

# MAHENDRA N. SHAH & CO.

## CHARTERED ACCOUNTANTS

|                        |                             |
|------------------------|-----------------------------|
| CA CHIRAG M. SHAH      | B.Com., L.L.B., F.C.A. DISA |
| CA JAYENDRA S. PANDIT  | B.Com., F.C.A.              |
| CA RASHMI B. SHETH     | B.Com., F.C.A.              |
| CA MILAN P. SHAH       | B.Com., F.C.A.              |
| CA MADHUKANT T. PATEL  | B.Com., L.L.B., F.C.A.      |
| CA HARSH M. RAISINGANI | B.Com., A.C.A.              |

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### INDEPENDENT AUDITOR'S REPORT

To the Members of  
Diabeato Healthcare Private Limited

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### Opinion

We have audited the accompanying financial statements of **Diabeato Healthcare Private Limited** (the 'Company') which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income) Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "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, 2021, its loss, total comprehensive income, changes in equity and its cash flows for the year then ended on that date.

##### Basis for Opinion

We conducted our auditing accordance with the Standards on Auditing (SAs) as 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.



**INFORMATION OTHER THAN FINANCIAL STATEMENTS & AUDITORS REPORT THEREON**

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion & Analysis (but does not include the financial statements and our auditor's report thereon). The Other Information is expected to be made available to us after the date of this auditors report.

Our opinion on the financial statements does not cover the Other Information and we will not express any form of assurance conclusion thereon.

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

**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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively or ensuring 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 also responsible for overseeing the Company's financial reporting process.





**Auditor's Responsibilities for the Audit of the Financial Statements:-**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control 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 the 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.

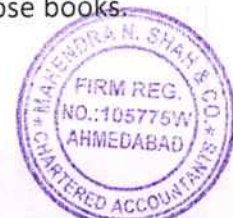
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation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

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.





- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive incomeStatement of changes in Equity and theStatement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financialstatements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2021from being appointed as a director in terms of Section 164(2) of the Act.
- (f) In our opinion, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- The Company does not have pending litigations which would have impact on the financial position of its financial statements
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - There has been no delay in transferring the amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

Date: 10.08.2021  
Place: Ahmedabad



For, Mahendra N. Shah & Co.,  
Chartered Accountants  
ICAI Firm Registration Number: 105775W

A handwritten signature in blue ink, appearing to read "Chirag M. Shah", written over a horizontal line.

Chirag M. Shah  
Partner  
Membership Number: 045706  
UDIN : 21045706AAAAKK6430

**"ANNEXURE A"****To the Independent Auditors' Report of even date on the Financial Statements of DIABEATO HEALTHCARE PRIVATE LIMITED**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the financial statements of the Company for the year ended March 31, 2021:

1. The Company does not have fixed assets, hence this clause is not applicable to the company and hence not commented upon.
2. According to information and explanation given to us, the company does not have any inventory, so this clause is not applicable to the company and hence not commented upon.
3. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 186 of the Companies Act, 2013. As explained to us, the Company has not given loans, guarantee or provided security as provided in the Section 185 and 186 of the Companies Act, 2013.
5. According to information and explanation given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.
6. According to the information and explanation given to us, provision regarding maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.

According to information and explanations given to us in respect of statutory dues and on the basis of our examination of the books of account, and records :





- (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess and any other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanations given to us, there are no material dues of Sales Tax, Service Tax, Goods & Service Tax and Customs Duty which have not been deposited with the appropriate authorities on account of any dispute.
8. According to the information and explanations given by the management, the Company has not defaulted in repayment of loan or borrowing to financial institution, bank, government or dues to debenture holders.
9. According to the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and the term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. According to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the company by its officers or employees of the Company has been noticed or reported during the year.
11. According to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company and hence not commented upon.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Indian accounting standards.
14. According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of



clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For, Mahendra N. Shah & Co.,  
Chartered Accountants  
ICAI Firm Registration Number: 105775W



Date: 10.08.2021  
Place: Ahmedabad

  
Chirag M. Shah  
Partner  
Membership Number: 045706  
UDIN : 21045706AAAAKK6430



**Diabeato Healthcare Private Limited**  
**Balance Sheet as at March 31, 2021**

(Rs. In Thousands)

