with banks	54.89	10.89
<b>Total</b>	<b>54.89</b>	<b>10.89</b>

\* Cash on hand as at 31 March 2021 represents value of ₹53.

This is the cash flow statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001076N/N500013

For and on behalf of the Board of Directors of  
**EMPE Diagnostics Private Limited**  
CIN: U33309TG2019PTC149550

**Sanjay Kumar Jain**  
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Place: Hyderabad  
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**EMPE Diagnostics Private Limited****Summary of significant accounting policies and other explanatory information**

(All amounts are in Indian Rupees (₹) in Lakhs, except share data and as otherwise stated)

**1. Company overview**

EMPE Diagnostics Private Limited ("the Company") is a company domiciled in India and registered under the provisions of the Companies Act, 2013. The Company was incorporated on 30 October 2019 and has been set up for the purpose of clinical testing and diagnostics services.

**2. Summary of significant accounting policies****a) Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with the Accounting Standards ("AS") specified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Accounting Standards) Rules, 2021 and other recognised accounting principles generally accepted in India including the requirements of the Act ("Indian GAAP"). The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year. These financial statements have been presented in Indian Rupees (₹) in Lakhs.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division I of Schedule III to the Act. Based on the nature of work and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

**b) Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for trade receivables, recoverability of deferred tax assets and classification of assets and liabilities into current and non-current.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

**c) Property, plant and equipment**

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. Further, when each major inspection is performed, its cost is recognized in the carrying amount of the item of tangible asset as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit and loss during the reporting year in which they are incurred.

Depreciation on property, plant and equipment is provided using the straight-line method based on the useful life of the assets as prescribed under Schedule II to the Act. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

**d) Operating leases**

Leases where the lessor effectively retains substantially all the risks and rewards incidental to the ownership are classified as operating leases. Lease rents in respect of non-cancelable operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

**EMPE Diagnostics Private Limited****Summary of significant accounting policies and other explanatory information**

(All amounts are in Indian Rupees (₹) in Lakhs, except share data and as otherwise stated)

**e) Inventory**

Inventories are comprising of lab consumables are valued at cost or net realizable value, whichever is lower and include purchase price and other direct expenses incurred to bring inventories to its present condition and location. Cost of inventories is determined using the first-in first-out method.

**f) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the collectability is reasonably assured.

**Revenue from operations**

Revenue from research and testing services are recognized as the services are rendered and billed as per the terms of the agreement entered into with the Holding Company.

**g) Earnings per equity share**

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

**h) Employee benefits**

All short term-employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

**i) Taxes on income**

Tax expense comprises of current and deferred tax.

**Current tax**

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

**Deferred tax**

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and in situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Unrecognized deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date.

**j) Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

**k) Cash and cash equivalents**

Cash and cash equivalents in the cash flow statement comprise of cash in hand, cash at bank and short-term investments with an original maturity of three months or less.

**EMPE Diagnostics Private Limited****Summary of significant accounting policies and other explanatory information**

(All amounts are in Indian Rupees (₹) in Lakhs, except share data and as otherwise stated)

**l) Foreign currency transactions****Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency existing as at the date of the transaction.

**Conversion**

Foreign currency monetary items are reported using the exchange rate as of reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**Exchange differences**

Exchange differences arising on the settlement of foreign currency monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year are recognised as income or as expenses in the year in which they arise.

**m) Provisions**

A provision is recognised when the Company has a present obligation as a result of past event i.e., 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. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure of the contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.

**EMPE Diagnostics Private Limited****Summary of significant accounting policies and other explanatory information**

(All amounts are in Indian Rupees (₹) in Lakhs, except share data and as otherwise stated)

**3. Share capital**

	As at			
	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
<b>Authorized</b>				
Equity shares of ₹10 each	30,00,000	300.00	20,00,000	200.00
<b>Issued, subscribed and fully paid up:</b>				
Equity shares of ₹10 each	24,35,994	243.60	14,94,027	149.40

**a. Reconciliation of the number of equity shares and amount outstanding at beginning and at end of the period**

	As at			
	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Balance at the beginning of the year	14,94,027	149.40	10,000	1.00
Add: Equity shares allotted during the year	9,41,967	94.20	14,84,027	148.40
Balance at the end of the year	<b>24,35,994</b>	<b>243.60</b>	<b>14,94,027</b>	<b>149.40</b>

**b. Terms and rights attached to equity shares**

The Company has issued only one class of equity shares of face value ₹10 each. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors if any, is subject to the approval of share holders in the ensuing general meeting. In the event of liquidation of the Company, the share holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

