



EMTAC

COMPETENCE · INTEGRITY · SERVICE

A Wholly Owned Subsidiary of Vimta Labs Ltd

10th
Annual Report
2023-2024

EMTAC LABORATORIES PRIVATE LIMITED
(A Wholly Owned Subsidiary of Vimta Labs Limited)

Regd. Office: Plot No.11/6, Road No.9, IDA, Nacharam, Hyderabad: 500076

CIN: U74200TG2014PTC096043

CORPORATE INFORMATION

Board of Directors

Smt. Harita Vasireddi
Director

Shri. Satya Sreenivas Neerukonda
Director

Shri. S Suresh Kumar
Director

Smt. Sujani Vasireddi
Company Secretary

Bankers

State Bank of India
HDFC Bank Limited

Holding Company

Vimta Labs Limited
141/2 & 142, IDA, Phase-II,
Cherlapally
Telangana – 500051

Auditors

Gattamaneni & Co.
(Firm Reg. No 009303S)
Chartered Accountants,
Hyderabad

Registered Office

Plot No.11/6, Road No.9, IDA,
Nacharam, Hyderabad: 500076

BOARD'S REPORT

To the Members,

Your Directors have pleasure in submitting the Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March 2024.

1. FINANCIAL RESULTS

The Financial performance of your Company for the year ended 31st March 2024 is summarized below:

(Rs.in Millions)

Particulars	As on 31.03.2024	As on 31.03.2023
Total Income	100.98	58.38
Total Expenses	71.54	46.74
Profit or Loss before Exceptional and Extraordinary items and Tax	29.44	11.64
Less: Exceptional Items	-	-
Profit or Loss before Tax	29.44	11.64
Less: Current Tax	7.33	2.96
Deferred Tax	0.09	(0.04)
Profit or Loss After Tax	22.02	8.72
Add: Balance as per last Balance Sheet	(16.43)	(25.15)
Less: Transfer to Reserves	-	-
Balance Transferred to Balance Sheet	5.59	(16.43)

2. COMPANY'S PERFORMANCE

During the year under review your company achieved a turnover of Rs. 100.98 million as compared to previous year turnover of Rs. 58.38 million.

The opportunities from evolving E&E industry and regulatory environment in certification and registration of such products, including active medical devices, batteries etc.; and the complementary EMI/EMC capabilities of parent organization, VIMTA Labs Ltd., will enable Company to utilize its existing capabilities of testing and certification to further drive the growth of the organization.

3. DIVIDEND & TRANSFER OF PROFITS TO RESERVES

No Dividend was declared for the current financial year. Further, no amount was transferred to Reserves out of current year's profits.

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 does not apply as the Company is a Private Limited Company.

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH OCCURRED DURING THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred during the financial year to which these financial statements relate and the date of this report.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to the Company. There was no foreign exchange inflow and outgo during the year under review.

7. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company does not have any Risk Management Policy but the elements of risk threatening the Company's existence are reduced to the maximum extent possible.

8. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the contracts/ arrangements/ transactions entered by the Company during the year under review with related parties were in the ordinary course of business and at arm's length basis. The particulars of such contracts or arrangements with related parties, pursuant to the provisions of section 134(3)(h) and Rule 8 of the Companies (Accounts) Rules, 2014, in the prescribed form AOC-2 is enclosed as **Annexure – B**

11. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

12. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT AND PAYMENT OF REMUNERATION

The provisions of Section 178 of the Companies Act, 2013 are not applicable to the Company relating to constitution of Nomination and Remuneration Committee and formulation of a policy on Directors appointment and payment of remuneration.

13. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure - A** and is attached to this Report.

14. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company has conducted 5 (Five) Board meetings i.e., on 02.05.2023; 25.07.2023; 27.10.2023; 30.01.2024 and 29.03.2024 during the year under review.

15. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors hereby submit their Responsibility Statement:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) Board has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) Board has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) Board has prepared the annual accounts on a going concern basis;
- (e) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operate effectively; and
- (f) Board has laid down proper internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively.

16. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under review. It has a Holding Company, Vimta Labs Limited.

The Board of Directors of the Company in its meeting held on March 29, 2024 considered and approved the proposed scheme of amalgamation ("scheme") wherein the company will be amalgamated with parent company under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder.

The Holding Company's Board also approved the said scheme in its meeting held on March 30, 2024.

The aforesaid scheme is subject to the approval of shareholders and creditors of both the companies, Stock Exchanges, National Company Law Tribunal and such other Authorities Regulators as may be required.

17. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

18. DIRECTORS AND KEY MANGERIAL PERSONNEL

a) Cessation of Directors

During the year under review there were no cessation of Directors.

b) Appointment of Directors

During the year under review no Directors were appointed.

19. DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 of the Companies Act, 2013 with respect to appointment of Independent Directors do not apply to the Company.

20. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The company has adequate internal financial control systems.

21. AUDITORS

Annual General Meeting held on 4th September 2020 appointed M/s Gattamaneni & Co., Chartered Accountants (Firm Registration No. 9303S), as Statutory Auditors for the Company who are also the Statutory Auditors of Vimta Labs Limited, the holding company, to hold office for a period of five years i.e., from the conclusion of 6th Annual General Meeting (AGM) until the conclusion of the 11th AGM of the Company to be held in the year 2025.

Provisions of Section 138; 148 and 204 of Companies Act, 2013 are not applicable to the Company with respect to appointment of Internal; Cost and Secretarial Auditors.

22. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company.

23. DETAILS OF CHANGES IN SHARE CAPITAL

During the year under review, there were no changes in authorized capital and Company has not issued equity shares.

24. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material orders have been passed by the regulators, courts and tribunals impacting the going concern status of the Company and its operations in future.

25. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE

In compliance to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, there were no complaints received by the Company during the year, at work place of the Company.

26. ACKNOWLEDGEMENTS

Your Directors place on record their gratitude to shareholders, customers and vendors for their continued support to the Company. The Directors also wish to place on record, their appreciation for the contribution made by the employees at all levels, for their sincerity, hard work, solidarity and dedicated support to the Company.

For and on behalf of the Board of Directors

Date: 17th May 2024

Place: Hyderabad

Harita Vasireddi
Director
(DIN:00242512)

Annexure A to Board's Report

MGT -9
EXTRACT OF THE ANNUAL RETURN
as on the financial year ended on 31.03.2024.

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U74200TG2014PTC096043
- ii) Registration Date : 17.10.2014
- iii) Name of the Company : EMTAC LABORATORIES PRIVATE LIMITED
- iv) Category / Sub-Category of the Company : Service
- v) Address of the Registered office and contact details : PLOT NO. 11/6, ROAD NO.9
 IDA, NACHARAM
 HYDERABAD: 500076

 haritav@emtac.in;
- vi) Whether listed company Yes / No : No
- vii) Name, Address and Contact details of Registrar and Transfer Agents, if any : N A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Electronic, Electrical & Mechanical Testing and Certification.	Not Applicable	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name address of the Company	CIN/GLN	Holding/S subsidiary/ Associate	% of shares held	Applicable Section
1	Vimta Labs Limited Plot No.142, IDA, Phase-II, Cherlapally, Hyderabad : 500051	L24110TG1990PLC011977	Holding	100%	2(46)

IV. SHAREHOLDING PATTERN (Equity share capital Breakup as percentage of Total Equity)

i) Category wise shareholding

Sl. No.	Category of shareholders	No. of shares held at the beginning of the year 01.04.2023				No. of shares held at the end of the year 31.03.2024				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A)	Promoter and Promoter Group									
(1)	Indian									
(a)	Individuals/HUF	0	0	0	0	0	0	0	0	0
(b)	Central Govt./ State Govt. Bodies Corporate / Govt. Corporate Bodies	0	0	0	0	0	0	0	0	0
(c)	Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
(d)	Any other (Specify)	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)	0	0	0	0	0	0	0	0	0
2	Foreign									
(a)	Individuals (NRI/Foreign individuals)	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Any other (Specify)	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
	Total shareholding of Promoter & Promoter Group (A) = (A)(1)+(A)(2)	0	0	0	0	0	0	0	0	0

