B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of DDRC SRL Diagnostics Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DDRC SRL Diagnostics Private Limited (the "Company"), which comprise the balance sheet as at 31 March 2022, and 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.

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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, changes in equity 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 (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board of Directors 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 misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are 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 the 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The financial statements of the Company for the year ended 31 March 2021 were audited by the predecessor auditor who had expressed an unmodified opinion on 07 May 2021.

Our opinion is not modified in respect of this matter.

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 the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) 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 (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) 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) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 35 to the financial statements.

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

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

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No: 101248W/W-100022

Rajesh Arora
Partner
Membership No: 076124
UDIN: 22076124AJICTV6495

Place: Gurugram
Date: 20 May 2022

Annexure A to the Independent Auditors' report on the financial statements of DDRC SRL Diagnostics Private Limited for the year ended 31 March 2022

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

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(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ('GST').

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Income taxes;.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of the dues	Period to which the amount relates	Amount (Rupees in Lacs)	Paid under protest (Rupees in Lacs)	Forum where dispute is pending
Income Tax Act, 1961	Income tax demand	AY 2008-09	102.98	78.26	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax demand	AY 2009-10	142.30	72.87	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax demand	AY 2010-11	335.40	80.00	Commissioner of Income Tax (Appeals)

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Name of the Statute	Nature of the dues	Period to which the amount relates	Amount (Rupees in Lacs)	Paid under protest (Rupees in Lacs)	Forum where dispute is pending
Income Tax Act, 1961	TDS Demand u/s 201(1)/ 201(1A)	AY 2011-12	96.21	-	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax demand	AY 2011-12	82.76	10.00	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax demand	AY 2012-13	94.41	10.00	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax demand	AY 2013-14	0.04	-	Deputy Commissioner of Income Tax
Customs Act, 1962	Custom duty demand	FY 2018-19	1.38	-	Commissioner (Customs)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions during the year. Further, the Company did not have any outstanding loans or borrowings from any other lender during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

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(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

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(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been resignation of the statutory auditors during the year. As per the communication with the outgoing auditors, no issues, objections or concerns were raised.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No: 101248W/W-100022

Rajesh Arora
Partner
Membership No: 076124
UDIN: 22076124AJICTV6495

Place: Gurugram
Date: 20 May 2022

Annexure B to the Independent Auditors' report on the financial statements of DDRC SRL Diagnostics Private Limited for the year ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of DDRC SRL Diagnostics Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No: 101248W/W-100022

Rajesh Arora
Partner
Membership No: 076124
UDIN: 22076124AJICTV6495

Place: Gurugram
Date: 20 May 2022

DDRC SRL DIAGNOSTICS PRIVATE LIMITED
BALANCE SHEET AS AT 31 MARCH 2022

		Notes	As at 31 March 2022 (Rupees in Lakhs)	As at 31 March 2021 (Rupees in Lakhs)
	ASSETS			
	Non-current assets			
(a)	Property, plant and equipment	3	3,286.33	4,282.04
(b)	Right-of-use asset	34	2,858.83	599.34
(c)	Goodwill	4	-	-
(d)	Other intangible assets	4	134.71	73 46
(e)	Financial assets			
	(i) Other financial assets	5	1,273.35	1,368.59
(f)	Deferred tax assets	6	608.74	348.18
(g)	Non-current tax assets (net)	7	206.58	217.33
(h)	Other non-current assets	8	349.72	251.12
	Total non-current assets		**8,718.26**	**7,140.06**
	Current assets			
(a)	Inventories	9	1,131.33	792.02
(b)	Financial assets			
	(i) Trade receivables	10	755.83	784.11
	(ii) Cash and cash equivalents	11	2,109.22	2,857.55
	(iii) Bank balances other than (ii) above	12	7,195.87	-
	(iv) Other financial assets	13	88.70	-
(c)	Other current assets	14	134.21	76.58
	Total current assets		**11,415.16**	**4,510.26**
	Total assets		**20,133.42**	**11,650.32**
	EQUITY & LIABILITIES			
	EQUITY			
(a)	Equity share capital	15	50.00	50.00
(b)	Other equity		14,606.22	9,345.97
	Total equity		**14,656.22**	**9,395.97**
	LIABILITIES			
	Non - current liabilities			
(a)	Financial liabilities			
	(i) Borrowings	16	34.37	-
	(ii) Lease liabilities	34	2,457.14	490.61
(b)	Provisions	17	578.14	508.21
	Total non-current liabilities		**3,069.65**	**998.82**
	Current liabilities			
(a)	Financial liabilities			
	(i) Borrowings	18	10.26	-
	(ii) Trade payables	19		
	- Total outstanding dues of micro enterprises and small enterprises		342.16	111.77
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		777.83	642.62
	(iii) Lease liabilities	34	526.52	162.06
	(iv) Other financial liabilities	20	503.63	217.26
(b)	Other current liabilities	21	124.58	68.80
(c)	Provisions	22	76.34	53.02
(d)	Current tax liabilities (net)	23	46.23	-
	Total current liabilities		**2,407.55**	**1,255.53**
	Total liabilities		**5,477.20**	**2,254.35**
	Total equity and liabilities		**20,133.42**	**11,650.32**

See accompanying notes forming integral part of the financial statements 1-43
In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No.:101248W/W-100022

Rajesh Arora
Partner
Membership Number: 076124

Date : 20 May 2022
Place : Gurugram

For and on behalf of the Board of Directors of
DDRC SRL Diagnostics Private Limited