| Particulars  | Notes  | As at 31st March, 2021 | As at 31st March, 2020 |
|--|--------|------------------------|------------------------|
| <b>I ASSETS</b>  |        |                        |                        |
| <b>1) Non-current Assets</b>   |        |                        |                        |
| (a) Property, Plant and Equipment  |        | -                      | -                      |
| (b) Capital work-in-progress   |        | -                      | -                      |
| (c) Intangible assets  |        | -                      | -                      |
| (d) Intangible assets under development                                      |        | -                      | -                      |
| (e) Financial Assets   |        |                        |                        |
| (i) Investments  |        | -                      | -                      |
| (ii) Loans   |        | -                      | -                      |
| (iii) Other Financial Assets   |        | -                      | -                      |
| (f) Deferred Tax Assets (Net)  |        | -                      | -                      |
| (g) Other non-current assets   |        | -                      | -                      |
| <b>Total Non-current Assets</b>  |        | -                      | -                      |
| <b>2) Current Assets</b>   |        |                        |                        |
| (a) Inventories  |        | -                      | -                      |
| (b) Financial Assets   |        |                        |                        |
| (i) Investments  |        | -                      | -                      |
| (ii) Trade receivables   |        | -                      | -                      |
| (iii) Cash and cash equivalents  | 2      | 41.70                  | 100.00                 |
| (iv) Bank balances other than (iii) above                                    |        | -                      | -                      |
| (v) Loans  |        | -                      | -                      |
| (iv) Other Financial Assets  |        | -                      | -                      |
| (c) Other current assets   | 3      | 3.60                   | -                      |
| <b>Total Current Assets</b>  |        | <b>45.30</b>           | <b>100.00</b>          |
| <b>TOTAL ASSETS</b>  |        | <b>45.30</b>           | <b>100.00</b>          |
| <b>II EQUITY AND LIABILITIES</b>   |        |                        |                        |
| <b>1) Equity</b>   |        |                        |                        |
| (a) Equity Share capital   | 4      | 100.00                 | 100.00                 |
| (b) Other Equity   | 5      | -78.30                 | -                      |
| <b>Total Equity</b>  |        | <b>21.70</b>           | <b>100.00</b>          |
| <b>2) LIABILITIES</b>  |        |                        |                        |
| <b>Non-current Liabilities</b>   |        |                        |                        |
| (a) Financial Liabilities  |        |                        |                        |
| (i) Borrowings   |        | -                      | -                      |
| (ii) Trade payables  |        | -                      | -                      |
| (iii) Other financial liabilities  |        | -                      | -                      |
| (b) Provisions   |        | -                      | -                      |
| (c) Deferred tax liabilities (Net)   |        | -                      | -                      |
| (d) Other non-current liabilities  |        | -                      | -                      |
| <b>Total Non-current Liabilities</b>   |        | -                      | -                      |
| <b>Current Liabilities</b>   |        |                        |                        |
| (a) Financial Liabilities  |        |                        |                        |
| (i) Borrowings   |        | -                      | -                      |
| (ii) Trade payables  | 6      | 22.10                  | -                      |
| (iii) Other financial liabilities  |        | -                      | -                      |
| (b) Other current liabilities  | 7      | 1.50                   | -                      |
| (c) Provisions   |        | -                      | -                      |
| <b>Total Current Liabilities</b>   |        | <b>23.60</b>           | -                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |        | <b>45.30</b>           | <b>100.00</b>          |
| <b>Significant Accounting Policies and Notes to the Financial Statements</b> | 1 - 13 | -                      | -                      |

As per our report of even date attached.

For, Mahendra N. Shah & Co.

Chartered Accountants

Firm Registration No. 105775W

Chirag M. Shah

Partner

Membership No. 045706



For and on behalf of the Board of Directors

Diabeato Healthcare Private Limited

CIN U85300GJ2020PTC112885

Narendrasinh Devda

Director

DIN 00344604

Jayantihal Patel

Independent Director

DIN 01726061

Place : Ahmedabad

Date:10.08.2021

Place: Ahmedabad

Date:10.08.2021

**Diabeato Healthcare Private Limited**  
**Statement of Profit and loss for the year ended March 31, 2021**

(Rs. In Thousands)