ANNEXURE TO THE BOARD REPORT EMTAC LABORATORIES PVT LTD

Sl. No.	Category of shareholders	No. of shares held at the beginning of the year 01.04.2023				No. of shares held at the end of the year 31.03.2024				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(1)	Institutions									
(a)	Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
(b)	Financial institutions/Banks	0	0	0	0	0	0	0	0	0
(c)	Central Govt./ State Govt.	0	0	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(h)	Any other (Specify)	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)	0	0	0	0	0	0	0	0	0
(2)	Non-Institutions									
(a)	Bodies corporate	0	3,416,500	3,416,500	100	0	3,416,500	3,416,500	100	0
(b)	Individuals									
	i) Individual shareholders holding nominal share capital up to Rs.1 lakh	0	0	0	0	0	0	0	0	0
	ii) Individual shareholders holding nominal share capital in excess Rs.1 lakh	0	0	0	0	0	0	0	0	0
(c)	Any other (Specify)	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(2)	0	0	0	0	0	0	0	0	0
	Total Public shareholding Group (B) = (B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
	Total (A)+(B)	0	0	0	0	0	3,416,500	3,416,500	100	0
C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	0	0	0	0	0	3,416,500	3,416,500	100	0

ii) Shareholding of Promoters and promoters group

Sl. No.	Shareholder's Name	No. of shares held at the beginning of the year 01.04.2023			No. of shares held at the end of the year 31.03.2024			% change in shareholding during the year
		No. of shares	% of total Shares of the Company	% of shares Pledged /encumbered to total shares	No. of shares	% of total Shares of the Company	% of shares Pledged /encumbered to total shares	
		Nil						

(iii) Change in Promoters' or Promoters group shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year 01.04.2023		Cumulative shareholding during the year 31.03.2024	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
Nil					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors and Promoters)

Particulars	Shareholding at the beginning of the year 01.04.2023		Transactions during the year		Cumulative shareholding during the year	
	No. of shares	% of total Shares of the Company	Purchase/(Sale)	% Purchase/(Sale)	No. of shares	% of total Shares of the Company
At the beginning of the year 01.04.2023						
Vimta Labs Limited	3,416,500	100%				
At the end of the year 31.03.2024			NA	NA	3,416,500	100%

v) Shareholding of Directors and Key Management Personnel

Sl. No.	Particulars	Shareholding at the beginning of the year 01.04.2023		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	Harita Vasireddi	0	0	0	0
2.	Satya Sreenivas Neerukonda	0	0	0	0
3.	Suresh Kumar S	0	0	0	0
4.	Sujani Vasireddi	0	0	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs.in Millions)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Fin. Year 01.04.2023				
i) Principal Amount		2.40		2.40
ii) Interest due but not paid	-	--	-	--
iii) Interest accrued but not due		0.02		0.02

ANNEXURE TO THE BOARD REPORT EMTAC LABORATORIES PVT LTD

Total (i+ii+iii)	---	2.42	---	2.42
Change in Indebtedness during the Fin. year				
• Addition	-	---	---	---
• Reduction		(2.42)		(2.42)
Net Change				
Indebtedness at the end of the financial year 31.03.2024				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs.in Millions)

Sl. No.	Particulars of Remuneration	Name of WTD	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N I L	
2.	Stock Option		
3.	Sweat Equity		
4.	Commission -as % of profit - Others, specify		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Total Amount
1.	Independent Directors Fee for attending board / committee meetings Commission - Others, please specify	N I L
	Total (1)	
2.	Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify	
	Total (2)	
	Total (B) = (1+2)	
	Total Managerial Remuneration	
	Overall ceiling as per the Act	

ANNEXURE TO THE BOARD REPORT EMTAC LABORATORIES PVT LTD

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	CS	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N I L		
2.	Stock Option			
3.	Sweat Equity			
4.	Commission -as % of profit - Others, specify			
5.	Others, please specify			
	Total			

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY	N I L				
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annexure B to Board's Report

Form No. AOC-2

(Pursuant to *clause (b) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
There were no contracts or arrangements or transactions entered into during the year ended 31 st March 2024, which were not at arm's length basis.								

2. A) Details of material contracts or arrangement or transactions at arm's length basis

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
There were no contracts or arrangements or transactions entered into during the year ended 31 st March 2024, which are material and at arm's length basis.						

ANNEXURE TO THE BOARD REPORT EMTAC LABORATORIES PVT LTD

B) Details of non-material contracts/arrangements at arm's length basis with related parties for the year ended 31st March 2024 are as follows.

(Rs.in millions)

Sl. No.	Name of the related party and nature of relationship	Nature of Contracts/arrangements/transaction	Duration of Contracts/arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value ; if any;	Date of approval by the Board / Shareholders, if any.	Justification For entering into Contract / Arrangement
1	Vimta Labs Limited, Holding Company	Holding Company		Interest Expense on Unsecured Loans		Commensurate with market rates paid Rs. 0.10 million
2	Vimta Labs Limited, Holding Company	Holding Company	On going	Testing Expenses		Commensurate with market Services paid for Rs. 47.21 million during the year
3	Vimta Labs Limited, Holding Company	Holding Company		Unsecured Loan		Commensurate with market rates repaid Rs. 2.40 million (Nil as on 31 st March 2024)

INDEPENDENT AUDITOR'S REPORT

To the Members of **EMTAC LABORATORIES PRIVATE LIMITED**
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of EMTAC Laboratories Private Limited (*“the Company”*), which comprise the balance sheet as at March 31, 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the Material Accounting Policies and other explanatory information (*“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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) 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, 2024, the profit and total comprehensive income, changes in equity and its 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 (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 (ICAI) 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 on the financial statements.

Information other than the Financial Statements and Auditor's 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 Annual Report, but does not include the financial statements and our auditor's report thereon.

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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statements 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 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 the 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 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 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.

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 Section 143(3) of the Act, based on our audit, 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 financial statements dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls with reference to financial statements.
- (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 we report that as the said section is not applicable to this company our comments on the same are nil for this company.
- (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were 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 it's knowledge and belief, as disclosed in Note No.36(i) to the financial statements, 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, 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 it's knowledge and belief, as disclosed in Note No.36(ii) to the financial statements, no funds have been received by the company from any person or entity, 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 that we have 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 (A) and (B) above contain any material mis-statement.

(v) The company has not declared or paid dividend during the year.

(vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 01 April, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of section 143 (11) of the Act, we give in "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For GATTAMANENI & CO.,
Chartered Accountants
(Firm.Regn.No:009303S)

Place: Hyderabad
Date: 17-05-2024

G. SRINIVASARAO
Partner
(ICAI Ms. No. 210535)
UDIN: 24210535BKBGNM7096

Annexure – A to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date to the Members of EMTAC Laboratories Private Limited)

Report on the Internal Financial Controls with reference to financial statements of the Company under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013

We have audited the Internal Financial Controls with reference to financial statements of **EMTAC Laboratories Private Limited** (“the Company”) as of March 31, 2024 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 Board of Directors of the Company is responsible for establishing and maintaining Internal Financial Controls based on the internal controls with reference to financial statements 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 respective 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorisations of management and directors of the company; and (iii) 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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 with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2024, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of Internal Financial Controls stated in the Guidance Note.

For GATTAMANENI & CO.
Chartered Accountants
(Firm Regn. No.009303S)

Place: Hyderabad
Date: 17-05-2024

G.SRINIVASARAO
Partner
(ICAI Ms. No.210535)
UDIN: 24210535BKBGNM7096

Annexure – B to Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of EMTAC Laboratories Private Limited)

Statement on the matters specified in Paragraphs 3 and 4 of the Companies (Auditor’s Report) Order, 2020 (“CARO”)

Based on the audit procedure performed for the purpose of reporting a true and fair view on the financial statements of EMTAC Laboratories Private Limited (“*the company*”) and taking into consideration the information and explanations given to us and the books of account and other records examined by us in a normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment.
(B) The Company has not held any intangible assets.
- (b) The company’s Property, Plant and Equipment have been physically verified by the management at reasonable intervals as per a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The company has reported that no material discrepancies were noticed on such verification made during the year.
- (c) The Company has not held any immovable properties during the year under audit.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.
- (e) We have not noticed nor have we been informed of initiating any proceedings or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) (a) The company has not acquired / held any inventory during the period covered under audit. Hence, our comments on sub clause (a) of clause (ii) of paragraph 3 of the Order are nil.
(b). During the year, the company has no working capital limits sanctioned by the Banks on the basis of security of current assets. Hence, our comments on sub clause (b) of clause (ii) of paragraph 3 of the Order are nil.
- (iii) During the year, the Company has not made any investments in, provided any guarantee or security or granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. Hence, our comments on clauses (iii) of paragraph 3 of the order are Nil.