Anand Kuppuswamy
Director
DIN: 02427196

Mangesh Shrikant Shirodkar
Director
DIN: 05320244

DDRC SRL Diagnostics Private Limited Mumbai

Date : 20 May 2022
Place : Gurugram

DDRC SRL DIAGNOSTICS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

		Notes	Year ended 31 March 2022 (Rupees in Lakhs)	Year ended 31 March 2021 (Rupees in Lakhs)
	INCOME			
I	Revenue from operations	24	31,646.38	30,174.22
II	Other income	25	229.85	85.47
III	**Total income (I+II)**		**31,876.23**	**30,259.69**
IV	**EXPENSES**			
	Cost of materials consumed	26	8,442.87	7,349.60
	Cost of tests outsourced		164.87	114.36
	Employee benefits expense	27	5,152.99	4,445.29
	Finance costs	28	399.12	250.91
	Depreciation and amortization expense	29	2,140.30	1,182.00
	Other expenses	30	5,445.81	5,468.99
	Total expenses		**21,745.96**	**18,811.15**
V	**Profit from continuing operations before income tax (III - IV)**		**10,130.27**	**11,448.54**
VI	**Tax expense:**	31		
	Current tax		2,890.16	2,947.79
	Deferred tax credit		(252.68)	(83.33)
	Total tax expense		**2,637.48**	**2,864.46**
VII	**Profit for the year (V-VI)**		**7,492.79**	**8,584.08**
VIII	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of the defined benefit liabilities		(31.32)	16.14
	(b) Income tax relating to items that will not be reclassified subsequently to profit or loss		7.88	(4.06)
	Total other comprehensive income/(loss)		**(23.44)**	**12.08**
IX	**Total comprehensive income for the year (VII+VIII)**		**7,469.35**	**8,596.16**
X	**Earnings per equity share**			
	Basic (in Rs.)	32	1,493.87	1,719.23
	Diluted (in Rs.)	32	1,493.87	1,719.23

See accompanying notes forming integral part of the financial statements 1-43

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No.:101248W/W-100022

Rajesh Arora
Partner
Membership Number: 076124

Date : 20 May 2022
Place : Gurugram

For and on behalf of the Board of Directors of
DDRC SRL Diagnostics Private Limited

Anand Kuppuswamy
Director
DIN: 02427196

Mangesh Shrikant Shirodkar
Director
DIN: 05320244

Date : 20 May 2022
Place : Gurugram

DDRC SRL Diagnostics Private Limited
Mumbai

DDRC SRL DIAGNOSTICS PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

		Notes	Year ended 31 March 2022 (Rupees in Lakhs)	Year ended 31 March 2021 (Rupees in Lakhs)
A	**Cash flows from operating activities**			
	Profit before tax		10,130.27	11,448.54
	Adjustments for:			
	Depreciation and amortisation expense	29	2,140.29	1,182.00
	Finance cost	28	399.12	250.91
	Loss on sale of property, plant and equipment (net)	30	31.29	3.49
	Interest income	25	(228.13)	(15.09)
	Operating profit before changes in assets & liabilities		**12,472.84**	**12,869.85**
	(Increase)/decrease in trade receivables		28.27	(421.87)
	Decrease/ (increase) in financial & other assets		(65.62)	16.81
	Increase in inventories		(339.31)	(133.94)
	Increase in trade payables		365.60	192.88
	Increase/(decrease) in financial & other liabilities		318.36	(376.13)
	Increase in provisions		61.94	90.75
	Cash generated from operations		**12,842.08**	**12,238.35**
	Less : Income taxes paid		(2,833.18)	(3,080.22)
	Net cash generated from operating activities		**10,008.90**	**9,158.13**
B	**Cash flows from investing activities**			
	Purchase of property, plant and equipment and Intangible assets		(728.70)	(973.96)
	Proceeds on sale of property, plant and equipment		65.15	15.20
	Fixed deposits (with maturity of more than three months)		(7,195.87)	397.76
	Interest received		114.75	7.56
	Net cash used in investing activities		**(7,744.68)**	**(553.44)**
C	**Cash flows from financing activities**			
	Payment of dividend		(2,209.10)	(5,600.00)
	Payment towards corporate social responsibility expense		-	(71.72)
	Finance cost paid		(398.92)	(250.91)
	Proceeds from borrowings		45.46	-
	Repayment of borrowings		(0.82)	-
	Payment of lease liabilities		(449.16)	(141.86)
	Net cash used in financing activities		**(3,012.54)**	**(6,064.49)**
	Net (decrease)/ increase in cash & cash equivalents (A+B+C)		(748.32)	2,540.20
	Cash & cash equivalents at beginning of the year		2,857.55	317.35
	Cash & cash equivalents at end of the year		**2,109.22**	**2,857.55**

Changes in financial liabilities arising from financing activities

Particulars	**Borrowings**	**Lease liabilities**	**Interest accrued**
As at 01 April 2020	-	794.54	-
Interest cost	-	75.19	175.72
Payment of lease liabilities (including interest of Rs. 75.19 Lakhs)	-	(217.05)	-
Interest paid	-	-	(175.72)
As at 31 March 2021	-	**652.68**	-
As at 01 April 2021	-	**652.68**	-
Proceeds from borrowings	45.45	-	-
Repayment of borrowings	(0.82)	-	-
Addition to lease liablities	-	2,780.14	-
Interest cost	-	266.98	132.14
Payment of lease liabilities (including interest of Rs. 266.98 Lakhs)	-	(716.14)	-
Interest paid	-	-	(131.94)
As at 31 March 2022	**44.63**	**2,983.66**	**0.20**

Notes:

1 During the year, the Company paid Rs. 96.94 Lakhs (31 March 2021 Rs. 49.72 Lakhs) towards corporate social responsibility expenditure (refer note 37).