|      | Particulars  | Notes  | 2020-21        | 2019-20 |
|------|--|--------|----------------|---------|
| I    | <b>INCOME</b>  |        |                |         |
|      | Revenue from operations  |        | -              | -       |
|      | Other income   |        | -              | -       |
|      | <b>Total Income</b>  |        | -              | -       |
| II   | <b>EXPENSES</b>  |        |                |         |
|      | Cost of materials consumed   |        | -              | -       |
|      | Changes in inventories of finished goods, Stock-in -Trade and work-in-progress |        | -              | -       |
|      | Excise on Sales  |        | -              | -       |
|      | Employee benefits expense  |        | -              | -       |
|      | Finance costs  |        | -              | -       |
|      | Depreciation and amortization expense  |        | -              | -       |
|      | Other expenses   | 8      | 78.30          | -       |
|      | <b>Total Expenses</b>  |        | <b>78.30</b>   | -       |
| III  | <b>Profit/(loss) before exceptional items and tax</b>                          |        | <b>(78.30)</b> | -       |
| IV   | <b>Exceptional Items</b>   |        | -              | -       |
| V    | <b>Profit/(loss) before tax (5-6)</b>  |        | <b>(78.30)</b> | -       |
| VI   | <b>Tax Expenses</b>  |        |                |         |
|      | Current Tax  |        | -              | -       |
|      | Deferred Tax Provision / (Reversal)  |        | -              | -       |
|      |  |        | -              | -       |
| VII  | <b>Profit (Loss) for the year</b>  |        | <b>(78.30)</b> | -       |
| VIII | <b>Other Comprehensive Income</b>  |        |                |         |
|      | Items that will not be reclassified to profit or loss                          |        | -              | -       |
|      | Income tax relating to items that will not be reclassified to profit or loss   |        | -              | -       |
|      | Items that will be reclassified to profit or loss                              |        | -              | -       |
|      | Income tax relating to items that will be reclassified to profit or loss       |        | -              | -       |
| IX   | <b>Total Comprehensive Income for the year</b>                                 |        | <b>(78.30)</b> | -       |
| X    | <b>Earning per Equity Share of face value of Rs. 10 each</b>                   |        |                |         |
|      | Basic  | 9      | <b>(7.83)</b>  | -       |
|      | Diluted  | 9      | <b>(7.83)</b>  | -       |
|      | <b>Significant Accounting Policies and Notes to the Financial Statements</b>   | 1 - 13 |                |         |

As per our report of even date attached.

For, Mahendra N. Shah & Co.

Chartered Accountants

Firm Registration No. 105775W

Chirag M. Shah

Partner

Membership No. 045706



For and on behalf of the Board of Directors

Diabeato Healthcare Private Limited

CIN U85300GJ2020PTC112885

Narendrasinh Devda

Director

DIN 00344604

Jayantilal Patel

Independent Director

DIN 01726061

Place : Ahmedabad

Date:10.08.2021

Place: Ahmedabad

Date:10.08.2021



**Diabeato Healthcare Private Limited**  
**Statement of Changes in Equity for the year ended March 31, 2021**

(Rs. In Thousands)

**a. Equity Share capital**

| PARTICULARS   | As at 31.03.2021 |        | As at 31.03.2020 |        |
|---------------|------------------|--------|------------------|--------|
|               | Nos.             | Rs.    | Nos.             | Rs.    |
| PARTICULARS   |                  |        |                  |        |
| Fully paid up | 10,000           | 100.00 | 10,000           | 100.00 |
|               | 10,000           | 100.00 | 10,000           | 100.00 |

**b. Other Equity**

(Rs. In Thousands)

| Particulars                             | Reserves and Surplus | Total  |
|---|----------------------|--------|
|   | General Reserve      |        |
| Opening Balance as at April 01, 2019    | -                    | -      |
| Profit/(Loss) for the year              | -                    | -      |
| Other Comprehensive Income for the year | -                    | -      |
| Total Comprehensive Income for the year | -                    | -      |
| Closing Balance as at March 31, 2020    | -                    | -      |
| Opening Balance as at April 01, 2020    | -                    | -      |
| Profit/(Loss) for the year              | -78.30               | -78.30 |
| Other Comprehensive Income for the year | -                    | -      |
| Total Comprehensive Income for the year | -78.30               | -      |
| Closing Balance as at March 31, 2021    | -78.30               | -78.30 |

As per our report of even date attached.  
For, Mahendra N. Shah & Co.  
Chartered Accountants  
Firm Registration No. 105775W



Chirag M. Shah  
Partner  
Membership No. 045706

For and on behalf of the Board of Directors  
Diabeato Healthcare Private Limited  
CIN U85300GJ2020PTC112885



Narendrasinh Devda  
Director  
DIN 00344604



Jayantilal Patel  
Independent Director  
DIN 01726061

Place : Ahmedabad  
Date:10.08.2021



Place: Ahmedabad  
Date:10.08.2021

**Diabeato Healthcare Private Limited**  
**Cash Flow Statement For Year Ended March 31, 2021**

(Rs. In Thousands)