- (iv). The Company has neither given any loans nor made investments nor given guarantees and security to any Company to which the provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.
- (v). The Company has not accepted deposits or amounts which are deemed to be deposits during the year. Hence, compliance with the directives issued by the RBI and the relevant provisions of Companies Act and the Rules made thereunder is not applicable.
- (vi). The Central Government has not prescribed maintenance of cost records U/s.148(1)(d) of the Companies Act, 2013 to this company.
- (vii). a). 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 Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts in respect of the above statutory dues as at March 31, 2024 outstanding for a period of more than six months from the date they became payable.

- b). There were no material dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- (viii). There were no transactions which are not recorded in the Books of account but which have been surrendered or disclosed as income during the year in the Tax assessments under the Income Tax Act, 1961.
- (ix). (a). The Company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender.
- (b). The company is not a declared wilful defaulter by any Bank or Financial institution or other lender.
- (c). The company has not availed any term loans during the year.
- (d). The funds raised on short term basis were not utilized for long term purposes.
- (e). The company does not hold any investments in subsidiaries, associates or joint ventures during the year ended 31 March 2024. Accordingly, clause 3(ix) (e) is not applicable.
- (f). The company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix) (f) is not applicable.
- (x). (a) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

- (xi). (a). No fraud by the company or any fraud on the company has been noticed or reported during the year.
- (b). No report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central Government.
- (c). The company has not received any whistle – Blower complaints during the year.
- (xii). The Company is not a Nidhi company and hence compliance with the requirements applicable to Nidhi companies is not applicable.
- (xiii). All transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv). 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.
- (xv). The company has not entered into any non-cash transactions with its Directors or persons connected with them. Hence, compliance with the provisions of Section 192 of the Companies Act, 2013 is not applicable.
- (xvi). (a). The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b). The company has not conducted any non-Banking Financial or Housing Finance activities during the year.
- (c). The company is not a Core Investment Company (CIC) as defined in the Regulations made by the RBI.
- (d). The company's Group Companies has no CIC as part of the Group.
- (xvii). The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii). There has been no resignation of the Statutory Auditors of the company during the year.
- (xix). On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is 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.
- (xx) (a). The company is not required to transfer any amount to a fund specified in Schedule VII to the Companies Act in compliance with Second proviso to Sub-section (5) of Section 135 of the Act.

(b).There are no amounts remaining unspent U/s.135(5) of the Act, pursuant to any ongoing project, which is required to be transferred to a special account in compliance with the provisions of Section 135(6) of the Act.

For GATTAMANENI & CO.
Chartered Accountants
(Firm Regn. No.009303S)

Place: Hyderabad
Date: 17-05-2024

G.SRINIVASARAO
Partner
(ICAI Ms No.210535)
UDIN: 24210535BKBGNM7096

EMTAC LABORATORIES PRIVATE LIMITED
Balance Sheet as at March 31, 2024
(Amount in INR millions, unless otherwise stated)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	23.39	13.55
(b) Capital work-in-progress		-	-
(c) Financial assets			
(i) Other Financial assets	6	0.74	0.74
(d) Other non-current assets	7A	0.43	1.14
Total Non-Current assets		24.56	15.43
Current assets			
(a) Financial assets			
(i) Trade receivables	8	11.08	4.05
(ii) Cash and cash equivalents	9A	13.14	9.27
(iii) Bank balances other than (ii) above	9B	0.37	0.21
(b) Other current assets	7B	1.55	0.87
Total Current assets		26.14	14.40
Total Assets		50.70	29.83
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	34.17	34.17
(b) Other equity	11	5.54	(16.47)
Total equity		39.71	17.70
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities		-	-
(b) Deferred tax liabilities (Net)	13	0.78	0.69
(c) Provisions	17A	0.45	0.47
Total Non Current Liabilities		1.23	1.16
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	12	-	2.40
(ii) Trade payables	14		
- Outstanding dues of micro enterprises and small enterprises		-	-
- Outstanding dues of creditors other than micro enterprises and small enterprises		5.06	3.69
(iii) Other financial liabilities	15	0.96	0.71
(b) Other current liabilities	16	3.62	4.17
(c) Provisions	17B	0.12	-
Total Current Liabilities		9.76	10.97
Total Equity and Liabilities		50.70	29.83

The accompanying material accounting policies and notes form an integral part of the financial statements.

Per our report of even date attached.
For Gattamaneni & Co.
Chartered Accountants
Firm Registration No. 009303S

For and on behalf of the Board of Directors

G. Srinivasa Rao
Partner
Membership No. 210535

Harita Vasireddi
Director
DIN:00242512

Satya Sreenivas Neerukonda
Director
DIN:00269814

Place : Hyderabad
Date : May 17, 2024

Place : Hyderabad
Date : May 17, 2024

EMTAC LABORATORIES PRIVATE LIMITED
Statement of Profit and Loss for the Year ended March 31,2024

(Amount in INR millions, unless otherwise stated)

Particulars	Note No	Year Ended 31 March 2024	Year Ended 31 March 2023
I. Income			
Revenue from Operations	18	100.91	58.28
Other Income	19	0.07	0.10
Total Income		100.98	58.38
II. Expenses			
Testing expenditure	20	54.91	31.31
Employee benefits expense	21	7.92	7.03
Finance costs	22	0.18	0.33
Depreciation expense	5	1.96	1.74
Other expenses	23	6.57	6.33
Total Expenses		71.54	46.74
Profit/ (Loss) before exceptional items and tax		29.44	11.64
Exceptional items		-	-
III. Profit/(Loss) before tax [I-II]		29.44	11.64
IV. Tax expense	24		
(a) Current Tax		7.33	2.96
(b) Prior year tax adjustments		-	-
(c) Deferred tax (benefit)/expense		0.09	(0.04)
Total Tax Expense		7.42	2.92
V. Profit/(Loss) for the year [III-IV]		22.02	8.72
VI. Other comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Re-measurement of the net defined liability		(0.02)	(0.05)
(b) Income tax relating to the above item		-	0.01
Total other comprehensive income/(loss),net of tax		(0.02)	(0.04)
VII. Total Comprehensive income/(Loss) for the year [V-VI]		22.00	8.68
VIII. Earnings per share	25		
Basic (INR)		6.44	2.55
Diluted (INR)		6.44	2.55

The accompanying material accounting policies and notes form an integral part of the financial statements.

Per our report of even date attached.
For Gattamaneni & Co.
Chartered Accountants
Firm Registration No. 009303S

For and on behalf of the Board of Directors

G. Srinivasa Rao
Partner
Membership No. 210535

Harita Vasireddi
Director
DIN:00242512

Satya Sreenivas Neerukonda
Director
DIN:00269814

Place : Hyderabad
Date : May 17, 2024

Place : Hyderabad
Date : May 17, 2024

EMTAC LABORATORIES PRIVATE LIMITED

Statement of Cash flows for the Year ended March 31, 2024

(Amount in INR millions, unless otherwise stated)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Cash Flow From Operating Activities		
Profit/(Loss) before tax	29.44	11.64
Adjustments to reconcile profit before tax to net cash flows:		
- Interest Cost	0.10	0.32
- Depreciation	1.96	1.74
Operating profit before working capital changes	31.50	13.70
Adjustments for changes in working capital:		
- (Increase)/decrease in other financial assets	-	(0.04)
- (Increase)/decrease in other assets	(0.68)	0.92
- (Increase)/decrease in trade receivables	(7.03)	(1.07)
- Increase/(decrease) in trade payables	1.38	(0.24)
- Increase/(decrease) in other financial liabilities	0.25	0.48
- Increase/(decrease) in other current liabilities	(0.47)	3.44
Cash generated from/(used in) operations	24.95	17.19
Income tax paid	(6.62)	(2.96)
Net cash flows generated from/(used in) operating activities (A)	18.33	14.23
Cash Flow From Investing Activities		
Payment for property, plant and equipment and capital work-in-progress	(11.80)	(0.35)
Redemption/(Investment) in fixed deposits (Net)	(0.17)	(0.20)
Net cash flow generated from/(used in) investing activities (B)	(11.97)	(0.55)
Cash Flow From Financing Activities		
Net change in Short term borrowings	(2.40)	(5.59)
Interest Cost paid	(0.10)	(0.31)
Net cash flow generated from/(used in) financing activities (C)	(2.50)	(5.90)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	3.86	7.78
Cash and cash equivalents at the beginning of the year	9.28	1.49
Cash and cash equivalents at the end of the year	13.14	9.27
Cash and cash equivalents comprise		
Balances with banks in current & deposit accounts	13.08	9.21
Cash on hand	0.06	0.06
Total cash and bank balances at end of the year	13.14	9.27

Notes:

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
(i) Current Borrowings		
Balance at the beginning of the year	2.40	7.99
Net Cash flow during the year	(2.40)	(5.59)
Balance at the end of the year	-	2.40

The accompanying material accounting policies and notes form an integral part of the financial statements.

