Italia & Associates LLP

Chartered Accountants

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## Independent Auditor's Report

**To the Members of VANTA CLINICAL RESEARCH LIMITED**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **Vanta Clinical Research Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and the loss and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SA's) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.

### Key Audit Matters

*The Company has not yet started its operations till the date of this report.*

### Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

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If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is no material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA's 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 SA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

1. 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 to 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

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resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. 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.

5. 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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in

i. Planning the scope of our audit work and in evaluating the results of our work; and
ii. To evaluate the effect of any identified misstatements in the financial statements.

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) We have no observations or comments on financial transactions or matters which may have an adverse effect on the functioning of the company.

f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

g) We have no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.

h) As required by the provisions relating to report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act"), we give in "**Annexure B**" a statement on the matters specified.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.

a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding,

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whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in an manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. Provisio to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

vi. The Company has not declared or paid out any dividend during the year and has not proposed final dividend for the year.

3. With respect to the matter to be included in the Auditors' Report under section 197(16):

According to the information and explanations given to us, the company has not paid any remuneration to its directors during the current year and hence the provisions of section 197 are not applicable. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For **Italia & Associates LLP**
Chartered Accountants
Firm registration number: 003793S/S200089

**Percy Homi Italia**
Partner
Membership Number: 015196

ITALIA & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

UDIN: 23015196BGZSGC7758

Place: Hyderabad
Date: August 10, 2023

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

Annexure referred to in our report to the members of **Vanta Clinical Research Limited** ("the company"), for the year ended March 31, 2023. We report that:

(i)

(a) The Company has not acquired any Property, Plant & Equipment and Intangible Assets till the year ended March 31, 2023. Hence this clause is not applicable.

(b) The Company has not acquired any Property, Plant & Equipment and Intangible Assets till the year ended March 31, 2023. Hence the clause regarding physical verification of Fixed Assets is not applicable.

(c) The Company does not hold any title to any immovable properties.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) and intangible assets during the year.

(e) The Company does not hold any Benami property during the year and no proceedings were initiated nor pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii)

(a) The Company did not hold any inventory at any point of time during the year; hence this clause is not applicable.

(b) The Company has not been sanctioned any working capital limits in excess of Rs.5 Crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under this sub-clause is not applicable.

(iii) The Company has not made investments in, provided any guarantees or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties except for unsecured loan granted to its subsidiary during the previous year.

The aggregate amount of loan given was Rs.1,45,60,000 and the amount outstanding at the end of the year was Rs.73,89,940.

(iv) The Company has not made investments or provided guarantees and hence reporting under this clause is not applicable. The Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 for the unsecured loan granted to its subsidiary.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The Central Government has not specified maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of Company's services. Hence, this clause is not applicable.

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HYDERABAD

(vii)

a) The Company is regular in depositing undisputed statutory dues including, Provident Fund, Employees State Insurance, Goods and Services Tax, Income-Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities *except for Tax deducted at source that were deposited after the due date.* There are no dues outstanding as at the year-end for a period of more than six months from the day they became payable.

b) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any disputes.

(viii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has no transactions relating to previously unrecorded income that were surrendered or recorded as income during the year in the tax assessments under the Indian Income Tax Act, 1961.

(ix)

a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not raised any term loans during the year.

d) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not used any funds raised on short term basis for long term purposes.

e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has repaid part of advance received from its Parent company during the previous year and had received part amount of unsecured loan given to its subsidiary in previous year.

Advance received during previous years amounted to Rs.1,52,40,399 and the amount outstanding at the year end was Rs.80,70,339.

f) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.

(x)

a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under this sub-clause is not applicable.

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b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not made any preferential allotment or private of shares or convertible debentures (fully or partly or optionally) and hence reporting under this sub-clause is not applicable.

(xi)

a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).

(xii) The Company is not a Nidhi Company and hence reporting under this clause is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all the transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) In our opinion and to the best of our information and according to the explanations given to us, the provisions of Internal Audit are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence this clause is not applicable;

(xvi)

a) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Hence, this clause is not applicable

c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India.

d) In our opinion and to the best of our information and according to the explanations given to us, the Company is neither a Core Investment Company nor is it having any subsidiaries, associates or joint venture, hence this sub-clause is not applicable.