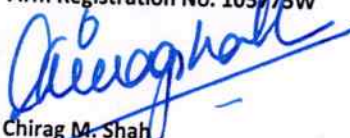
| Particulars  | Year ended March 31, 2021 |              | Year ended March 31, 2020 |               |
|--|---------------------------|--------------|---------------------------|---------------|
| <b>A. Cash Flow from Operating Activities</b>  |                           |              |                           |               |
| Profit Before Tax  |                           | (78.30)      |                           | -             |
| Operating Profit Before Working Capital Changes  |                           | (78.30)      |                           | -             |
| Working Capital Changes  |                           |              |                           | -             |
| Adjustments for  |                           |              |                           |               |
| (Increase)/Decrease in Other Current Assets  | (3.60)                    |              |                           |               |
| Increase/ (Decrease) Trade & other payables  | 22.10                     |              |                           |               |
| Increase / (Decrease) in Other Current Liabilities   | 1.50                      |              |                           |               |
| <b>Net Cash Flow from Operating Activities</b>   |                           | 20.00        |                           | -             |
| <b>B. Cash Flow from Investing Activities</b>  |                           | (58.30)      |                           | -             |
| <b>Net Cash Flow (used in) Investing Activities</b>  |                           |              |                           | -             |
| <b>C. Cash Flow from Financing Activities</b>  |                           |              |                           |               |
| Increase/(Decrease) in Capital Including Premium   |                           |              | 100.00                    |               |
| <b>Net Cash Flow from / (used in) Financing Activities</b>   |                           |              |                           | 100.00        |
| <b>Net increase / (decrease) in cash and cash equivalents</b>  |                           | (58.30)      |                           | 100.00        |
| <b>Cash and cash equivalent at the beginning of the year</b>   |                           | 100.00       |                           | -             |
| <b>Cash and cash equivalent at the end of the year</b>   |                           | <b>41.70</b> |                           | <b>100.00</b> |
| <b>Notes to Cash Flow Statement:</b>   |                           |              |                           |               |
| 1. Reconciliation of cash and cash equivalent with the Balance Sheet   |                           |              |                           |               |
| Cash and cash equivalent as per balance Sheet: ( refer Note - 2 )  |                           | 41.70        |                           | 100.00        |
|  |                           | 41.70        |                           | 100.00        |
| 2. Components of cash and cash equivalents:  |                           |              |                           |               |
| Cheques on hand  |                           | -            |                           | 100.00        |
| In current accounts  |                           | 41.70        |                           | -             |
|  |                           | 41.70        |                           | 100.00        |
| 3. Previous year figures have been regrouped wherever necessary, to confirm to this year's classification.   |                           |              |                           |               |
| 4. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013. |                           |              |                           |               |

As per our report of even date attached.

For, Mahendra N. Shah & Co.

Chartered Accountants

Firm Registration No. 105775W

  
Chirag M. Shah

Partner

Membership No. 045706



Place : Ahmedabad

Date:10.08.2021

For and on behalf of the Board of Directors

Diabeato Healthcare Private Limited

CIN U85300GJ2020PTC112885

  
Narendrasinh Devda  
Director  
DIN 00344604

  
Jayantlal Patel  
Independent Director  
DIN 01726061

Place: Ahmedabad

Date:10.08.2021



## NOTE 1

### SIGNIFICANT ACCOUNTING POLICIES

#### (1) Basis of Preparation of Financial Statements:

##### i) Statement of Compliance with Ind-AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These financial statements for the year ended 31st March, 2021 are the first financial statements with comparatives, prepared under Ind AS. For all previous periods including the year ended 31st March, 2020, the Company had prepared its financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2019 being the date of transition to Ind AS not presented since the company incorporate on dated 21<sup>st</sup> February, 2020.

The financial statements for the year ended March 31, 2021 were approved for issue by Company's Board of Directors on August 10, 2021.

##### ii) Basis of Preparation and presentation

The financial statements have been prepared and presented on the going concern basis and at historical cost basis considering the applicable provisions of Companies Act 2013, except for the following items that have been measured at fair value as required by relevant IND AS.

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.

a) Certain financial assets/liabilities measured at fair value (refer accounting policy regarding financial instruments) and

b) Any other item as specifically stated in the accounting policy.



### **(iii) Functional and Presentation Currency**

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

### **(iv) Classification of Assets and Liabilities as Current and Non-Current**

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle.

### **(v) Rounding of amounts**

The financial statements are presented in INR and all values are rounded to the nearest thousands (INR 1,000) as per the requirement of Schedule III, unless otherwise stated.

## **(2) Significant accounting judgement, estimates and assumptions :-**

The preparation of the Company's financial statements requires management/Resolution Professional to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's/Resolution Professional experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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 periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

### **Judgements**

In the process of applying the Company's accounting policies, management/Resolution Professional has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.





### **Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### **(a) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

#### **(b) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk,

credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(c) Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments 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.