Per our report of even date attached.
For Gattamaneni & Co.
Chartered Accountants
Firm Registration No. 009303S

For and on behalf of the Board of Directors

G. Srinivasa Rao
Partner
Membership No. 210535

Harita Vasireddi
Director
DIN:00242512

Satya Sreenivas Neerukonda
Director
DIN:00269814

Place : Hyderabad
Date : May 17, 2024

Place : Hyderabad
Date : May 17, 2024

EMTAC LABORATORIES PRIVATE LIMITED**Statement of changes in equity for the year ended March 31, 2024**

(Amount in INR millions, unless otherwise stated)

(A) Equity share capital

Particulars	No. of Shares	Amount
Equity shares of Rs. 10/- each issued, subscribed and fully paid		
Balance as at April 1, 2022	3,416,500	34.17
Add/Less: Changes during the year	-	-
Balance as at March 31, 2023	3,416,500	34.17
Add/Less: Changes during the year	-	-
Balance as at March 31, 2024	3,416,500	34.17

(B) Other equity

Particulars	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance as at April 1, 2022	-	-	(25.15)	-	(25.15)
Add: Profit for the year	-	-	8.72	-	8.72
Less: Dividend on Equity Shares	-	-	-	-	-
Add: Other comprehensive income/(loss) for the year	-	-	-	(0.04)	(0.04)
Balance as at March 31, 2023	-	-	(16.43)	(0.04)	(16.47)
Balance as at April 1, 2023	-	-	(16.43)	(0.04)	(16.47)
Add: Profit for the year	-	-	22.02	-	22.02
Less: Dividend on Equity Shares	-	-	-	-	-
Add: Other comprehensive income/(loss) for the year	-	-	-	(0.01)	(0.01)
Balance as at March 31, 2024	-	-	5.59	(0.05)	5.54

The accompanying material accounting policies and explanatory notes form an integral part of the financial statements.

Per our report of even date attached

For Gattamaneni & Co

Chartered Accountants

Firm Registration No. 009303S

For and on behalf of Board of Directors**G. Srinivasa Rao**

Partner

Membership No. 210535

Place: Hyderabad

Date : May 17, 2024

Harita Vasireddi

Director

DIN:00242512

Place: Hyderabad

Date : May 17, 2024

Satya Sreenivas Neerukonda

Director

DIN:00269814

EMTAC LABORATORIES PRIVATE LIMITED
Notes forming part of the financial statements

1 General Information

Emtac Laboratories private Limited (the "Company") is a private limited company domiciled in India was incorporated on October 17, 2014 under the provisions of the Companies Act, 2013. The registered office of the Company is situated at Plot no.11/6, Road no.9, IDA Nacharam, Hyderabad – 500 076. The Company is Electronic, Electrical and Mechanical Testing Services testing services provider in India.

The financial statements are approved for issue by the Board of Directors at its meeting held on May 17, 2024.

2 Material accounting policies

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

The 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, as amended from time to time and other relevant provisions of the Act.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date.

(b) Basis of measurement

The financial statements have been prepared on historical cost convention on accrual basis, except for the following items in the balance sheet:

- i) Certain financial assets and liabilities measured either at fair value or amortised cost depending on the classification;
- ii) Defined employee benefit liabilities are recognised at the present value of defined benefit obligation adjusted for fair value of plan assets;

(c) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has fixed its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Current assets / liabilities include the current portion of non-current assets / liabilities respectively. All other assets / liabilities including deferred tax assets and liabilities are classified as non-current.

(d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management of the company to make judgments, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

(e) Fair value measurement

The Company's accounting policies and disclosures require the measurement of fair values, for certain financial and non-financial assets and liabilities based on their classification.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.2 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price, freight, non-refundable taxes and duties, specified foreign exchange gains or losses and any other cost attributable to bring the asset to its working condition for its intended use.

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. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as "capital advances" and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress' and not depreciated.

Depreciation methods, estimated useful lives

Depreciable amount for assets is the cost of an asset or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment is provided on straight-line method over their estimated useful lives which are the same as prescribed in Schedule II to the Act, except for the following:

Particulars	Useful Life as per Management Estimate	Useful Life as per Schedule II of the Act
Plant and Equipment	6.67 Years	10-15 years
Computer Servers	3 Years	6 years

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Act. The management has assessed the useful life of such assets on the basis of technical expert advice and past experience in the industry as it believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date of sale/deduction, as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in Statement of Profit and Loss.

Assets held for sale

Non-current assets held for sale are measured at the lower of their carrying value and fair value of the assets less costs to sale. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Property, plant and equipment once classified as held for sale are not depreciated/amortised.

2.3 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or 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 recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

2.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

All financial assets are recognised in balance sheet when, and only when, the entity becomes party to the contractual provisions of the instrument and initially measured at fair value except for trade receivables which are initially measured at transaction price. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset or liability are added to or deducted from the fair value.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL) and
- Equity instruments measured at FVTOCI

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category covers Trade Receivables, Loans, Cash & Bank Balances and Other Receivables.

Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt and Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity instruments measured at FVTOCI

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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 for the following financial assets and credit risk exposures:

- a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits and bank balance
- b) Trade Receivables that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 quarter ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 quarter ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 quarter ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

(b) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

EMTAC LABORATORIES PRIVATE LIMITED
Notes forming part of the financial statements

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.5 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date.

The Company recognises interest levied and penalties related to income tax assessments in interest expense.

(b) Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

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 future 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 utilized.

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 future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized 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 assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized 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 relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.6 Inventories

Inventories consist of chemicals and consumables, stores and spares, are measured at the lower of cost and net realisable value. Cost includes purchase price, duties and taxes (other than those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. In determining the cost, First In First Out (FIFO) method is used. The carrying cost of inventories are appropriately written down when there is a decline in replacement cost of such materials.

Work in progress are valued at the lower of cost and net realisable value. Cost of work in progress is determined on the basis of cost and on the cost which comprises direct material consumed and human resource cost.

2.7 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the year end.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent liabilities and assets are not recognised in financial statements. 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.

2.8 Revenue Recognition

Rendering of services

The Company primarily earns revenue from testing services.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those services.

Revenue from providing services is recognised in the accounting period in which such services are rendered.

At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Revenues in excess/short of invoicing are classified as assets/liabilities, as the case may be.

Export incentives

Export incentives are recognised when the right to receive the credit is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds and utilization of export incentives within its validity period.

Interest

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount on initial recognition. Interest income is included in other income in the Statement of Profit and Loss.

2.9 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.10 Retirement and other Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

The Company has gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The Company has subscribed to gratuity scheme of Life Insurance Corporation of India ('LIC') to which the Company makes periodic Funding. Under the said policy, the eligible employees are entitled for gratuity upon their resignation, retirement, incapacitation, termination or in the event of death in lump sum after deduction of necessary taxes, as applicable. The liability in respect of defined benefit plans is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the related defined benefit obligation.

The current service cost of the defined benefit plan, recognised in the statement of profit and loss under employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements.