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DDRC SRL Diagnostics Private Limited Mumbai

See accompanying notes forming integral part of the financial statements 1-43

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.:101248W/W-100022

Rajesh Arora
Partner
Membership Number: 076124

Date : 20 May 2022
Place : Gurugram

For and on behalf of the Board of Directors of
DDRC SRL Diagnostics Private Limited

Anand Kuppuswamy
Director
DIN: 02427196

Mangesh Shrikant Shirodkar
Director
DIN: 05320244

Date : 20 May 2022
Place : Gurugram

DDRC SRL Diagnostics Private Limited ★ Mumbai

DDRC SRL DIAGNOSTICS PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(Rupees in lakhs)

Particulars	Equity	Other equity						
	Equity share capital	**Capital reserves***	**Securities premium****	**Capital Redemption reserve*****	**Retained earnings *******	**Others**	**Total other equity**	**Total equity**
Balance as at 1 April 2020	50.00	448.12	925.88	1,125.00	3,884.63	37.90	6,421.53	6,471.53
Profit for the year	-	-	-	-	8,584.08	-	8,584.08	8,584.08
Other comprehensive income for the year, (net of income tax)	-	-	-	-	12.08	-	12.08	12.08
Total comprehensive income for the year	-	-	-	-	**8,596.16**	-	**8,596.16**	**8,596.16**
Dividend					(5,600.00)	-	(5,600.00)	(5,600.00)
Incurred on Corporate Social Responsibility expense	-	-	-	-	(33.82)	(37.90)	(71.72)	(71.72)
Balance as at 31 March 2021	**50.00**	**448.12**	**925.88**	**1,125.00**	**6,846.97**	-	**9,345.97**	**9,395.97**
Balance as at 1 April 2021	50.00	448.12	925.88	1,125.00	6,846.97	-	9,345.97	9,395.97
Profit for the year	-	-	-	-	7,492.79	-	7,492.79	7,492.79
Other comprehensive loss for the year, (net of income tax)	-	-	-	-	(23.44)	-	(23.44)	(23.44)
Total comprehensive income for the year	-	-	-	-	**7,469.35**	-	**7,469.35**	**7,469.35**
Dividend					(2,209.10)		(2,209.10)	(2,209.10)
Balance as at 31 March 2022	**50.00**	**448.12**	**925.88**	**1,125.00**	**12,107.22**	-	**14,606.22**	**14,656.22**

* Represents reserve created consequent to redemption of preference shares.

** The unutilised accumulated excess of Issue price over the face value on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

*** Represents reserve created consequent to redemption of preference shares to the extent of face value of such preference shares redeemed as required under Companies Act.

**** Retained earning are the accumulated profit earned by the company till date.

See accompanying notes forming integral part of the financial statements 1-43

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No.:101248W/W-100022

Rajesh Arora
Partner
Membership Number: 076124

Date : 20 May 2022
Place : Gurugram

For and on behalf of the Board of Directors of
DDRC SRL Diagnostics Private Limited

Anand Kuppuswamy
Director
DIN: 02427196

Mangesh Shrikant Shirodkar
Director
DIN: 05320244

Date : 20 May 2022
Place : Gurugram

DDRC SRL Diagnostics Private Limited Mumbai

Note 1. Corporate Information

DDRC SRL Diagnostics Private Limited ("the Company" or "SRL") is a private limited company incorporated in 2006. The registered office of the Company is situated at 4th Floor, Prime Square, Plot No.1 Gaiwadi Industrial Estate, S.V.Road, Goregaon (West), Mumbai.

The Company is in the business of establishing, maintaining and managing clinical reference laboratories to provide testing, diagnostics and prognostics monitoring/ screening tests services.

Note 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements ("financial statements"). The accounting policies adopted are consistent with those of the previous financial year.

(a) Basis of preparation

(i) *Statement of compliance*

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

(ii) *Functional and presentation currency*

These financial statements are presented in Indian Rupees, which is also the Company's functional currency. All amounts are in Indian Rupees lakhs except share data and per share data, unless otherwise stated.

(iii) *Historical cost convention*

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated. 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.

(b) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

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A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

(c) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(d) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

All items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation, and any accumulated impairment loss. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price.

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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 profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

(ii) Intangible assets

- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
  - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
  - Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

- Intangible assets that are acquired are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortization (for finite lives intangible assets) and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(iii) Depreciation and amortization methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of Property, plant and equipment as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for certain classes of Property, plant and equipment which are depreciated based on the internal technical assessment of the management.

The details of useful life are as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Plant and Machinery	13 years	13 years
Office equipment	5 years	5 years
Furniture and fittings	10 years	10 years

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Vehicles	8 years	8 years
Computers and accessories	3-6 years	3-6 years
Air conditioners	8 years	5 years

Depreciation on leasehold improvements is provided over the lease term or 5 years (which is the expected useful life), whichever is shorter.

Estimated useful lives of the intangible assets are as follows:

Category of assets	**Management estimate of Useful Life**
Software	3 - 6 years

Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Derecognition

Property, plant and equipment and intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

(e) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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(f) Financial instrument

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.

Financial assets

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

Subsequent measurement

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

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

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

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Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

Impairment of financial assets

The Company recognizes loss allowance using the 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 all financial assets with contractual cash flows other than trade receivable, ECLs are 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. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off.

Derecognition 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 derecognized (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 or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition 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.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(g) Inventories

Inventories are valued at lower of cost and net realisable value except scrap, which is valued at net estimated realisable value.

The Company uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of statement of cash flows, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

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DDRC SRL Diagnostics Private Limited Mumbai

(i) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(j) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

(k) Revenue recognition

Revenue primarily comprises medical testing charges. Medical testing charges consists of fees received for various tests conducted in the field of pathology and radiology.

Contracts with customers could include promises to transfer multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured at an amount that reflects the consideration which the Company expects to receive in exchange for those services and is net of tax collected from

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Mumbai

customers and remitted to government authorities and applicable discounts and allowances including claims.

Revenue from medical tests is recognized on accrual basis when the reports are generated and released to customers, net of discounts, if any.

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised at a point in time when the Company satisfies performance obligations by transferring the promised services to its customers. Generally, each test represents a separate performance obligation for which revenue is recognised when the test report is generated i.e. when the performance obligation is satisfied. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for a test when registered separately is the best evidence of its standalone selling price. Any revenue transaction for which the Company has acted as an agent without assuming the risks and rewards of ownership have been reported on a net basis.