**(d) Property, Plant and Equipment (PPE)**

Useful lives and residual values of Property, plant and equipment represent a material portion of the Company's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

**(e) Income taxes**

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

**(f) Defined benefit obligations**

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.

**(g) Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.



**(3) Property, Plant & Equipment:**

Property, plant and equipment are stated at cost, net of recoverable taxes, less depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and other cost directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is provided on a Straight Line Method over the estimated useful lives of assets.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act.

Depreciation on property, plant and equipment added/disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

**De-recognised upon disposal**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss

Any gains or losses arising from de-recognition of a property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when asset is derecognised.



### **Treatment of expenditure during construction period**

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current assets".

#### **(4) Intangible Assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful life of the asset. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

#### **(5) Inventories:**

Raw materials and packing materials are valued at lower of cost and net realisable value after providing for obsolescence, if any. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work-in-process, stores, spares and consumables are valued at cost. Stock-in-trade and finished goods are valued at lower of cost and net realisable value.

Finished goods and work-in-process include costs of raw material, labour, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Cost of inventories is computed on weighted moving average basis.

#### **(6) Fair Value Measurement**

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

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. The



fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either.

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



## **(7) 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**

#### **(i) Initial recognition and measurement.**

All financial assets are recognised initially at fair value plus, 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 assets.

#### **(ii) Subsequent measurement**

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- **Financial assets at amortised cost :**  
Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The EIR amortisation is included in other income in the statement of profit and loss. This category generally applies to trade and other receivables.
- **Financial assets at fair value through other comprehensive income (FVTOCI)**  
Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.



Fair value movements are recognized in the other comprehensive income (OCI). However, interest income, impairment losses & reversals and foreign exchange gain or loss are recognised in the statement of profit and loss.

- **Financial assets at fair value through profit or loss (FVTPL)**

Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

- **Equity instruments:**

All equity investments in 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 may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

- **Investment in subsidiary:**

Investment in subsidiary is measured at cost as per Ind AS 27- Separate Financial Statements.

**(iii) De-recognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

**(iv) Reclassification of Financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

**(v) Impairment of financial assets**

In accordance with Ind-AS 109 Financial instruments, the Company applies expected credit loss (ECL) model for the financial assets which are not fair valued

through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For recognition of impairment loss on other financial assets, ECL is measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

## **b) Financial Liabilities**

### **(i) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised 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.

### **(ii) Subsequent measurement of financial liabilities**

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

- **Financial liabilities at fair value through profit or loss**

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. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

- **Loans and Borrowings**

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit



or 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 borrowings

### **(iii) De-recognition of financial liabilities**

A financial liability is derecognised 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.

### **c) 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.

### **(8) Revenue recognition**

#### **Sale of goods and rendering of services:-**

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, chargebacks and volume rebates allowed by the Company. Accrual for sales returns, chargebacks and other allowances are provided at the point of sale based upon past experience. Adjustments to such returns, chargebacks and other allowances are made as new information becomes available. Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as sales tax and value added tax are excluded from revenue.



Profit sharing revenues are generally recognized under the terms of a license and supply agreement in the period such amounts can be reliability measured and collectability is reasonably assured.

Revenue resulting from the achievement of milestone events stipulated in agreements is recognized when the milestone is achieved. Milestones are based upon the occurrence of a substantive element specified in the contract or as a measure of substantive progress towards completion under the contract.

Other Operating revenue is recognised on accrual basis.

Revenue from sale of goods is recognized when the following conditions are satisfied:

- The Company has transferred the significant risks and rewards of ownership of the goods to the buyer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably

**Interest income :-**

Interest income from a financial asset 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 net carrying amount on initial recognition.

**Dividends :-**

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

**(9) Foreign Currency Transactions:**

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.



Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

In case of forward contracts, the gain / loss on contracts are treated as periodical expense or revenue. Any profit or loss arising on the cancellation or renewal of a forward exchange contract is recognized as income or expense for the year, except in case of a forward exchange contract relating to liabilities incurred for acquiring fixed assets from outside India, in which case, such profit or loss is adjusted in the cost of fixed assets.

Exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the statement of profit and loss in the reporting period in which the exchange rates change.

**(10) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**(11) Provisions and contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.





**(12) Employee benefits**

All employee benefits payable wholly within 12 months of rendering services are classified as short term benefits. Post-Employment and other employee benefits are recognised as an expense at the present value of the amount payable determined using actuarial valuation technique. Actuarial gain and loss in respect of post-employment and other long term benefits charged to the statement of other comprehensive income.

**(13) Borrowing costs**

Borrowing cost includes interest expense, amortisation of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

**(14) Earnings Per Share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:



- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(15) Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable Value. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been a change in the estimate of recoverable amount.