Past Service costs are recognised in statement of profit and loss in the period of plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. The cost is included in the employee benefit expenses in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Compensated Absences (Leave Encashment): The company's current policy permits employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise/encash them in future periods in accordance with the terms of such policies. The company measures the expected cost of accumulated absences as the additional amount that the company incurs as a result of the unused entitlements that has accumulated at the balance sheet date and charge to Statement of Profit and loss. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Such measurement is based on actuarial valuation at the balance sheet date carried out by a qualified actuary. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

2.11 Leases (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, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements 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, 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 following: –

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.12 Borrowing Costs

Borrowing costs consist of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such asset, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

2.13 Earnings Per Share

Basic earnings per share is 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. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.14 Dividend Distributions

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.15 Cash Flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.16 Segment Reporting

The management has assessed and identified the reportable segments in accordance with the requirements of Ind AS 108 'Operating Segment'. The Company has only one reportable segment namely " Electronic, Electrical and Mechanical Testing Services".

2.17 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.18 Prior Period Items

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

3.A Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

(b) Deferred Taxes

The assessment of the probability of future taxable profit in which deferred tax assets can be utilised is based on the Company's latest approved forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdiction in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full.

(c) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans. The assumptions include determination of the discount rate, salary growth rate, mortality rate, retirement age and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

(d) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(e) Impairment of financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

EMTAC LABORATORIES PRIVATE LIMITED

Notes forming part of the financial statements

(f) Impairment of non-financial assets

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(g) Research and Developments Costs

Management monitors progress of internal research and development projects by using a project management system. Significant judgment is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

(h) Property, Plant and Equipment

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, as appropriate.

(i) Current income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

(j) Provision for expected credit losses (ECL) of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due across all segments. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4 Standards (including amendments) 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

EMTAC LABORATORIES PRIVATE LIMITED

Notes forming part of the financial statements

(Amount in INR millions, unless otherwise stated)

5 Property, Plant and Equipment

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
	As at April 1, 2023	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2024	As at April 1, 2023	Charge for the Year	Deductions/ Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Plant & Equipment	17.81	11.51	-	29.32	5.64	1.47	-	7.11	22.21	12.17
Computers	0.24	0.28	-	0.52	0.10	0.11	-	0.21	0.31	0.14
Furniture and Fixtures	2.97	-	-	2.97	1.73	0.38	-	2.11	0.86	1.24
Office equipment	0.10	0.01	-	0.11	0.10	-	-	0.10	0.01	0.00
Total	21.12	11.80	-	32.92	7.57	1.96	-	9.53	23.39	13.55

Notes:

(i) The company has no immovable property

(ii) The company has not held / dealt in investment property during the year.

(iii) The company has not revalued its Property, Plant and Equipment (including the Right of use assets) and intangible assets during the year under review

(iv) The company has no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

EMTAC LABORATORIES PRIVATE LIMITED

Notes forming part of the financial statements

(Amount in INR millions, unless otherwise stated)

5 Property, Plant and Equipment

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
	As at April 1, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023	As at April 1, 2022	Charge for the Year	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Plant & Equipment	17.65	0.16	-	17.81	4.33	1.31	-	5.64	12.17	13.32
Computers	0.12	0.12	-	0.24	0.06	0.04	-	0.10	0.14	0.06
Furniture and Fixtures	2.90	0.07	-	2.97	1.35	0.38	-	1.73	1.24	1.55
Office equipment	0.09	0.01	-	0.10	0.09	0.01	-	0.10	0.00	-
Total	20.76	0.36	-	21.12	5.83	1.74	-	7.57	13.55	14.93

Notes:

(i) The company has no immovable property

(ii) The company has not held / dealt in investment property during the year.

(iii) The company has not revalued its Property, Plant and Equipment (including the Right of use assets) and intangible assets during the year under review

(iv) The company has no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

EMTAC LABORATORIES PRIVATE LIMITED
Notes forming part of the financial statements
(Amount in INR millions, unless otherwise stated)

6 Financial Assets

Particulars	As at 31 March 2024	As at 31 March 2023
(A) Non-current		
Other Financial Assets- considered good, unsecured		
Security deposit - Others	0.74	0.74
TOTAL	0.74	0.74

7 Other Assets

Particulars	As at 31 March 2024	As at 31 March 2023
(A) Other Non-Current assets (Unsecured, considered good)		
Income tax assets (Net)	0.43	1.14
TOTAL	0.43	1.14
(B) Other Current Assets (Unsecured, Considered good)		
Prepaid expenses	0.07	0.08
Other Advances	0.03	-
Balance with government authorities	1.45	0.79
TOTAL	1.55	0.87

EMTAC LABORATORIES PRIVATE LIMITED
Notes forming part of the standalone financial statements

(Amount in INR millions, unless otherwise stated)

8 Trade Receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured		
Trade Receivables - considered good	11.08	4.05
Trade Receivables - credit impaired	-	-
Gross Trade receivables	11.08	4.05
Less : Impairment allowance - Credit impaired	-	-
TOTAL	11.08	4.05

Note:

(i) No debts are due by directors or other officers of the company or any of them either severally or jointly with any other person, or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

(ii) Refer Note 28 for information about credit risk and market risk of trade receivables.

(iii) Refer Note No. 12 for disclosures relating to receivables pledged as security by the Company.

Ageing of Trade receivables
31 March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	> 3 Years	
(i) Undisputed Trade Receivables – considered good	-	10.49	0.24	0.33	0.02	-	11.08
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – Credit impaired	-	-	-	-	-	-	-
(vii) Unbilled Trade receivables	-	-	-	-	-	-	-
Gross Trade receivables	-	10.49	0.24	0.33	0.02	-	11.08
Less : Impairment allowance - credit impaired	-	-	-	-	-	-	-
TOTAL	-	10.49	0.24	0.33	0.02	-	11.08

EMTAC LABORATORIES PRIVATE LIMITED

Notes forming part of the standalone financial statements

(Amount in INR millions, unless otherwise stated)

31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	> 3 Years	
(i) Undisputed Trade Receivables – considered good	-	3.98	0.06	0.01	-	-	4.05
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – Credit impaired	-	-	-	-	-	-	-
(vii) Unbilled Trade receivables	-	-	-	-	-	-	-
Gross Trade receivables	-	3.98	0.06	0.01	-	-	4.05
Less : Impairment allowance - credit impaired	-	-	-	-	-	-	-
TOTAL	-	3.98	0.06	0.01	-	-	4.05

EMTAC LABORATORIES PRIVATE LIMITED
Notes forming part of the financial statements
(Amount in INR millions, unless otherwise stated)

9 Cash and Bank Balances

Particulars	As at 31 March 2024	As at 31 March 2023
(A) Cash and Cash equivalents:		
(i) Balance with Banks		
- Current Accounts	13.08	9.21
(ii) Cash on hand	0.06	0.06
TOTAL	13.14	9.27
(B) Bank balances other than (A) (i) above		
Deposits held as security for bank guarantees with original maturity for more than 3 months but less than 12 months	0.37	0.21
TOTAL	0.37	0.21

EMTAC LABORATORIES PRIVATE LIMITED
Notes forming part of the financial statements
(Amount in INR millions, unless otherwise stated)

10 Share Capital

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Authorised & issued		
49,99,950 Equity shares of ₹10/- each	50.00	50.00
Previous year: 49,99,950 Equity shares of ₹10/- each		
(b) Subscribed and fully paid-up		
34,16,500 equity shares of ₹10/- each fully paid-up	34.17	34.17
Previous year: 34,16,500 Equity shares of ₹10/- each		
Total	34.17	34.17

(c) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

	As at 31 March 2024		As at 31 March 2023	
	No. of shares of ₹10/- each fully paid-up	Amount ₹ in Mn	No. of shares of ₹10/- each fully paid-up	Amount ₹ in Mn
Outstanding at the beginning of the year	3,416,500	34.17	3,416,500	34.17
Add: Addition during the year	-	-	-	-
Outstanding at the end of the year	3,416,500	34.17	3,416,500	34.17

(d) The Company has only one class of shares i.e. equity shares with equal rights for dividend and repayment. Each holder of the shares is entitled to one vote per share.

(e) List of Shareholders holding more than 5% of shares :

Name of the Shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares of ₹10/- each fully paid-up	% to paid-up capital	No. of shares of ₹10/- each fully paid-up	% to paid-up capital
(i) Vimta Labs Ltd*	3,416,500	100	3,416,500	100

* Includes one equity share (Face value of ₹10/- each) allotted to Ms. Harita Vasireddi as Nominee Shareholder of Vimta Labs Ltd.