**c. Details of shares held by holding company**

	As at			
	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
EPME Diagnostics AB, Sweden	24,35,894	243.59	14,93,927	149.39

**d. Details of equity shareholders holding more than 5% of paid up equity share capital**

	As at			
	31 March 2022		31 March 2021	
	Number	%	Number	%
EPME Diagnostics AB, Sweden	24,35,894	99.99%	14,93,927	99.99%

**e. Details of shareholding of Promoters of the Company**

	As at 31 March 2022		
	Number of shares	% of total shares	% change during the year
EPME Diagnostics AB, Sweden	24,35,894	99.99%	0.00%

**f. The Company has not issued any equity shares pursuant to contract without payment being received in cash or by way of bonus shares or bought back any equity shares during the last five years preceding the balance sheet date. The period of five years immediately preceding the reporting date has been considered from the date of incorporation of the Company i.e., 30 October 2019.**

**EMPE Diagnostics Private Limited****Summary of significant accounting policies and other explanatory information**

(All amounts are in Indian Rupees (₹) in Lakhs, except share data and as otherwise stated)

**4. Reserves and surplus**

	As at	
	31 March 2022	31 March 2021
<b>Securities Premium</b>		
Balance at the beginning of the year	296.81	-
Add: Issue of equity shares	188.39	296.81
Balance at the end of the year	<b>485.20</b>	<b>296.81</b>
<b>Deficit in the Statement of Profit and Loss:</b>		
Balance at the beginning of the year	(139.53)	(5.15)
Add: Loss for the year	(10.60)	(134.38)
Balance at the end of the year	<b>(150.13)</b>	<b>(139.53)</b>
<b>Total</b>	<b>335.07</b>	<b>157.28</b>

**5. Other liabilities**

	As at	
	31 March 2022	31 March 2021
<b>Non-current</b>		
Rent equalisation reserve	9.97	8.34
	<b>9.97</b>	<b>8.34</b>
<b>Current</b>		
Payable for purchase of capital goods	13.71	54.00
Professional charges payable	8.36	20.78
Dues to employees	-	4.26
Other payables	8.16	12.32
	<b>30.23</b>	<b>91.37</b>

**6. Short-term borrowings**

	As at	
	31 March 2022	31 March 2021
<b>Unsecured</b>		
Loan from related parties (refer note (a) below)	-	10.50
	<b>-</b>	<b>10.50</b>

- (a) 31 March 2021: Represented interest free unsecured loan received from director and repayable on demand. The same has been repaid during the year.

**7. Trade Payables**

	As at	
	31 March 2022	31 March 2021
Dues of micro and small enterprises	-	-
Dues of creditors other than micro and small enterprises (refer note (a) below)	5.13	30.04
	<b>5.13</b>	<b>30.04</b>

**(a) Trade payables ageing**

Dues of creditors other than micro and small enterprises are outstanding for less than one year from the due date of payment. Further, there are no disputed dues as on 31 March 2022



**EMPE Diagnostics Private Limited****Summary of significant accounting policies and other explanatory information**

(All amounts are in Indian Rupees (₹) in Lakhs, except share data and as otherwise stated)

**8. Property, plant and equipment**

	Lab Equipments	Lease hold Improvements	Computers	Furniture & Fixtures	Total
<b>Gross block</b>					
<b>As at 1 April 2020</b>	-	-	-	-	-
Additions	145.74	166.05	9.48	0.68	321.95
<b>As at 31 March 2021</b>	<b>145.74</b>	<b>166.05</b>	<b>9.48</b>	<b>0.68</b>	<b>321.95</b>
Additions during the year	22.45	24.02	4.86	13.60	64.93
<b>As at 31 March 2022</b>	<b>168.19</b>	<b>190.07</b>	<b>14.34</b>	<b>14.28</b>	<b>386.88</b>
<b>Accumulated depreciation</b>					
<b>Up to 31 March 2020</b>	-	-	-	-	-
Charge for the year	0.63	6.22	0.95	0.01	7.80
<b>Up to 31 March 2021</b>	<b>0.63</b>	<b>6.22</b>	<b>0.95</b>	<b>0.01</b>	<b>7.80</b>
Charge for the year	14.92	17.34	3.86	0.43	36.55
<b>As at 31 March 2022</b>	<b>15.54</b>	<b>23.56</b>	<b>4.81</b>	<b>0.44</b>	<b>44.35</b>
<b>Net block</b>					
<b>As at 31 March 2022</b>	<b>152.65</b>	<b>166.51</b>	<b>9.53</b>	<b>13.84</b>	<b>342.53</b>
As at 31 March 2021	145.00	160.00	9.00	1.00	314.14