**(16) Leases**

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease are recognized payments associated with these leases as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

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 amortised using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be amortised over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by



impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method

**As a Lessor:**

Lease income from operating leases where the Company is a lessor is recognised in other income on straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**Deposits provided to Lessor:**

The Company is generally required to pay refundable security deposits in order to obtain property leases from various lessors.

Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of deposit is recognised as lease prepayments. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments.

Subsequent to initial recognition, the security deposit is measured at amortised cost using the effective interest method with carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognised as interest income. The lease repayment is amortised on straight-line basis over the lease term as lease rentals expense.

**(17) Standards issued but not yet effective**

There is no such notification which would have been applicable from April 1, 2021.



**2. Cash and cash equivalents**

(Rs. in Thousands)

| Particulars                            | As at<br>31/03/2021 | As at<br>31/03/2020 |
|--|---------------------|---------------------|
| Balances with banks in current Account | 41.70               | -                   |
| Balances with banks in Fixed Deposit   | -                   | -                   |
| Cheques on hand                        | -                   | 100.00              |
| Cash on hand                           | -                   | -                   |
| <b>Total</b>                           | <b>41.70</b>        | <b>100.00</b>       |

**3. Other Current Assets**

(Rs. in Thousands)

| Particulars                 | As at<br>31/03/2021 | As at<br>31/03/2020 |
|-----------------------------|---------------------|---------------------|
| <b>Other Advances</b>       |                     |                     |
| Balance with Govt. Agencies | 3.60                | -                   |
| <b>Total</b>                | <b>3.60</b>         | <b>-</b>            |

**6. Trade Payables (Current)**

(Rs. in Thousands)

| Particulars                         | As at<br>31/03/2021 | As<br>at31/03/2020 |
|-------------------------------------|---------------------|--------------------|
| Micro, Small and Medium Enterprises | -                   | -                  |
| Others                              | 22.10               | -                  |
| <b>Total</b>                        | <b>22.10</b>        | <b>-</b>           |

**6.1 Details as required under MSMED Act are given below :**

| Particulars   | As at<br>31/03/2021 | As<br>at31/03/2020 |
|---|---------------------|--------------------|
| Principal amount remaining unpaid to any supplier as at the end of accounting year  | -                   | -                  |
| Interest due thereon  | -                   | -                  |
| Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year   | -                   | -                  |
| Amount of interest due and payable for the reporting 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  | -                   | -                  |
| Amount of interest accrued and remaining unpaid at the end of the accounting year.  | -                   | -                  |
| Amount of further interest remaining due and payable even in succeeding years, untill such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act. | -                   | -                  |

Above disclosure has been made on the basis of information available with the company.





**7. Other Current liabilities**

(Rs. in Thousands)

| Particulars    | As at<br>31/03/2021 | As<br>at31/03/2020 |
|----------------|---------------------|--------------------|
| Statutory Dues | 1.50                | -                  |
| <b>Total</b>   | <b>1.50</b>         | <b>-</b>           |

**8. Other expenses**

(Rs. in Thousands)

| Particulars             | 2020-21      | 2019-20  |
|-------------------------|--------------|----------|
| Audit Fees and Expenses | 20.00        | -        |
| Consultancy Expense     | 56.00        | -        |
| Other Expenses          | 2.30         | -        |
| <b>Total</b>            | <b>78.30</b> | <b>-</b> |

**9. Earning Per Share**

Earning Per share is calculated by dividing the Profit / (Loss) attributable to the

| Particulars  | 2020-21 | 2019-20 |
|--|---------|---------|
| Profit/(Loss) for the year                                 | -78.30  | -       |
| Less: Dividend on Preference Shares                        |         |         |
| Net Profit / (Loss) attributable to Equity Shareholders    | -78.30  | -       |
| Add\Less: Extra Ordinary Items                             |         |         |
| Profit / (Loss) after taxation before Extra Ordinary Items |         |         |
| Number of shares outstanding during the Year               |         |         |
| Number of Equity Shares for Basic EPS                      | 10,000  | 10,000  |
| Add : Diluted Potential Equity Shares                      | -       | -       |
| Number of Equity Shares for Diluted EPS                    | 10,000  | 10,000  |
| Basic Earning Per Share                                    | -7.83   | -       |
| Diluted Earning Per Share                                  | -7.83   | -       |
| Nominal Value Per Share                                    | 10      | 10      |