(f) Shares held by promoters and promoter group at the end of the year

Name of the Shareholder	As at 31 March 2024		As at 31 March 2023		% of Change during the year
	No. of shares of ₹10/- each fully paid-up	% to paid-up capital	No. of shares of ₹10/- each fully paid-up	% to paid-up capital	
(i) Vimta Labs Ltd*	3,416,500	100	3,416,500	100	Nil

* Includes one equity share (Face value of ₹ 10/- each) allotted to Ms. Harita Vasireddi as Nominee Shareholder of Vimta Labs Ltd.

(g) No 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.

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

EMTAC LABORATORIES PRIVATE LIMITED
Notes forming part of the financial statements
(Amount in INR millions, unless otherwise stated)

11 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Security Premium		
Balance at the beginning and end of the year	-	-
General Reserve		
Balance at the beginning and end of the year	-	-
Retained Earnings		
Balance at the beginning of the year	(16.43)	(25.15)
Add: Profit/(Loss) for the year	22.02	8.72
Less : Transfer to General Reserve	-	-
Less: Dividend on Equity Shares	-	-
Balance at the closing of the year	5.59	(16.43)
Other Comprehensive Income		
Balance at the beginning of the year	(0.04)	-
Add: Other comprehensive income/(loss) for the year	(0.01)	(0.04)
Balance at the closing of the year	(0.05)	(0.04)
TOTAL	5.54	(16.47)

12 Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Secured, repayable on demand		
- Working capital loans from Holding Company**	-	2.40
TOTAL	-	2.40

** The above unsecured loan from Holding company is repayable on demand and interest is payable on monthly @9%p.a. There were no defaults in repayment of above loans and interest thereon.

Details of working capital limits from banks :

The working capital facility from HDFC bank amounting Nil as at March 31, 2024 (sanctioned limit ₹ 9 Million) carries an interest of 3 Months T Bill plus spread of 2.12% and is secured by way of primary charge on book debts and fixed deposits of the company and Corporate guarantee from Holding company as collateral security.

EMTAC LABORATORIES PRIVATE LIMITED

Notes forming part of the financial statements

(Amount in INR millions, unless otherwise stated)

13 Deferred tax liabilities (Net)

Particulars	As at 31 March 2024	As at 31 March 2023
(A) Deferred tax liability on account of		
- property, plant and equipment	0.92	0.81
(B) Deferred tax asset on account of		
- Gratuity	0.12	0.10
- Compensated absences	0.02	0.02
	0.14	0.12
Total Deferred Tax Assets/(Liabilities) (Net)	0.78	0.69

Movement in the Deferred Tax Assets/(Liabilities):

Particulars	Employee benefits expenses	Property, plant and equipment	Impairment loss on trade receivables	Others	Total
Opening balance as at April 1, 2022	0.09	(0.83)	-	-	(0.74)
<u>Charged/(credited)</u>					
- to profit or loss	0.02	0.02	-	-	0.04
- to OCI	0.01	-	-	-	0.01
Closing balance as at March 31, 2023	0.12	(0.81)	-	-	(0.69)
Opening balance as at April 1, 2023	0.12	(0.81)	-	-	(0.69)
<u>Charged/(credited)</u>					
- to profit or loss	0.02	(0.11)	-	-	(0.09)
- to OCI	-	-	-	-	-
Closing balance as at March 31, 2024	0.14	(0.92)	-	-	(0.78)

EMTAC LABORATORIES PRIVATE LIMITED**Notes forming part of the financial statements**

(Amount in INR millions, unless otherwise stated)

14 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Outstanding dues of micro enterprises and small enterprises	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises	5.06	3.69
TOTAL	5.06	3.69

Note:

(i) Detailed disclosure relating to supplier registered under MSMED Act are given below.

(ii) Trade Payables due to related parties as at March 31, 2024 is ₹ 4.53 Mns (March 31, 2023: ₹ 3.22 Mns)

Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	-	-
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.

Note: The Micro, Small and Medium enterprises have been identified by the Management on the basis of information available with the Company and have been relied upon by the auditors.

EMTAC LABORATORIES PRIVATE LIMITED**Notes forming part of the financial statements**

(Amount in INR millions, unless otherwise stated)

Ageing of Trade payables**31 March 2024**

Particulars	Outstanding for following periods from due date of payment				
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	5.06	-	-	-	5.06
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
TOTAL	5.06	-	-	-	5.06

31 March 2023

Particulars	Outstanding for following periods from due date of payment				
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	3.69	-	-	-	3.69
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
TOTAL	3.69	-	-	-	3.69

EMTAC LABORATORIES PRIVATE LIMITED
Notes forming part of the financial statements
(Amount in INR millions, unless otherwise stated)

15 Other current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Other Current Financial Liabilities		
Interest accrued	-	0.02
Others - Dues for revenue expenses	0.96	0.69
TOTAL	0.96	0.71

16 Other Current Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Advance from Customers	3.44	4.01
Statutory Dues	0.18	0.16
TOTAL	3.62	4.17

17 Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
(A) Non-current		
Provision for employee benefits		
- Gratuity	0.39	0.41
- Compensated absences	0.06	0.06
	0.45	0.47
(B) Current		
Provision for employee benefits		
- Gratuity	0.11	-
- Compensated absences	0.01	-
	0.12	-

EMTAC LABORATORIES PRIVATE LIMITED
Notes forming part of the financial statements
(Amount in INR millions, unless otherwise stated)

18 Revenue from Operations

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Sale of services - Testing and Analysis	100.91	58.28
TOTAL	100.91	58.28

Revenue disaggregation by geography is as follows: #

Revenue from Foreign countries	0.48	-
Revenue from country of domicile-India	100.43	58.28
TOTAL	100.91	58.28

Geographical revenue is allocated based on the location of the customers.

19 Other Income

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
i) Interest income on:		
- Bank deposits	0.02	-
- Income tax refunds	0.05	0.07
ii) Others		
- Liabilities no longer required written back	-	0.03
TOTAL	0.07	0.10

20 Testing expenditure

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Sample preparation, data generation, inspection & testing expenditure	53.35	30.54
Carriage Inwards	0.10	0.01
Power and fuel	1.42	0.72
Water Charges	0.04	0.04
TOTAL	54.91	31.31

21 Employee benefits expense

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Salaries and wages	7.65	6.82
Contribution to provident and other funds	0.03	0.02
Gratuity	0.07	0.09
Compensated absences	0.01	-
Staff welfare expenses	0.16	0.10
TOTAL	7.92	7.03

EMTAC LABORATORIES PRIVATE LIMITED
Notes forming part of the financial statements
(Amount in INR millions, unless otherwise stated)

22 Finance costs

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Interest on Unsecured Loan	0.10	0.33
Bank charges	0.08	-
TOTAL	0.18	0.33

23 Other expenses

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Rent	3.80	4.18
Rates, taxes, duties and levies	0.24	0.06
Insurance	0.07	0.07
Repairs and maintenance :		
- Plant and Machinery	0.71	0.30
Advertisement and sales promotion	-	0.12
Travelling and conveyance	0.47	0.41
Communication expenses	0.15	0.16
Printing and Stationery	0.23	0.16
Professional and consultancy services	0.57	0.45
House Keeping and premises maintenance	0.11	0.10
Bad debts written off	-	0.08
Loss on foreign currency transactions	0.01	-
Recruitment and training expenses	0.13	0.17
Payments to auditors :		
- as auditor	0.05	0.05
- for taxation matters	0.03	0.02
TOTAL	6.57	6.33

EMTAC LABORATORIES PRIVATE LIMITED**Notes forming part of the financial statements**

(Amount in INR millions, unless otherwise stated)