Excess of revenue recognised over billings on contracts is recorded in books as unbilled revenue. Unbilled revenue is classified as trade receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Contract liabilities include deferred revenue. Deferred revenue is recognised as other current liability when there is billings in excess of revenue

(l) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

a) Gratuity
The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary. The gratuity plan is unfunded.

b) Provident fund
(i) The Company's contribution to provident fund is treated as defined contribution plan under which an entity pays fixed contributions to government administered fund and has have no legal or constructive obligation to pay further amounts.
(ii)The Company's contribution to the provident fund is charged to Statement of Profit and Loss in the periods during which the related services are rendered by employees.

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Other long-term employee benefits:

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans and other long-term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long-term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(m) Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. General and specific borrowing costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

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(n) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.
Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(o) Leases

(i) As a lessee

The Company accounts for assets taken under lease arrangement in the following manner:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any

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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 incentive received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. 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 that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

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

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

Short-term leases and leases of low-value assets

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

(ii) As a lessor

The Company accounts for assets given under lease arrangement in the following manner:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Assets subject to operating leases are included in Property, Plant and Equipment. Rental income on operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight-line basis over the lease term.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(p) Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date

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exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(q) Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing, and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(r) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). Revenues, expenses, assets, and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

(s) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

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

(ii) *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 share.

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Note 2A. Critical estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Leasing arrangement (classification) – Note 2(p)
- Revenue recognition- whether the Company acts as an agent rather than as a principal in a transaction- Note 2(k)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 2(i)
- Recognition of deferred tax assets- Note 2(o)

Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 is included in the following notes:

- Leasing arrangement (accounting)- Note 2(o) & Note 34
- Financial instruments - Note 2(f) & Note 38
- Fair value measurement – Note 2(c) & Note 38
- Estimated impairment of financial assets and non-financial assets – Note 2(e), 2(f),
- Assessment of useful life and residual value of property, plant and equipment and intangible asset – Note 2(d)
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 36

Note 2B- Recent Pronouncements but not yet effective

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 - Reference to Conceptual Framework: The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any impact in its financial statements.

Ind AS 16 - Proceeds before intended use: The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in

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profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 - Onerous Contracts - Costs of Fulfilling a Contract: The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Annual Improvements to Ind AS (2021): The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 - Annual Improvements to Ind AS (2021): The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Note 2C. The financial statements have been authorized for issue by the Company's Board of Directors on 20 May 2022.

3 Property, Plant and Equipment

(Rupees in lakhs)

	Leasehold improvements	Laboratory equipment (Includes Plant & Machinery)	Air conditioners	Computers and accessories	Office equipment	Furniture and fittings	Vehicles	Total
Gross carrying value								
At 01 April 2020	3,174.07	3,271.79	286.59	507.34	133.10	571.44	62.00	8,006.68
Additions	374.75	448.03	13.05	61.65	20.40	31.91	9.28	959.06
Disposals	56.21	279.37	22.11	44.36	6.84	38.97	6.79	454.65
As at 31 March 2021	**3,492.61**	**3,440.45**	**277.53**	**524.63**	**146.66**	**564.38**	**64.49**	**8,511.09**
Additions	110.08	140.07	17.85	195.40	11.56	24.09	44.95	544.00
Disposals	26.41	169.06	-	-	0.37	0.43	9.49	205.76
As at 31 March 2022	**3,576.28**	**3,411.46**	**295.38**	**720.03**	**157.85**	**588.04**	**99.95**	**8,849.33**
Accumulated depreciation								
At 01 April 2020	1,635.86	1,221.61	110.89	378.05	71.99	236.01	38.65	3,693.41
Charge for the year	471.10	307.26	38.45	69.25	20.42	58.47	6.66	971.60
Eliminated on disposal	56.21	260.68	22.11	44.36	6.84	38.97	6.79	435.96
As at 31 March 2021	**2,050.75**	**1,268.19**	**127.23**	**402.94**	**85.57**	**255.51**	**38.52**	**4,229.05**
Charge for the year	974.82	275.41	31.04	87.43	20.69	48.33	5.56	1,443.28
Eliminated on disposal	26.41	73.10	-	-	0.37	0.43	9.02	109.33
As at 31 March 2022	**2,999.16**	**1,470.50**	**158.27**	**490.37**	**105.89**	**303.41**	**35.06**	**5,563.00**
Net carrying amount								
As at 31 March 2021	1,441.86	2,172.26	150.30	121.69	61.09	308.87	25.97	4,282.04
As at 31 March 2022	**577.12**	**1,940.96**	**137.11**	**229.66**	**51.96**	**284.63**	**64.89**	**3,286.33**

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4 Goodwill and Other intangible assets

(Rupees in Lakhs)

	Goodwill	Softwares
Gross carrying value		
At 01 April 2020	1,120.02	233.37
Additions	-	14.90
As at 31 March 2021	**1,120.02**	**248.27**
Additions	-	109.70
As at 31 March 2022	**1,120.02**	**357.97**
Accumulated amortisation		
At 01 April 2020	1,120.02	152.07
Amortisation	-	22.74
As at 31 March 2021	**1,120.02**	**174.81**
Amortisation	-	48.45
As at 31 March 2022	**1,120.02**	**223.26**
Net carrying Value		
As at 31 March 2021	-	73.46
As at 31 March 2022	**-**	**134.71**

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	As at 31 March 2022 (Rupees in Lakhs)	As at 31 March 2021 (Rupees in Lakhs)
5 Other financial assets		
(Unsecured considered good unless otherwise stated)		
Security deposits (refer note 38D)	1,268.00	1,363.49
Balance with bank held as margin money	5.03	5.03
Interest accrued on fixed deposits	0.32	0.07
Total	**1,273.35**	**1,368.59**
6 Deferred tax assets		
Deferred tax assets	1,296.35	492.14
Deferred tax liabilities	(687.61)	(143.96)
Deferred tax assets	**608.74**	**348.18**

The following is the analysis of deferred tax assets/ (liabilities) presented in the financial statements:

2021-22

	As at 1 April 2021	Recognised in profit or loss	Recognised in other comprehensive income/loss	As at 31 March 2022
Deferred tax asset				
Property, plant and equipment and intangible assets	186.18	194.08	-	380.26
Allowance for expected credit loss	0.44	-	-	0.44
Provision for gratuity	141.25	15.59	7.88	164.72
Lease liability	164.27	586.66	-	750.93
Total deferred tax assets	**492.14**	**796.33**	**7.88**	**1,296.35**
Deferred tax liability				
Right-of-use assets	(143.96)	(543.65)	-	(687.61)
Total deferred tax liability	**(143.96)**	**(543.65)**	**-**	**(687.61)**
Deferred tax asset	**348.18**	**252.68**	**7.88**	**608.74**

2020-21

	As at 1 April 2020	Recognised in profit or loss	Recognised in other comprehensive income/loss	As at 31 March 2021
Deferred tax asset				
Property, plant and equipment and intangible assets	119.93	66.25	-	186.18
Allowance for expected credit loss	15.62	(15.18)	-	0.44
Provision for gratuity	122.42	22.89	(4.06)	141.25
Lease liability	199.97	(35.70)	-	164.27
Total deferred tax assets	**457.94**	**38.26**	**(4.06)**	**492.14**
Deferred tax liability				
Right-of-use assets	(189.03)	45.07	-	(143.96)
	(189.03)	**45.07**	**-**	**(143.96)**
Deferred tax asset	**268.91**	**83.33**	**(4.06)**	**348.18**

	As at 31 March 2022	As at 31 March 2021
7 Non-current tax assets (net)		
Advance tax and tax deducted at source*	206.58	217.33
Total	**206.58**	**217.33**
*Net of provision for tax	5,369.51	5,369.51
8 Other non-current assets		
(Unsecured considered good unless otherwise stated)		
Capital advances	98.60	-
Deposits against cases with income tax authorities	251.12	251.12
Total	**349.72**	**251.12**

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		As at 31 March 2022 (Rupees in Lakhs)	As at 31 March 2021 (Rupees in Lakhs)
9	**Inventories** (lower of cost and net realisable value)		
	Reagents, chemicals and consumables	1,131.33	723.37
	Others	-	68.65
	Total	**1,131.33**	**792.02**
10	**Trade receivables**		
	(Unsecured considered good, unless otherwise stated)		
	Unsecured, considered good	755.83	784.11
	Unsecured, credit impaired	1.73	1.73
	Less: Allowance for expected credit loss	(1.73)	(1.73)
		755.83	**784.11**
	Debtors Ageing		
	Undisputed trade receivables- considered good		
	Not due	535.67	459.99
	Less than 6 Months	205.12	312.72
	6 Months-1 year	11.62	8.68
	1-2 years	2.54	2.72
	2-3 Yrs	-	-
	More than 3 years	0.88	-
	Total	**755.83**	**784.11**
	Undisputed trade receivables- credit impaired		
	6 Months-1 year	-	1.73
	1-2 years	1.73	-
	Total	**1.73**	**1.73**

Notes:-

(a) Credit risk arising from trade receivables is managed in accordance with the Company's established policy with regard to credit limits, control and approval procedures. The concentration of credit risk is limited due to the fact that the customer base is large. The Company further limits its credit risk by establishing a maximum credit period of 45 to 120 days for all its customers (other than related parties). There are no customers which represent more than 5% of the total balance of trade receivables (net).

(b) Management believes that the unimpaired amounts that are 6 months past due date are still collectible in full. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. Considering the above factors, the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

		As at 31 March 2022 (Rupees in Lakhs)	As at 31 March 2021 (Rupees in Lakhs)
	Movement in the expected credit loss allowance		
	Balance at beginning of the year	1.73	-
	Add: Recognised during the year	-	63.80
	Less: Bad debts written off	-	(62.07)
	Balance at end of the year	**1.73**	**1.73**
11	**Cash and cash equivalents**		
	Balances with banks		
	- On current accounts	2,071.83	2,784.11
	Cash on hand	37.39	73.44
	Total	**2,109.22**	**2,857.55**
12	**Bank balances other than cash and cash equivalents**		
	Balances with banks		
	- deposits with original maturity of more than 3 months but less than 12 months	7,195.87	-
	Total	**7,195.87**	**-**
13	**Other financial assets**		
	(Unsecured considered good unless otherwise stated)		
	Interest accrued on fixed deposits	88.70	-
	Total	**88.70**	**-**
14	**Other current assets**		
	(Unsecured considered good unless otherwise stated)		
	Prepaid expenses	122.74	72.58
	Advances to supplier and employees	11.47	4.00
	Total	**134.21**	**76.58**

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15 Equity share capital

	As at 31 March 2022 Number of shares	As at 31 March 2022 (Rupees in Lakhs)	As at 31 March 2021 Number of shares	As at 31 March 2021 (Rupees in Lakhs)
Authorised share capital				
Equity Shares of Rs. 10 each	1,000,000	100.00	1,000,000	100.00
Total	1,000,000	100.00	1,000,000	100.00
Issued, subscribed and fully paid up share capital				
Equity Shares of Rs.10 each fully paid up	500,000	50.00	500,000	50.00
Total	500,000	50.00	500,000	50.00

a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at 31 March 2022 Number of shares	As at 31 March 2022 (Rupees in Lakhs)	As at 31 March2021 Number of shares	As at 31 March2021 (Rupees in Lakhs)
Equity shares				
Outstanding at the beginning of the year	500,000	50.00	500,000	50.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	500,000	50.00	500,000	50.00

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 each. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Each holder of equity share is entitled to one vote per share.

c) Shares held by holding Company/ultimate holding company and/or its subsidiaries :