*(xvii) In our opinion and to the best of our information and according to the explanations given to us and on the basis of examination of the books of accounts, as the Company had not yet started its operations, it has incurred cash losses during the year and in the immediately preceding financial year. However, the Management is confident that the operations will be*

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*started soon and accordingly, no adjustments have been made to the financial statements and these have been prepared on a going concern basis.*

(xviii)There has been no change in the statutory auditors during the year.

(xix) According to the explanations given to us and on the basis of examination of books of accounts and the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and Board of Directors and Management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing on the date of the balance sheet as and when they fall due within a period of one year from the date of balance sheet.

(b) The provisions of section 135 are not applicable to the Company for the financial year under audit and hence this clause is not applicable.

**For Italia & Associates LLP**
Chartered Accountants
Firm Registration Number: 003793S/S200089

**Percy Homi Italia**
Partner
Membership Number: 015196

UDIN: 23015196BGZSGC7758

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Place: Hyderabad
Date: August 10, 2023

**Annexure 'B' to the Independent Auditor's Report**

**(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

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

We were engaged to audit the internal financial controls over financial reporting of **Vanta Clinical Research Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

## Meaning of Internal Financial Controls over Financial Reporting

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

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reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over the financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Italia & Associates LLP**
Chartered Accountants
Firm registration number: 003793S/S200089

**Percy Homi Italia**
Partner
Membership Number: 015196

ITALIA & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

UDIN: 23015196BGZSGC7758

Place: Hyderabad
Date: August 10, 2023

**VANTA CLINICAL RESEARCH LIMITED**
**BALANCE SHEET AS AT MARCH 31, 2023**
(All amounts in ₹ thousands unless otherwise stated)

| Particulars | Note No | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **1. Equity and Liabilities** | | | |
| **I. Share holder's Funds** | | | |
| a) Share capital | 2 | 30,000.00 | 30,000.00 |
| b) Reserves and Surplus | 3 | (424.29) | (309.13) |
| | | **29,575.71** | **29,690.87** |
| **II. Current Liabilities** | | | |
| a) Trade Payables | | | |
| (i) total outstanding dues of mircro enterprises and small enterprises | 4 | - | - |
| (ii) total outstanding dues of creditors other than mircro enterprises and small enterprises | 4 | 8,413.60 | 15,525.25 |
| b) Other Current Liabilities | 5 | 5.00 | 5.00 |
| | | **8,418.60** | **15,530.25** |
| **Total** | | **37,994.31** | **45,221.12** |
| **2. Assets** | | | |
| **I. Non Current Assets** | | | |
| a) Long Term Investments | 6 | 30,000.00 | 30,000.00 |
| b) Long Term Loans and Advances | 7 | 7,389.94 | 14,560.00 |
| | | **37,389.94** | **44,560.00** |
| **II. Current Assets** | | | |
| a) Cash and Cash Equivalents | 8 | 150.20 | 208.45 |
| b) Short Term Loans and Advances | 9 | 454.17 | 452.67 |
| | | **604.37** | **661.12** |
| **Total** | | **37,994.31** | **45,221.12** |

| | |
|---|---|
| Significant Accounting Policies | 1B |
| Notes on Financial Statements | 2 to 17 |

The Notes form an integral part of the financial statements
As per our report of even date

**For Italia & Associates LLP**
**Chartered Accountants**
**FRN:003793S/S200087**

**Percy Homi Italia**
Partner
M.No. 015196

Place: Hyderabad
Date : 10/08/2023

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For and on behalf of the Board of Directors
**VANTA CLINICAL RESEARCH LIMITED**