24 Tax Expense

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
<u>(A) Tax expense charged to Statement of Profit and Loss</u>		
(I) Current tax		
Current tax expense for current year	7.33	2.96
Current tax expense pertaining to prior years	-	-
	7.33	2.96
(II) Deferred tax		
Deferred tax expense for current year	0.09	(0.04)
	0.09	(0.04)
	7.42	2.92
Total tax expense recognised in current year (I + II)	7.42	2.92
<u>(B) Tax expense charged to Other Comprehensive Income</u>	-	(0.01)
<u>(C) Reconciliation of tax expense</u>		
Profit before tax	29.44	11.64
Tax expense at applicable tax rates for March 31, 2024 :25.17% (March 31, 2023: 25.17%;)	7.41	2.93
Tax effect of adjustments to reconcile expected tax expense to reported tax expense:		
- adjustment for previous years	-	-
- items not deductible for tax	0.01	(0.01)
Tax expense reported in Statement of Profit and Loss	7.42	2.92

EMTAC LABORATORIES PRIVATE LIMITED**Notes forming part of the financial statements**

(Amount in INR millions, unless otherwise stated)

25 Earnings per share

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

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit attributable to equity holders (in ₹ Million)	22.02	8.72
Weighted average number of equity shares for basic EPS (in No's)	3,416,500	3,416,500
Face Value per share (₹)	10.00	10.00
Basic Earnings per share (₹)	6.44	2.55
Diluted Earnings per share (₹)	6.44	2.55

26 Employee benefits**(A) Defined Contribution Plans**

The Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Employers' Contribution to Provident Fund	-	-
Employers' Contribution to Employee State Insurance	0.03	0.02

EMTAC LABORATORIES PRIVATE LIMITED**Notes forming part of the financial statements**

(Amount in INR millions, unless otherwise stated)

(B) Defined benefit plans

(i) The Company provides for gratuity to employees working in India as per the Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age.

Amounts recognised in the Statement of Profit and Loss are as follows:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current service cost	0.05	0.07
Past service cost	-	-
Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	0.02	0.02
Total amount recognized in the Statement Profit and Loss	0.07	0.09

Amounts recognised in Other Comprehensive Income are as follows:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Actuarial losses		
- change in demographic assumptions	-	-
- change in financial assumptions	-	(0.02)
- experience variance (i.e. Actual experience vs assumptions)	0.02	0.07
Return on plan assets, excluding amount recognised in net interest expense	-	-
Total amount recognised in the other comprehensive income	0.02	0.05

EMTAC LABORATORIES PRIVATE LIMITED**Notes forming part of the financial statements**

(Amount in INR millions, unless otherwise stated)

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the beginning of the year	0.41	0.26
Current service cost	0.05	0.07
Interest Expense or Cost	0.02	0.02
<u>Re-measurement (or Actuarial) (gain) / loss arising from:</u>	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	-	(0.02)
- experience variance (i.e. actual experience v/s assumptions)	0.02	0.08
Past service cost	-	-
Benefits paid	-	-
Present value of obligation at the end of the year	0.50	0.41

Changes in the Fair Value of Plan Assets are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Fair Value of Plan Assets as at the beginning of the year	-	-
Investment Income	-	-
Employer's Contribution	-	-
Benefits Paid	-	-
Return on plan assets , excluding amount recognised in net interest expense	-	-
Fair Value of Plan Assets as at the end of the year	-	-

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of defined benefit obligation	0.50	0.41
Fair value of plan assets	-	-
Net Asset/(Liability)	0.50	0.41

EMTAC LABORATORIES PRIVATE LIMITED**Notes forming part of the financial statements**

(Amount in INR millions, unless otherwise stated)

The assumptions used in accounting for the gratuity plan are set out as below:

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate (per annum)	7.17%	7.30%
Salary growth rate (per annum)	4.00%	4.00%
Mortality rate (% of IALM 12-14)	100.00%	100.00%
Normal retirement age (as per Company's policy)	60 and 70	60 and 70
Attrition / Withdrawal rate (per annum)	20.00%	20.00%

The estimates of future salary increase considered in actuarial valuation taken into account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards.

Impact on defined benefit obligation

Particulars	As at 31 March 2024	As at 31 March 2023
Discount Rate		
1% increase	0.48	0.39
1% decrease	0.52	0.43
Salary Growth Rate		
1% increase	0.52	0.43
1% decrease	0.48	0.39
Attrition Rate		
50% increase	0.50	0.42
50% decrease	0.46	0.38
Mortality Rate		
10% increase	0.50	0.41
10% decrease	0.50	0.41

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.

EMTAC LABORATORIES PRIVATE LIMITED

Notes forming part of the financial statements

(Amount in INR millions, unless otherwise stated)

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

(a) Asset volatility: The plan liabilities are calculated using a discount rate set with reference to current investment patterns in the economy; if plan assets underperform this yield, this will create a deficit. The plan asset investments are subject to interest rate risk. The Company has a risk management strategy where the aggregate amount of risk exposure is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the investments. The Company intends to maintain the investment pattern in the continuing years.

(b) Changes in bond yields: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

(c) Life expectancy: The defined benefit obligation is to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined benefit liability and employer contributions

The following contributions and expected undiscounted future benefit payments:

Particulars	As at	As at
	31 March 2024	31 March 2023
0 - 1 Year	0.11	0.09
2 - 5 Years	0.31	0.25
6 - 10 Years	0.18	0.15
More than 10 Years	0.11	0.09

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4 years.

Expected Contribution to the plan for the next annual period is Nil.

(ii) The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of their unutilised compensated absences and utilise/encash them in future periods as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement.

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations.

EMTAC LABORATORIES PRIVATE LIMITED**Notes forming part of the financial statements**

(Amount in INR millions, unless otherwise stated)

27 Fair value measurements

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
Financial Assets			
Trade receivables	8	11.08	4.05
Cash and cash equivalents	9A	13.14	9.27
Bank balances other than Cash and cash equivalents	9B	0.37	0.21
Other financial assets	6	0.74	0.74
		25.33	14.27
Financial Liabilities			
Borrowings (current and non-current)	12	-	2.40
Trade Payables	14	5.06	3.69
Other financial liabilities	15	0.96	0.71
		6.02	6.80

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations.

EMTAC LABORATORIES PRIVATE LIMITED

Notes forming part of the financial statements

(Amount in INR millions, unless otherwise stated)

28 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

(i) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments long-term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) 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's fixed rate borrowings are carried at amortised cost and hence are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Further, the Company's investments in deposits is with banks and electricity authorities and therefore do not expose the Company to significant interest rates risk. The company's main interest rate risk arises from borrowings with variable rates, which expose it to cash flow interest rate risk.

The Company's exposure to fixed rate and variable rate instruments at the end of the financial year, are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed rate instruments		
Financial assets	0.74	0.74
Financial liabilities	-	2.40
Variable rate instruments		
Financial liabilities	-	-

EMTAC LABORATORIES PRIVATE LIMITED**Notes forming part of the financial statements**

(Amount in INR millions, unless otherwise stated)

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

Particulars	As at 31 March 2024	As at 31 March 2023
Interest rates increase by 100 basis points *	-	-
Interest rates decrease by 100 basis points *	-	-

* Holding all other variables constant

(b) Price risk

The Company does not have any investments which are classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. Hence, the Company is not exposed to any price risk.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade and other receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. The credit quality of a customer is assessed based on an extensive credit rating scorecard, internal evaluation and individual credit limits. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over previous periods before the reporting date and the corresponding historical credit losses experienced at the end of each quarter. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The expected credit loss assessment from customers as at March 31, 2023 are as follows:

EMTAC LABORATORIES PRIVATE LIMITED**Notes forming part of the financial statements**

(Amount in INR millions, unless otherwise stated)

Particulars	Gross carrying amount	Expected credit losses	Carrying amount of trade receivables
31 March 2024			
Upto 180 days	10.49	-	10.49
Over 180 days	0.59	-	0.59
Total	11.08	-	11.08
31 March 2023			
Upto 180 days	3.98	-	3.98
Over 180 days	0.07	-	0.07
Total	4.05	-	4.05

Financial assets that are neither past due nor impaired

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

Financial assets that are neither past due but not impaired

The Company's credit period for customers generally ranges from 0 - 180 days. The aging of trade receivables that are not due and past due but not impaired is given below:

Period in days	As at 31 March 2024	As at 31 March 2023
Upto 180 days	10.49	3.98
Over 180 days	0.59	0.07
	11.08	4.05

(iii) 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, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the Company in accordance with practice and limits set by the management. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

EMTAC LABORATORIES PRIVATE LIMITED**Notes forming part of the financial statements**