#### 4 Share capital

(Rs. in Thousands)

| Particulars   | As at 31.03.2021 |               | As at 31.03.2020 |               |
|---|------------------|---------------|------------------|---------------|
|   | Units            | Rs.           | Units            | Rs.           |
| <b>Authorised Share Capital :</b><br>Equity Shares of Rs. 10 each                 | 10,000           | 100.00        | 10,000           | 100.00        |
| <b>Issued &amp; Subscribed :</b><br>Equity Shares of Rs. 10 each                  | 10,000           | 100.00        | 10,000           | 100.00        |
| <b>Subscribed and Fully Paid Up</b><br>Equity Shares of Rs. 10 each fully paid up | 10,000           | 100.00        | 10,000           | 100.00        |
| <b>Total</b>  | <b>10,000</b>    | <b>100.00</b> | <b>10,000</b>    | <b>100.00</b> |

#### 4.1 The reconciliation of the no. of shares outstanding is set out below :

| Particulars                  | As at<br>31/03/2021 | As at<br>31/03/2020 |
|------------------------------|---------------------|---------------------|
| <b>Equity shares</b>         |                     |                     |
| At Beginning of the period   | 10,000              | -                   |
| Add : Issued during the year | -                   | 10,000              |
| <b>At End of the period</b>  | <b>10,000</b>       | <b>10,000</b>       |

#### 4.2 Terms / rights attached to Equity Shares

The Company has issued only one class of equity shares having a par value of Rs. 10 per share. Each holder of Equity Shares are entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after the payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### 4.3 Details of shareholders holding more than 5% shares

| Name of the shareholder    | As at 31.03.2021          |              | As at 31.03.2020          |              |
|----------------------------|---------------------------|--------------|---------------------------|--------------|
|                            | Units of<br>Equity Shares | % of holding | Units of<br>Equity Shares | % of holding |
| Infinion Biopharma Limited | 99,999                    | 99.99        | 99,999                    | 99.99        |
|                            | <b>99,999</b>             | <b>99.99</b> | <b>99,999</b>             | <b>99.99</b> |

- 4.4
1. Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash :-NIL
  2. Aggregate number and class of shares allotted as fully paid by way of Bonus Shares :  
NIL
  3. Aggregate number and class of shares bought back : NIL
  4. Securities which are convertible into Equity Shares : NIL
  5. Aggregate Value of Calls unpaid by directors and officers : NIL

#### 5 Other Equity

(Rs. in Thousands)

| Particulars   | As at<br>31/03/2021 | As at<br>31/03/2020 |
|---|---------------------|---------------------|
| <b>Surplus in Statement of Profit &amp; Loss</b>        |                     |                     |
| Balance at the beginning of the year                    | -                   | -                   |
| Add: Profit/(Loss) after tax for the Year               | (78.30)             | -                   |
| Income that will not be reclassified to Profit and Loss | -                   | -                   |
| Amount available for Appropriation                      | (78.30)             | -                   |
| <b>Total</b>  | <b>(78.30)</b>      | <b>-</b>            |

#### Description of nature and purpose of each reserve :

**Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.





(a) Related Parties and nature of relationship

1. The Enterprises in which Key Managerial Personnel (KMP) and their relatives have significant influence:

|                            |                 |
|----------------------------|-----------------|
| Infinion Biopharma Limited | Holding Company |
|----------------------------|-----------------|

|                        |          |
|------------------------|----------|
| Vishal Jain            | Director |
| Govindsinh Chavada, MD | Director |
| Narendrasinh Devda     | Director |

### 3. Relative of Key Managerial Personnel

(Rs. in Thousands)

|   |  |                     |                     |
|---|--|---------------------|---------------------|
| A | Enterprises own or significantly influenced by key management personnel or their relatives | As at<br>31.03.2021 | As at<br>31.03.2020 |
|   |  |                     |                     |
| B | Key Managerial Personnel and their relatives   | As at<br>31.03.2021 | As at<br>31.03.2020 |
| C |  |                     |                     |
|   | Outstanding payables / (receivables ) to / from Related parties and key Management persons | As at<br>31.03.2021 | As at<br>31.03.2020 |
|   |  |                     |                     |



**11 Financial Instruments - Fair Values & Risk Management**  
**11.1 Accounting Classifications & Fair Value Measurements**

The fair values of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All financial instruments are initially recognized and subsequently re-measured at fair value as described below :

- 1 Fair values of cash and current deposits, trade and other short term receivables, trade payables, other current liabilities, current loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
- 2 Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by