	As at 31 March 2022 Number of Shares	As at 31 March 2022 (Rupees in Lakhs)	As at 31 March 2021 Number of Shares	As at 31 March 2021 (Rupees in Lakhs)
Equity shares of Rs. 10 each				
SRL Diagnostics Private Limited	250,000	25.00	250,000	25.00
SRL Limited (Holding company)**	250,000	25.00	-	-
	500,000	50.00	250,000	25.00

d) Details of shares held by each shareholder holding more than 5% shares :

	As at 31 March 2022 Number of Shares	As at 31 March 2022 % of Holding	As at 31 March 2021 Number of Shares	As at 31 March 2021 % of Holding
Equity shares of Rs. 10 each				
SRL Diagnostics Private Limited	250,000	50.00%	250,000	50.00%
SRL Limited	250,000	50.00%	-	-
Elsy Joseph	-	-	131,250	26.25%
Ajith Joy	-	-	118,750	23.75%
	500,000	100.00%	500,000	100.00%

(e) Shareholding of Promoter

Promoter's Name*	No. of Shares as at 31 March 2022	Change during the year	No. of Shares as at 31 March 2021	% of Total Shares as on 31 March 2022	% Change during the year
Elsy Joseph	-	(131,250)	131,250	-	-26.25%
Ajith Joy	-	(118,750)	118,750	-	-23.75%
SRL Diagnostics Private Limited	250,000	-	250,000	50.00%	-
SRL Limited	250,000	250,000	-	50.00%	50.00%
	500,000	-	500,000	100.00%	

* There was no change in the promoter's shareholding in the previous year

** On 5 April 2021, 50% equity shares held by Ajith Joy and Elsy Joseph were purchased by SRL Limited. As a result, Company became a Wholly owned subsidiary of SRL Group w.e.f. 5 April 2021.

Note :

During the current year company has declared an interim dividend of Rs. 441.819 (31 March 2021 : Rs. 1120) per equity share.

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		As at 31 March 2022 (Rupees in Lakhs)	As at 31 March 2021 (Rupees in Lakhs)
16	**Borrowings - Non current**		
	Vehicle loans (Secured)*	44.63	-
	Less: Current maturities classified as current borrowings (Refer note 18)	(10.26)	-
	Total non-current borrowings	**34.37**	**-**
	*The Company has taken vehicle loan on the following terms:		-
	Rate of interest	7% p.a	-
	Loan repayable in	48 monthly instalments.	-
	The vehicle loan is secured by hypothecation of respective assets (vehicles).		
17	**Provisions - Non current**		
	Provision for employee benefits		
	Provision for gratuity (refer note 36)	578.14	508.21
	Total	**578.14**	**508.21**
18	**Borrowing- Current**		
	Current maturities of non-current borrowings	10.26	-
		10.26	**-**
19	**Trade payables**		
	- total outstanding dues of micro enterprises and small enterprises (refer note 41)	342.16	111.77
	- total outstanding dues of creditors other than micro enterprises and small enterprises	777.83	642.62
		1,119.99	**754.39**
	Trade payable Ageing		
	Micro enterprises and small enterprises		
	Less than 1 year	342.16	111.77
	Others		
	Less than 1 year	777.61	641.75
	1-2 years	0.22	0.87
		1,119.99	**754.39**
20	**Other financial liabilities -Current**		
	Employee benefits payable	381.42	126.25
	Payable for purchase of property, plant and equipment	60.84	37.24
	Interest accrued but not due on borrowings	0.20	-
	Security deposits	61.17	53.77
	Total	**503.63**	**217.26**
21	**Other current liabilities**		
	Statutory dues payable	124.58	68.80
	Total	**124.58**	**68.80**
22	**Provisions - current**		
	Provision for employee benefits		
	Provision for gratuity (refer note 36)	76.34	53.02
	Total	**76.34**	**53.02**
23	**Current tax liabilities (net)**		
	Provision for Income Tax*	46.23	-
	Total	**46.23**	**-**
	*Net of Advance Tax & TDS	2,832.15	-

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		As at 31 March 2022 (Rupees in lakhs)	As at 31 March 2021 (Rupees in lakhs)
24	**Revenue from operations**		
	Sale of services	31,646.38	30,174.22
	Total	**31,646.38**	**30,174.22**
25	**Other income**		
	Interest income on:-		
	- Bank deposits	202.05	5.24
	- On financial assets carried at amortised cost	24.43	7.53
	- Others	1.65	2.32
	Miscellaneous income	1.72	70.38
	Total	**229.85**	**85.47**
26	**Cost of materials consumed**		
	Reagents, chemicals and consumables		
	Inventories at the beginning of the year	723.37	585.01
	Add: purchase during the year (net)	8,850.83	7,487.96
		9,574.20	**8,072.97**
	Less: Inventories at the end of the year	1,131.33	723.37
	Total	**8,442.87**	**7,349.60**
27	**Employee benefits expense**		
	Salaries and wages	4,663.36	4,102.33
	Contribution to provident and other funds (refer note 36)	311.52	211.09
	Gratuity expense (refer note 36)	73.39	88.26
	Staff welfare expenses	104.72	43.61
	Total	**5,152.99**	**4,445.29**
28	**Finance costs**		
	Interest cost on:		
	- borrowings	0.47	-
	- lease liabilities	266.98	75.19
	- Net defined benefit obligations	38.25	33.17
	- income tax	17.27	42.56
	Bank charges	76.15	99.99
	Total	**399.12**	**250.91**
29	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	1,443.28	971.60
	Depreciation of right-of-use assets (refer note 34)	648.57	187.66
	Amortisation of intangible assets	48.45	22.74
	Total	**2,140.30**	**1,182.00**
30	**Other expenses**		
	Rent (refer note 34)	1,118.48	1,455.44
	Rates and taxes	54.10	29.33
	Insurance	7.87	7.72
	Commission	605.38	481.47
	Repairs and maintenance		
	- Plant and machinery	245.04	256.82
	- Buildings	33.11	46.22
	- Others	41.24	40.28
	Printing & stationery	360.88	237.60
	Power & fuel	405.67	387.66
	Communication	122.56	117.92
	Travelling and conveyance	255.30	237.88
	Professional fees to doctors	1,133.26	841.85
	Legal and professional expenses (refer note below)	339.11	223.65
	Advertisement and sales promotion	367.53	906.69
	Security charges	93.00	78.60
	Corporate social responsibility Expense (Refer note 37)	96.94	-
	Allowance for expected credit loss	-	63.80
	Loss on disposal of property, plant and equipment (net)	31.29	3.49
	Miscellaneous expense	135.06	52.57
	Total	**5,445.81**	**5,468.99**
	Note: Payment to the auditors comprises (net of tax):		
	i) Statutory audit*	20.70	7.43
	ii) Tax audit	2.00	0.85
		22.70	**8.28**