VANTA CLINICAL RESEARCH LIMITED HYDERABAD

**M.Dopesh Raja**
Director
DIN.NO.01176660

Place: Hyderabad
Date : 10/08/2023

**Chintapatla Shravan**
Director
DIN.NO.02698825

Place: Hyderabad
Date : 10/08/2023

**VANTA CLINICAL RESEARCH LIMITED**
**Statement of Profit & Loss for the year ended March 31, 2023**
(All amounts in ₹ thousands unless otherwise stated)

| Particulars | Note No | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **Revenue** | | | |
| Other Income | 10 | - | 7.66 |
| **Total Revenue** | | **-** | **7.66** |
| **Expenses** | | | |
| Other Expenses | 11 | 115.16 | 172.58 |
| **Total Expenses** | | **115.16** | **172.58** |
| **Loss/Profit Before Tax** | | (115.16) | (164.92) |
| **Tax Expenses** | | | |
| a) Current Income Tax | | - | - |
| b) Deferred Tax | | - | - |
| **Total** | | **-** | **-** |
| **Net Profit for the year/period** | | **(115.16)** | **(164.92)** |
| **Earning for Equity Share** | | | |
| **Basic and Diluted** | 12 | (0.04) | (0.05) |
| Significant Accounting Policies | 1B | | |
| Notes on Financial Statements | 2 to 17 | | |

The Notes form an integral part of the financial statements
As per our report of even date

**For Italia & Associates LLP**
**Chartered Accountants**
**FRN:003793S/S200087**

**Percy Homi Italia**
Partner
M.No. 015196

Place: Hyderabad
Date : 10/08/2023

ITALIA & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

For and on behalf of the Board of Directors
**VANTA CLINICAL RESEARCH LIMITED**

**M.Dopesh Raja**
Director
DIN.NO.01176660

Place: Hyderabad
Date : 10/08/2023

VANTA CLINICAL RESEARCH LIMITED HYDERABAD

**Chintapatla Shravan**
Director
DIN.NO.02698825

Place: Hyderabad
Date : 10/08/2023

**VANTA CLINICAL RESEARCH LIMITED**
**Cash Flow statement for the year ended March 31, 2023**
(All amounts in ₹ thousands unless otherwise stated)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **A. Cash Flow from Operating Activities** | | |
| Loss/Profit before exceptional , Extraordinary items and Tax | (115.16) | (164.92) |
| **Adjustment for:** | | |
| Less: Interest Income | - | (7.66) |
| **Operating Loss/profit Before Working Capital Changes** | **(115.16)** | **(172.58)** |
| **Adjustment for:** | | |
| (Increase) /Decrease in Trade recivables | - | - |
| Increase /(Decrease) in Current Liabilities | (7,111.65) | 14,883.05 |
| (Increase) /Decrease Long Term Loans & Advances | 7,170.06 | (14,560.00) |
| (Increase) /Decrease Short Term Loans & Advances | (1.50) | 26.87 |
| **Cash Generated from operations** | **56.91** | **349.92** |
| Income Tax paid | - | - |
| **Net Cash Generated from operations** | **(58.25)** | **177.34** |
| **Net Cash Flow from Operarting Activities - (A)** | **(58.25)** | **177.34** |
| **B: Cash Flow from Investing Activities** | | |
| Purchase of Fixed Assets | - | - |
| Investment in Equity Shares | - | - |
| Capital Work In progress | - | - |
| Capital Work In progress-R&D | - | - |
| Proceeds from sale of Fixed Assets | - | - |
| Interest Income | - | 7.66 |
| Purchase of other Non current Investments | - | - |
| **Net Cash Flow from Investing Activites - (B)** | **-** | **7.66** |
| **C: Cash Flow from Financing Activites** | | |
| Increase /(Decrease) in Unsecured Loan | - | - |
| Increase /(Decrease) in Working capital | - | - |
| Increase /(Decrease) in Term Loan | - | - |
| Increase /(Decrease) in share capital | - | - |
| Increase /(Decrease) in share Premium | - | - |
| Finance Charges | - | - |
| **Net Cash Flow from Financing Activities - ( C )** | **-** | **-** |
| **D: Net Increase/Decrease in Cash and cash Equivalents - ( A+B+C )** | **(58.25)** | **185.00** |
| **Opening of Cash & Cash Equivalents** | 208.45 | 23.45 |
| **Closing Balance of Cash & Cash Equivalents** | **150.20** | **208.45** |