**9. Other non-current assets**

	As at	
	31 March 2022	31 March 2021
Security deposits	16.94	16.93
	<b>16.94</b>	<b>16.93</b>

**10. Inventory (at cost or lower)**

	As at	
	31 March 2022	31 March 2021
Lab consumables	78.61	34.53
	<b>78.61</b>	<b>34.53</b>

**11. Cash and cash equivalents**

	As at	
	31 March 2022	31 March 2021
Cash on hand*	-	0.00
Balance with banks	54.89	10.89
	<b>54.89</b>	<b>10.89</b>

\* Cash on hand as at 31 March 2021 represents value of ₹53.

**12. Short-term loans and advances**

	As at	
	31 March 2022	31 March 2021
<b>Unsecured, considered good</b>		
Balances with government authorities	126.65	66.30
Other advances	4.39	4.14
	<b>131.04</b>	<b>70.44</b>

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**EMPE Diagnostics Private Limited****Summary of significant accounting policies and other explanatory information**

(All amounts are in Indian Rupees (₹) in Lakhs, except share data and as otherwise stated)

**13. Revenue from operations**

	For the year ended	
	31 March 2022	31 March 2021
Revenue from sale of services	419.53	-
	<b>419.53</b>	<b>-</b>

**14. Cost of material consumed**

	For the year ended	
	31 March 2022	31 March 2021
<b>Lab consumables</b>		
Opening Stock	34.53	-
Add: Purchases	197.09	-
Less: Closing Stock	(78.61)	-
	<b>153.01</b>	<b>-</b>

**15. Employee benefit expense**

	For the year ended	
	31 March 2022	31 March 2021
Salaries and wages	96.63	50.02
Staff welfare expenses	3.01	3.80
	<b>99.64</b>	<b>53.82</b>

**16. Finance costs**

	For the year ended	
	31 March 2022	31 March 2021
Bank Charges	0.30	0.15
	<b>0.30</b>	<b>0.15</b>

**17. Other expenses**

	For the year ended	
	31 March 2022	31 March 2021
Rent	42.51	25.88
Material consumption	-	2.22
Freight and handling charges	1.72	0.99
Repair and maintenance		
- Others	1.46	3.64
Contract Workers	1.70	-
Printing and stationery	1.40	0.98
Telephone and communication charges	1.65	0.29
Travel and conveyance	18.61	9.31
Legal and professional charges	42.42	13.65
Office maintenance	0.66	3.85
Power and water charges	11.64	2.71
Rates and Taxes	3.92	0.23
Payment to auditors		
- Audit fee	5.15	4.50
- Out of pocket expenses	0.25	0.07
Miscellaneous expenses	7.60	4.29
	<b>140.70</b>	<b>72.60</b>

**EMPE Diagnostics Private Limited****Summary of significant accounting policies and other explanatory information**

(All amounts are in Indian Rupees (₹) in Lakhs, except share data and as otherwise stated)

**18. Related party disclosures****(a) Names of the related parties and nature of relationship**

Names of related parties	Relationship
1. EPME Diagnostics AB, Sweden	Holding Company
2. Pavankumar Asalapuram Ramachandran	Director

**(b) Transactions with related parties**

	31 March 2022	31 March 2021
<b>EMPE Diagnostics AB</b>		
Issue of fully paid-up equity shares	282.59	445.21
Purchase of equipments	-	9.52
Purchase of consumables	1.54	0.22
Sale of services	419.53	-

**(c) Balances receivable/ (payable)**

	31 March 2022	31 March 2021
EPME Diagnostics AB	(11.08)	(9.47)
Pavankumar Asalapuram Ramachandran	0.33	(10.50)

**19. Operating leases**

The Company has taken certain premises on non-cancellable operating lease agreement. The total minimum lease payments under these non-cancellable leases are as under

	As at	
	31 March 2022	31 March 2021
Not later than 1 year	37.80	34.59
Later than 1 year and not later than 5 years	171.92	183.55
Later than 5 years	48.72	-

**20. Earnings in foreign currency**

	For the year ended	
	31 March 2022	31 March 2021
Exports under LUT/Bond	419.53	-

**21. Value of imports on Carriage, Insurance and Freight (CIF) basis**

	For the year ended	
	31 March 2022	31 March 2021
Lab consumables	1.54	-
Capital goods	-	9.47
	<b>1.54</b>	<b>9.47</b>

**22. Unhedged foreign currency exposure**

	As at 31 March 2022		As at 31 March 2021	
	In USD	In ₹	In USD	In ₹
Payable on purchase of capital goods	14,612	11.08	12,887	9.47