* Payment made to auditors for current year (includes Rs. 2.70 Lakhs paid to previous auditors)

		As at 31 March 2022 (Rupees in lakhs)	As at 31 March 2021 (Rupees in lakhs)
31	**Income tax expense**		
	Profit before tax	10,130.27	11,448.54
	Tax using Company's domestic tax rate @ 25.17%	2,549.58	2,881.37
	Tax effect of :		
	Non deductible expenses (net)	87.90	(8.39)
	Income tax expense recognised in profit or loss	**2,637.48**	**2,872.97**
32	**Earnings per share (EPS)**		
	Profit for the year	7,492.79	8,584.08
	Weighted average number of equity shares used in calculation of basic and diluted EPS	500,000.00	500,000.00
	Nominal value per share (in Rupees)	10.00	10.00
	Earnings per share (Basic and Diluted) (in Rupees)	**1,493.87**	**1,719.23**

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33 Related party disclosures

A. Related parties where control exists :

(i) **Ultimate holding company**
IHH Healthcare Berhad

(ii) Enterprises having direct control over the Company	Nature of relationship
SRL Diagnostics Private Limited	Enterprises having joint control over the company (upto 4 April 2021)
SRL Limited	Holding company (w.e.f 5 April 2021)

(iii) **Person having joint control over the Company (upto 4 April 2021)**
Ajith Joy and Elsy Joseph

B. Other related parties with whom transactions have taken place during the year	Nature of relationship
SRL Diagnostics Private Limited	Fellow subsidiary (w.e.f 5 April 2021)
Doctors Diagnostic Centre Pvt Ltd	Entities where relative of director is interested
DIAL Scans	Entities where relative of director is interested

C. Key Managerial Personnel (KMP)
Ajith Joy
Elsy Joseph (Relative of KMP)
Smitha Ajith (Relative of KMP)
Asha Joseph (Relative of KMP)

D. Transactions with related parties during the year

	Year ended 31 March 2022 (Amount in lakhs)	Year ended 31 March 2021 (Amount in lakhs)
(i) Rendering of services:		
SRL Limited	12.50	-
DIAL Scan	3.93	4.09
Doctors Diagnostic Centre Pvt Ltd	289.39	84.52
(ii) Receiving of services:		
(a) Legal & Professional expenses		
SRL Diagnostics Private Limited	126.00	126.00
(b) Professional fees to doctors		
Ajith Joy	320.40	-
Smitha Ajith	43.20	42.30
(c) Cost of tests outsourced		
SRL Limited	146.35	101.41
(d) Managerial remuneration		
Ajith Joy	10.86	340.75
Elsy Joseph	-	93.03
(e) Rent		
Ajith Joy	103.44	94.96
Elsy Joseph	4.94	4.84
Asha Joseph	10.10	-
(iii) Purchase of Reagents and consumables		
SRL Limited	13.23	-
(iv) Purchase of property, plant and equipment, and other intangible		
SRL Limited	13.81	-
(v) Sale of property, plant and equipment, and other intangible assets		
SRL Limited	41.98	-

	As At 31 March 2022 (Rupees in Lakhs)	As At 31 March 2021 (Rupees in Lakhs)
E. Balances outstanding at the year end :		
Trade payables and other financial liabilities		
SRL Diagnostic Private Limited	11.34	-
SRL Limited	7.35	7.62
Ajith Joy	5.66	-
	24.35	**7.62**
Trade Receivables		
Doctors Diagnostic Centre Private Limited	6.14	-
DIAL Scans	0.28	-
	6.42	-

F. Terms and conditions of transactions with related parties
The sale to and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year end are unsecured and interest free and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial assumptions and the market in which the related parties operates.

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34 Leases

As lessee

The Company has obtained lab premises and office premises on lease arrangements. The lease terms varies from 6 months to 11 years, renewable at the option of the Company. There are no restrictions imposed by the lease arrangements.

Information about leases for which the company is a lessee is presented below:

(i) Right-of-use assets

Particulars	As at 31 March 2022 (Amount in lakhs)	As at 31 March 2021 (Amount in lakhs)
Opening balance	599.34	787.00
Additions to right of use assets	2,908.06	-
Depreciation charge for the year	(648.57)	(187.66)
Closing balance	**2,858.83**	**599.34**

(ii) Lease Liabilities

	As at 31 March 2022 (Amount in lakhs)	As at 31 March 2021 (Amount in lakhs)
Maturity analysis - contractual undiscounted cash flows		
Less than one year	750.14	221.42
One to five years	2,798.30	549.67
More than five years	134.85	-
Total undiscounted lease liabilities	**3,683.29**	**771.09**
Lease liabilities included in the balance sheet		
Current	526.52	162.06
Non-current	2,457.14	490.61

(iii) Amounts recognised in profit or loss

	Year ended 31 March 2022 (Amount in lakhs)	Year ended 31 March 2021 (Amount in lakhs.)
Expenses arising from leases:		
Interest on lease liabilities	266.98	75.19
Expenses relating to short-term leases	1,118.48	1,455.44

(iv) Amounts recognised in statement of cash flows

Total cash outflow for leases [including interest of Rs. 266.98 Lakhs (Previous year Rs. 75.19 Lakhs)	716.14	217.05

35 Contingent liabilities

Claims against the Company, disputed by the Company, not acknowledged as debt.