**For Italia & Associates LLP**
**Chartered Accountants**
**FRN:003793S/S200087**

**Percy Homi Italia**
Partner
M.No. 015196

Place: Hyderabad
Date : 10/08/2023

ITALIA & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

For and on behalf of the Board of Directors
**VANTA CLINICAL RESEARCH LIMITED**

**M.Dopesh Raja**
Director
DIN.NO.01176660

Place: Hyderabad
Date : 10/08/2023

**Chintapatla Shravan**
Director
DIN.NO.02698825

Place: Hyderabad
Date : 10/08/2023

**VANTA CLINICAL RESEARCH LIMITED**
**Notes on Financial Statements for the year ended March 31, 2023**

**1. A. Corporate Information:**

**VANTA CLINICAL RESEARCH LIMITED** ('the Company') was incorporated on September 12, 2018. It has its registered office in Hyderabad, India. The Company is engaged in Research & Development in the field of discovery and development of drugs, biologicals, vaccines, gene-based therapies as well as diagnostics and cosmetics including clinical research (bio availability/bio equivalence studies and clinical trials of phase I to IV).

**1. B. Significant Accounting Policies:**

**a. Basis of Preparation of Financial Statements**

These financial statements have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**b. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**c. Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and can be reliably measured.

**d. Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Costs of improvements on leasehold buildings are capitalized as leasehold improvements.

**e. Depreciation**

Depreciation on the Fixed Assets has been provided on Straight Line Method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on additions during the year is charged on a pro-rata basis.

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Fixed Assets costing up to Rs. 5,000 individually are fully depreciated in the year of purchase.

Lease hold improvement has been depreciated over the lease period.

**f. Intangible Assets and Amortization**

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets". Intangible assets are recorded at the consideration paid for their acquisition. Intangible assets are amortized over the period of their estimated useful life.

**g. Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**h. Borrowing Costs**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

**i. Inventories**

Inventories are valued at cost or net realizable value whichever is lower. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their present location and condition. Cost is determined on first-in first-out basis.

**j. Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Dividend Income is accounted when the right to receive dividend is established.

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HYDERABAD

## k. Foreign Currency Transactions

(i) Initial Recognition

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

(ii) Conversion

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

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

## l. Retirement and Other Employee Benefits

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are taken to Statement of Profit and Loss of the year when the contributions to the respective funds are due.

## m. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss over the lease term.

## n. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The effects of anti-dilutive potential equity shares are not considered in calculating dilutive earnings per share.

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### o. Taxation

Tax expense comprises of current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, considering the tax benefits and concessions available to the Company.

Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

### p. Provisions and Contingent Liabilities

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a present obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or for which no reliable estimate can be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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ITALIA & ASSOCIATES LLP * HYDERABAD * CHARTERED ACCOUNTANTS

**VANTA CLINICAL RESEARCH LIMITED**
**Notes on Financial Statements for the year ended March 31, 2023**
(All amounts in ₹ thousands unless otherwise stated)

**2. Share capital**

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | No. of Shares | Amount in Rs. | No. of Shares | Amount in Rs. |
| **Authorized**<br>3,000,000 Equity Shares of Rs. 10 Each | **30,00,000** | **30,000.00** | **30,00,000** | **30,000.00** |
| **Issued, Subscribed and fully paid up**<br>3,000,000 Equity Shares of Rs. 10 Each (3,000,000 Equity Shares of Rs. 10 Each) | 30,00,000 | 30,000.00 | 30,00,000 | 30,000.00 |
| **Total** | **30,00,000** | **30,000.00** | **30,00,000** | **30,000.00** |

**2.1 Reconcilation of the number of shares and amount outstanding at the beginning and at the end of the reporting period**

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | No. of Shares | Amount in Rs. | No. of Shares | Amount in Rs. |
| Equity Shares Outstanding at the beginning of the year | 30,00,000 | 30,000.00 | 30,00,000 | 30,000.00 |
| Equity Shares issued during the year | - | - | - | - |
| Equity Shares Outstanding at the end of the year | **30,00,000** | **30,000.00** | **30,00,000** | **30,000.00** |

**2.2 Terms/ Rights attached to Equity Shares**

The company has only one class of equity shares having par value of Rs. 10 Per share. Each holder of equity share is entitiled to one vote per share.