**23. The value of imported and indigenous raw materials consumed and percentage of each to total consumption**

	As at 31 March 2022		As at 31 March 2021	
	Amount	%	Amount	%
<b>Raw material consumption</b>				
Imported	1.54	1%	-	0%
Indigenous	151.47	99%	-	0%
	<b>153.01</b>	<b>100%</b>	<b>-</b>	<b>0%</b>

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**EMPE Diagnostics Private Limited****Summary of significant accounting policies and other explanatory information**

(All amounts are in Indian Rupees (₹) in Lakhs, except share data and as otherwise stated)

**24. Deferred taxes**

The Company has not recognised deferred tax asset on its carry forward business losses and unabsorbed depreciation as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised as required under AS 22 – 'Accounting for taxes on income'.

**25. Disclosure pursuant to requirements of Rule 11(e) (i) & (ii) of the Companies (Audit and Auditors) Rules, 2014:**

(i) 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 or entity, 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).

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

**26. Transfer Pricing**

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international and domestic transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by 31 October 2022, as required by law. The Management confirms that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

**27. Following are the analytical ratios and variances thereon as required under Revised Schedule III**

	Numerator	Denominator	As at		(%)	Reason for variance
			31 March 2022	31 March 2021	Variance	
Current Ratio	Current assets	Current liabilities- Creditors for capital expenditure	12.22	1.72	611%	
Return on Equity	Net Profit after taxes - Average Pref. dividend	Average shareholders equity	(0.05)	(0.86)	-95%	Refer note below
Trade Payables Turnover Ratio	Net credit purchases	Avg. trade payables	10.93	2.45	347%	
Net Capital Turnover Ratio	Net sales	Working capital	1.80	-	100%	
Net Profit Ratio	Net profit after tax	Net sales	(0.05)	-	100%	
Return on Capital Employed	Earnings before interest and tax	Capital employed	(0.03)	(0.41)	-92%	

**Notes: Reasons for change more than 25% is as under**

- i) **Current Ratio:** Changes are on account of significant decrease in Current liabilities as major lab setup expenses were incurred during March 2021. Further there is also an increase in inventories held, bank balances and GST input credit during the year
- ii) **Trade Payable Turnover Ratio:** Change in ratio is owing to significant increase in purchases for production of test batches.
- iii) **Net Profit Ratio:** Change in ratio is owing to revenue agreement entered with the Holding Company in FY 21-22 which was not existing during FY 20-21
- iv) **Return on Equity Ratio:** Change is since loss during the year has been significantly reduced owing to revenue agreement with the Holding Company
- v) **Net Capital Turnover Ratio:** Change in ratio is owing to revenue agreement entered with the Holding Company in FY 21-22 which was not existing during FY 20-21
- vi) **Return on Capital Employed:** The change in ratio is owing to revenue recognised during FY 21-22 and also issue of equity shares during the financial year.

*This space has been intentionally left blank.*

**EMPE Diagnostics Private Limited****Summary of significant accounting policies and other explanatory information**

(All amounts are in Indian Rupees (₹) in Lakhs, except share data and as otherwise stated)

28. During the current year, the Company has reported a net loss of ₹10.61 (31 March 2021: ₹134.38). However, the accompanying financial statements have been prepared by management as a going concern after taking into consideration (a) the future business and growth prospects as the Company is yet to commence commercial operations post obtaining the manufacturing license; and (b) commitment from the Holding Company to extend necessary financial support as and when needed. Basis such assessment, the Management is of the opinion that the internal liquidity position, availability of alternative sources of funding from promoters and other measures taken by the Company would provide adequate financial support to meet the Company's liabilities as and when they fall due for payment. Accordingly, the management believes that the Company will be able to continue as a going concern for the foreseeable future and consequently these financial statements have been prepared on a going concern basis.

**29. Previous year figures**

Previous year figures have been regrouped/ reclassified as per the current year's presentation for the purpose of comparability.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001076N/N500013

For and on behalf of the Board of Directors of  
**EMPE Diagnostics Private Limited**  
CIN: U33309TG2019PTC149550

**Sanjay Kumar Jain**

Partner  
Membership No: 207660

Place: Hyderabad  
Date: 30 September 2022

**Pavankumar Asalapuram Ramachandran**

Director  
DIN: 06959121

Place: Hyderabad  
Date: 30 September 2022

**Raghavendra Goud Vaggu**

Director  
DIN: 08730399

Place: Hyderabad  
Date: 30 September 2022