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

Level 2 : Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**I. Figures as at March 31, 2021**

| Particulars  | Carrying Amount | (Rs. in Thousands) |              |
|--|-----------------|--------------------|--------------|
|  |                 | Fair value         |              |
|  |                 | Level 1            | Level 2      |
| <b>Financial assets at amortised cost:</b>                         |                 |                    |              |
| Investments (Non-Current)  | -               | -                  | -            |
| Non-Current Loans  | -               | -                  | -            |
| Bank Deposits (Non-Current)  | -               | -                  | -            |
| Other Financial Assets (Non-Current)                               | -               | -                  | -            |
| Cash and Cash Equivalents  | 41.70           | -                  | 41.70        |
| Bank Balances Other than Cash and Cash Equivalents                 | -               | -                  | -            |
| Current Loans  | -               | -                  | -            |
| Other Current Financial Assets                                     | -               | -                  | -            |
| <b>TOTAL</b>   | <b>41.70</b>    | <b>-</b>           | <b>41.70</b> |
| <b>Financial assets at fair value through profit or loss:</b>      |                 |                    |              |
| Investments (Current)  | -               | -                  | -            |
| Investments (Non-Current)  | -               | -                  | -            |
| <b>TOTAL</b>   | <b>-</b>        | <b>-</b>           | <b>-</b>     |
| <b>Financial liabilities at amortised cost:</b>                    |                 |                    |              |
| Borrowings (Non-Current)   | -               | -                  | -            |
| Borrowings (Current)   | -               | -                  | -            |
| Trade Payables   | 22.10           | -                  | 22.10        |
| Other financial liabilities  | -               | -                  | -            |
| <b>TOTAL</b>   | <b>22.10</b>    | <b>-</b>           | <b>22.10</b> |
| <b>Financial liabilities at fair value through profit or loss:</b> |                 |                    |              |
| <b>TOTAL</b>   | <b>-</b>        | <b>-</b>           | <b>-</b>     |

**II. Figures as at March 31, 2020**

| Particulars  | Carrying Amount | (Rs. in Thousands) |               |
|--|-----------------|--------------------|---------------|
|  |                 | Fair value         |               |
|  |                 | Level 1            | Level 2       |
| <b>Financial assets at amortised cost:</b>                         |                 |                    |               |
| Investments (Non-Current)  | -               | -                  | -             |
| Non-Current Loans  | -               | -                  | -             |
| Bank Deposits (Non-Current)  | -               | -                  | -             |
| Other Financial Assets (Non-Current)                               | -               | -                  | -             |
| Cash and Cash Equivalents  | 100.00          | -                  | 100.00        |
| Bank Balances Other than Cash and Cash Equivalents                 | -               | -                  | -             |
| Current Loans  | -               | -                  | -             |
| Other Current Financial Assets                                     | -               | -                  | -             |
| <b>TOTAL</b>   | <b>100.00</b>   | <b>-</b>           | <b>100.00</b> |
| <b>Financial assets at fair value through profit or loss:</b>      |                 |                    |               |
| Investments (Current)  | -               | -                  | -             |
| Investments (Non-Current)  | -               | -                  | -             |
| <b>TOTAL</b>   | <b>-</b>        | <b>-</b>           | <b>-</b>      |
| <b>Financial liabilities at amortised cost:</b>                    |                 |                    |               |
| Borrowings (Non-Current)   | -               | -                  | -             |
| Borrowings (Current)   | -               | -                  | -             |
| Trade Payables   | -               | -                  | -             |
| Other financial liabilities  | -               | -                  | -             |
| <b>TOTAL</b>   | <b>-</b>        | <b>-</b>           | <b>-</b>      |
| <b>Financial liabilities at fair value through profit or loss:</b> |                 |                    |               |
| <b>TOTAL</b>   | <b>-</b>        | <b>-</b>           | <b>-</b>      |

No financial instruments have been routed through Other Comprehensive Income and hence separate reconciliation disclosure relating to the same is not applicable.





## 12 Financial Risk Management

The company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

### 12.1 Liquidity Risk

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

### 12.2 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

#### a) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The company is not exposed to significant interest rate risk as at the specified reporting date.

## 13 Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

| Particulars          | As at<br>31-03-2021 | As at<br>31-03-2020 |
|----------------------|---------------------|---------------------|
| Net Debt             | -                   | -                   |
| Total Equity         | 21.70               | 100.00              |
| Capital and net debt | 21.70               | 100.00              |
| Debt Equity Ratio    | -                   | -                   |

As per our report of even date attached.

For, Mahendra N. Shah & Co.

Chartered Accountants

Firm Registration No. 105775W

Chirag M. Shah

Partner

Membership No. 045706



For and on behalf of the Board of Directors

Diabeato Healthcare Private Limited

CIN U85300GJ2020PTC112885

Narendrasinh Devda

Director

DIN 00344604

Jayantilal Patel

Independent Director

DIN 01726061

Place : Ahmedabad

Date:10.08.2021

Place: Ahmedabad

Date:10.08.2021