**2.3 Details of shares held by each share Holder holding more than 5% Equity Shares**

| Name of the Share holder | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | No. of Shares | % of shareholding | No. of Shares | % of shareholding |
| Vanta Bioscience Ltd | 30,00,000 | 100% | 30,00,000 | 100% |
| **Total** | 30,00,000 | 100% | 30,00,000 | 100% |

**2.4 The details of shareholders holding of Promoters:**

| Name of the Share holder | As at March 31, 2023 | | | As at March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | No. of Shares | % of shareholding | change in % holding | No. of Shares | % of shareholding | change in % holding |
| Vanta Bioscience Ltd | 30,00,000 | 100% | - | 30,00,000 | 100% | - |
| **Total** | 30,00,000 | 100% | - | 30,00,000 | 100% | - |
| | | | | | | |

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ITALIA & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

**VANTA CLINICAL RESEARCH LIMITED**
**Notes on Financial Statements for the year ended March 31, 2023**
(All amounts in ₹ thousands unless otherwise stated)

### 3. Reserves and Surplus

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Surplus in the statement of Profit & Loss** | | |
| Balance at the beginning of the year | (309.13) | (144.21) |
| Add: Loss/Profit for the year | (115.16) | (164.92) |
| **Balance at the end of the year** | **(424.29)** | **(309.13)** |

### 5. Other Current Liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Statutory Dues | 5.00 | 5.00 |
| **Total** | **5.00** | **5.00** |

### 6. Long Term Investments

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Investment in Vayam Research Solutions Limited [3,000,000 shares of Rs.10/- each (3,000,000 shares of Rs.10/- each) stated at cost] | 30,000.00 | 30,000.00 |
| **Total** | 30,000.00 | 30,000.00 |

### 7. Long Term Loans and Advances

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Unsecured, considered good** | | |
| Loan to Vayam Research Solutions Limited | 7,389.94 | 14,560.00 |
| **Total** | 7,389.94 | 14,560.00 |

### 8. Cash and Cash Equivalents

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Cash & Cash Equivalents** | | |
| **Balance with Banks** | | |
| In current Accounts | 150.20 | 208.45 |
| **Total** | **150.20** | **208.45** |

### 9. Short Term Loans and Advances

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Unsecured, considered good** | | |
| Loans and Advances | | |
| Others | | |
| TDS Receivable | - | - |
| GST Input Tax Credit | 45.64 | 36.64 |
| Others | 408.53 | 416.03 |
| **Total** | **454.17** | **452.67** |

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**VANTA CLINICAL RESEARCH LIMITED**
**Notes on Financial Statements for the year ended March 31, 2023**
(All amounts in ₹ thousands unless otherwise stated)

**4: Trade Payable**
Ageing for Trade Payables outstanding as of March 31, 2023

| Particulars | Outstanding for following periods from due date of payment# | | | | Total |
|---|---|---|---|---|---|
| | < 1 year | 1 to 2 years | 2 to 3 years | > 3 years | |
| Trade Payables | | | | | |
| MSME* | - | - | - | - | - |
| Others | 157.42 | 63.71 | 122.13 | - | 343.26 |
| Disputed dues - MSME* | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| | **157.42** | **63.71** | **122.13** | **-** | **343.26** |
| Accured Expenses | | | | | 8,070.34 |
| **Total** | | | | | **8,413.60** |

Ageing for Trade Payables outstanding as of March 31, 2022

| Particulars | Outstanding for following periods from due date of payment# | | | | Total |
|---|---|---|---|---|---|
| | < 1 year | 1 to 2 years | 2 to 3 years | > 3 years | |
| Trade Payables | | | | | |
| MSME* | - | - | - | - | - |
| Others | 162.72 | 63.71 | 58.42 | - | 284.85 |
| Disputed dues - MSME* | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| | **162.72** | **63.71** | **58.42** | **-** | **284.85** |
| Accured Expenses | | | | | 15,240.40 |
| **Total** | | | | | **15,525.25** |

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ITALIA & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