(Amount in INR millions, unless otherwise stated)

The Company had following working capital at the end of the reporting years :

Particulars	As at 31 March 2024	As at 31 March 2023
Current assets	26.14	14.40
Current liabilities	9.76	10.97
Working capital	16.38	3.43

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments at the reporting period:

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year		
- Borrowings	-	2.40
- Trade payables	5.06	3.69
- Other financial liabilities	0.96	0.71

(iv) Excessive risk concentration

Concentrations arise when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

EMTAC LABORATORIES PRIVATE LIMITED**Notes forming part of the financial statements**

(Amount in INR millions, unless otherwise stated)

29 Contingent liabilities & Commitments (to the extent not provided for)

Particulars	As at 31 March 2024	As at 31 March 2023
A. Contingent liabilities		
Bank Guarantees excluding financial guarantees	1.50	-
Note:		
(a) Bank Guarantees are issued to meet certain business obligations towards government agencies and certain customers.		
(b) Based on the Supreme Court Judgment dated February 28, 2019, the Company was required to reassess the components to be included in the basic salary for the purposes of deduction of Provident Fund. On the basis of legal advice, the management has determined that there is no impact of the aforesaid ruling on the standalone financial statements of the Company.		
(c) The Indian Parliament has approved the Code on Social Security,2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security,2020 on November 13, 2020, and has invited suggestions from stakeholders which are unconsideration by the Ministry. The company will assess the impact and and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.		
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
C. Impact of pending Litigations:		
There are no material pending litigations against the company, which will impact its financial position.	-	-

30 Leases

The Company's significant leasing arrangements are in respect of operating leases for premises. The leasing arrangements are generally cancellable leases which range between 1 year to 5 years and are usually renewable by mutual consent on agreed terms.

Particulars	As at 31 March 2024	As at 31 March 2023
Total rental expense relating to operating lease	3.80	4.18
- Non-cancellable	-	-
- Cancellable	3.80	4.18

31 Related Party Disclosures

(A) Names of related parties and description of relationship

(i) Key Management Personnel (KMP)

Harita Vasireddi	Director
Satya Sreenivas Neerukonda	Director
Suresh Kumar S	Director
Sujani Vasireddi	Company Secretary

(ii) Holding Company

Vimta Labs Limited

(iii) Companies in which some of the Directors or other relatives are interested

Avantel Limited (Effective 6th March,2024)

(B) Details of transactions with related party in the ordinary course of business:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest Expense on Unsecured Loans		
Vimta Labs Limited	0.10	0.33
Testing Expenses		
Vimta Labs Limited	47.21	27.55
Corporate Guarantees Received		
Vimta Labs Limited	-	9.00

(C) Balances payable/(receivable)

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Payable to Holding Company		
Vimta Labs Limited	4.53	5.62
(ii) Corporate Guarantees		
Vimta Labs Limited	9.00	9.00

EMTAC LABORATORIES PRIVATE LIMITED

Notes forming part of the financial statements

(Amount in INR millions, unless otherwise stated)

32 Segment Reporting

The Director of the company has been identified as the Chief Operating Decision Maker (CODM) as required by Ind AS 108 Operating Segments. The Company is in the business of providing testing services. The Director reviews the operations of the Company as one operating segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. Hence no separate segment information has been furnished herewith.

33 Capital management and ratios

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the following gearing ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet):

Particulars		As at 31 March 2024	As at 31 March 2023
Equity Share Capital		34.17	34.17
Other Equity		5.54	(16.47)
Total Equity	(i)	39.71	17.70
Short-term borrowings		-	2.40
Less: Cash and Cash equivalents		13.14	9.27
Total Debt	(ii)	(13.14)	(6.87)
Overall financing	(iii) = (i) + (ii)	26.57	10.83
Gearing ratio *	(ii)/ (iii)	*	*

Borrowings are lower than the Cash and Cash equivalents and Bank Deposits resulting in a negative net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lender to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. Further there were no changes were made in the objectives, policies or processes for managing capital for the year ended March 31, 2024.

EMTAC LABORATORIES PRIVATE LIMITED

Notes forming part of the financial statements

(Amount in INR millions, unless otherwise stated)

Ratios as per Schedule III requirements

Ratio	31 March 2024	31 March 2023	% change from 31		Reason for % change from previous year
			March 2023 to 31	March 2024	
(a) Current Ratio	2.68	1.31	104%		Due to debt repayments
(b) Debt-Equity Ratio	-	0.14	-100%		Due to debt repayments
(c) Debt Service Coverage ratio	134.22	3.07	4279%		Due to debt repayments
(d) Inventory Turnover Ratio	-	-	0%		
(e) Trade Payable Turnover Ratio	12.55	8.23	53%		Due to re-payment of trade payables
(f) Net Profit Ratio	21.82%	14.96%	46%		Due to Improved Profitability
(g) Return on Equity Ratio	55.45%	49.27%	13%		Due to Improved Profitability
(h) Return on Investment Ratio	0.00%	0.00%	0%		
(i) Trade Receivables Turnover Ratio	13.34	16.56	-19%		Due to Improved Business
(j) Net Capital Turnover Ratio	6.16	16.99	-64%		Due to Improved Profitability & Working Capital
(k) Return on Capital Employed	55.91%	48.31%	16%		Due to Improved Profitability & Equity

Formula used to compute ratios:

Ratio	Formula
(a) Current Ratio	Current Assets / Current Liabilities
(b) Debt-Equity Ratio	Total debt / Total equity
(c) Debt Service Coverage ratio	Earnings available for debt services(i.e., EBIT+Depreciation & Amortization) / Total interest and principal repayments
(d) Inventory Turnover Ratio	Cost of materials consumed / Average inventory
(e) Trade Payable Turnover Ratio	Total purchases / Average trade payables
(f) Net Profit Ratio	Net profit after tax / Revenue from Operations
(g) Return on Equity Ratio	Net profit after tax / Equity
(h) Return on Investment Ratio	Interest Income / Average Investment in Fixed Deposits
(i) Trade Receivables Turnover Ratio	Revenue from operations / Average trade receivables
(j) Net Capital Turnover Ratio	Revenue from operations / Net Working capital (Net working capital = current assets - current liabilities)
(k) Return on Capital Employed	Earnings before interest and taxes (EBIT) / Capital Employed

EMTAC LABORATORIES PRIVATE LIMITED

Notes forming part of the financial statements

(Amount in INR millions, unless otherwise stated)

- 34** Disclosure U/s.186(4) of the Companies Act, 2013. During the year under review, The Company has not given any loans, made Investment, given Guarantee, provided Security to any others.
- 35** The Board of Directors of the Company in its meeting held on March 29, 2024 considered and approved the proposed scheme of amalgamation ("scheme") wherein the company will be amalgamated with parent company under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder.
The Holding Company's Board also approved the said scheme in its meeting held on March 30, 2024.
The aforesaid scheme is subject to the approval of shareholders and creditors of both the companies, Stock Exchanges, National Company Law Tribunal and such other Authorities Regulators as may be required.

The above stated proposed scheme has no impact on the financials of the company for the financial year ended March 2024.

36 Disclosure pursuant to requirements of Rule 11(e) (i) & (ii) of the Companies (Audit and Auditors) Rules

- (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(s) or entity(ies), 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(s) (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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

37 Other Statutory Information

- (i) The company has no transactions with companies struck off under Sec.248 of the companies Act, 2013 or Sec.560 of the Companies Act, 1956.
- (ii) The company does not have 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 the Income Tax Act, 1961
- (iii) The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) No Proceeding has been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.

EMTAC LABORATORIES PRIVATE LIMITED

Notes forming part of the financial statements

(Amount in INR millions, unless otherwise stated)

38 Previous year figures have been regrouped/reclassified wherever necessary to correspond with current year classification and disclosure.

Per our report of even date attached.

For Gattamaneni & Co.

Chartered Accountants

Firm Registration No. 009303S

For and on behalf of the Board of Directors

G. Srinivasa Rao

Partner

Membership No. 210535

Place : Hyderabad

Date : May 17, 2024

Harita Vasireddi

Director

DIN:00242512

Place : Hyderabad

Date : May 17, 2024

Satya Sreenivas Neerukonda

Director

DIN:00269814