**VANTA CLINICAL RESEARCH LIMITED**
**Notes on Financial Statements for the year ended 31st March 2023**
(All amounts in ₹ thousands unless otherwise stated)

### 10. Other Income

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Interest on Loan given | - | 7.66 |
| **Total** | **-** | **7.66** |

### 11. Other Expenses

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Audit Fees | 50.00 | 50.00 |
| Filing Fees | 5.40 | 1.20 |
| Office Rent | 58.41 | 63.72 |
| Other Expenses | 1.35 | 57.66 |
| **Total** | **115.16** | **172.58** |

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ITALIA & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

**VANTA CLINICAL RESEARCH LIMITED**
**Notes on Financial Statements for the year ended 31st March 2023**

**12 Particulars of Earnings per share**

(Amounts in ₹)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Net Profit for the year (Amounts in ₹ thousands) | (115.16) | (164.92) |
| Weighted Average Number of Equity Shares | 30,00,000 | 30,00,000 |
| Earnings per Share (EPS) | (0.04) | (0.05) |
| Nominal value of the share | 10.00 | 10.00 |

**13 Related Party Disclosure**

**(i) Names of related parties where control exists irrespective of whether transactions have taken place**

| Name of the Related Party | Nature of Relationship |
|---|---|
| | |
| Vanta Bioscience Ltd | Holding Company |
| Vayam Research Solutions Ltd | Subsidiary Company |
| M Dopesh Raja | Director |
| M Sajan Kiran | Director |
| Chintapatla Shravan | Director |

**(ii) Nature of the Transactions and the year end balances**

(Amounts in ₹ thousands)

| Transaction | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Vanta Bioscience Ltd** | | |
| Transactions during the year | | |
| Other payables | -7,170.06 | 14,767.00 |
| Balance outstanding at the year end | | |
| Other payables | 8,070.34 | 15,240.40 |
| **Vayam Research Solutions Ltd** | | |
| - Unsecured Loan given | -7,170.06 | 14,560.00 |
| Balance outstanding at the year end | | |
| - Unsecured Loan recievable | 7,389.94 | 14,560.00 |
| - Interest receivable | 408.53 | 416.03 |

**14** The Company has not entered into any non-cancellable lease. Hence reporting as per Accounting Standard - 19 "Leases" does not arise.

**15 Micro and Small Enterprises**

There are no dues to Micro and Small Enterprises at the end of the year and the previous year payable beyond the appointed date. Hence there is no interest due.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management.

ITALIA & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

**VANTA CLINICAL RESEARCH LIMITED**
**Notes on Financial Statements for the year ended 31st March 2023**

**16 Ratios**

The Ratios for the years ended March 31, 2023 and March 31, 2022 are as follows:

| Particulars | Numerator | Denominator | As at March 31, 2023 | As at March 31, 2022 | Variance % |
|---|---|---|---|---|---|
| Current ratio | Current assets | Current liabilities | 0.07 | 0.04 | 68.64 |
| Return on Equity (ROE) | Net profits after taxes Less Preference Dividend | Average shareholder's equity | (0.00) | (0.01) | (30.17) |
| Trade payables turnover ratio | Purchases, services and other expenses | Average trade payables | 0.01 | 0.02 | (37.17) |
| Return on Capital Employed (ROCE) | Earning before interest and taxes | Capital employed = Networth + Debt + DTL | -0.39% | -0.56% | (29.90) |

**17** Previous year figures have been regrouped / reclassified wherever necessary, to conform to current year's presentation. The amounts have rounded off to the nearest hundred.

As per our report of even date

**For Italia & Associates LLP**
Chartered Accountants
FRN:003793S/S200087

**Percy Homi Italia**
Partner
M.No. 015196

Place: Hyderabad
Date : 10/08/2023

ITALIA & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

For and on behalf of the Board of Directors
**VANTA CLINICAL RESEARCH LIMITED**

**M.Dopesh Raja**
Director
DIN.NO.01176660

Place: Hyderabad
Date : 10/08/2023

VANTA CLINICAL RESEARCH LIMITED
HYDERABAD

**Chintapatla Shravan**
Director
DIN.NO.02698825

Place: Hyderabad
Date : 10/08/2023