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax*	854.10	854.10
Medical related	112.64	20.33
Bonus	-	31.09
Customs	1.38	1.38
Total	968.12	906.90

* Tax Paid under protest against the Income tax demand is Rs. 251.12 Lakhs.

The Company believes that none of the above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums.

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36 Employee benefits plans

(a) Defined contribution plans

The Company makes contribution towards employees' provident fund, employees' state insurance plan scheme and labour welfare funds on behalf of the employees. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme. The Company has recognised following amount during the year as expense towards contribution to these plans.

	As at 31 March 2022 (Rupees in Lakhs)	As at 31 March 2021 (Rupees in Lakhs)
Provident fund	245.19	159.03
Employees' state insurance scheme	63.26	49.35
Labour Welfare Fund	3.07	2.71
	311.52	**211.09**

(b) Defined benefit plans

Gratuity

The Company has a defined benefit gratuity plan, wherein every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service in terms of the provisions of Gratuity Act, 1972. Gratuity plan is unfunded.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longetivity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the discount rate which is linked to the Bond Interest rate will increase the present value of the liability requiring higher provision.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial assumptions were as follows:

	As at 31 March 2022	As at 31 March 2021
Discount rate	7.10% p.a.	6.82% p.a.
Expected rate of salary increase	5.00% p.a.	5.00% p.a.
Mortality rate	Indian Assured Lives 2012-14 Ultimate	Indian Assured Lives 2012-14 Ultimate
Employee attrition rate		
Up to 30 years	30.07% p.a.	Service <5 years 28% p.a.
31-44 years	7.70% p.a.	Service >=5years 2% p.a.
Above 44 years	1.18% p.a.	

Statement of profit and loss

	Year ended 31 March 2022 (Rupees in Lakhs)	Year ended 31 March 2021 (Rupees in Lakhs)
Service cost		
Current service cost	73.39	88.26
Net interest expense	38.25	33.17
Recognised in Statement of Profit and Loss	**111.64**	**121.43**
Remeasurement on the net defined benefit liability:		
- Actuarial (gain)/loss arising from changes in demographic assumptions	36.12	(55.83)
- Actuarial (gain) arising from changes in financial assumptions	(21.87)	(155.02)
- Actuarial loss arising from experience adjustments	17.07	194.71
Recognised in other comprehensive income	**31.32**	**(16.14)**
	142.96	**105.29**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' and 'Finance costs' line item respectively in the Statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

	As at 31 March 2022 (Rupees in Lakhs)	As at 31 March 2021 (Rupees in Lakhs)
Balance sheet		
Details of Provision for gratuity		
Present value of unfunded defined benefit obligation	654.48	561.23
	654.48	**561.23**

	Year ended 31 March 2022 (Rupees in Lakhs)	Year ended 31 March 2021 (Rupees in Lakhs)
Movement in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	561.23	486.42
Current service cost	73.39	88.26
Interest cost	38.25	33.17
Employer direct benefit payments		-
- Actuarial (gains)/losses arising from changes in demographic assumptions	36.12	(55.83)
- Actuarial gains arising from changes in financial assumptions	(21.87)	(155.02)
- Actuarial losses arising from experience adjustments	17.07	194.71
Benefits paid	(49.71)	(30.48)
Closing defined benefit obligation	**654.48**	**561.23**

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Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and attrition rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	As at 31 March 2022 (Rupees in Lakhs)	As at 31 March 2021 (Rupees in Lakhs)
If the discount rate is 100 basis points higher	595.17	503.09
If the discount rate is 100 basis points lower	724.69	631.35
If the expected salary growth increases by 1%	724.48	631.94
If the expected salary growth decreases by 1%	594.47	501.66
If attrition rate increases by 1%	665.56	572.45
If attrition rate decreases by 1%	654.18	548.04

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The defined benefit plans shall mature as follows:

(Rupees in Lakhs)

Expected Cashflow over the next (valued on undiscounted basis)	Defined benefit obligation
1 year	76.34
2 to 5 years	202.01
6 to 10 years	271.08
More than 10 years	1,064.64

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Experience adjustments	As at 31 March 2022 (Rupees in Lakhs)	As at 31 March 2021 (Rupees in Lakhs)
Experience adjustment on plan liabilities - loss	17.07	194.71

37 Corporate social responsibility

As per section 135 of the Companies Act, 2013 and the rules therein, the Company is required to spend at least 2% of the average net profit of past three years towards Corporate Social Responsibility (CSR). Details of the CSR expenses, as certified by Management, are as follows:

	As at 31 March 2022 (Rupees in Lakhs)	As at 31 March 2021 (Rupees in Lakhs)
(i) amount required to be spent by the company during the year,	96.94	33.82
(ii) amount of expenditure incurred,	96.94	49.72
(iii) shortfall at the end of the year,	-	-
(iv) total of previous years shortfall,	-	15.90
(v) reason for shortfall,	-	-
(vi) nature of CSR activities,	Contributed to ICMR to support research and development projects in the field of science, technology, engineering and medicine	Contributed to trust having CSR registration for Community Development programmes, Sradha School for children with special needs, Financial aid for Dialysis Patients
(vii) details of related party transactions	-	-
(viii)where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

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38. Financial instruments

38A Capital Management

The Company manages its capital to ensure that Company will be able to continue as going concern. The Company manages its capital structure and makes adjustments in the light of changes in economic environment. The company reviews its capital structure on a periodic basis and considers the cost of capital and the risk associated with each class of capital. The Company is not subject to any externally imposed capital requirements.

38B. Fair value measurement

		Carrying value	
		As at 31 March 2022	As at 31 March 2021
Financial assets		(Rupees in Lakhs)	(Rupees in Lakhs)
Measured at amortised cost			
Other financial assets - non current	(b)	1,273.35	1,368.59
Trade receivables	(a)	755.83	784.11
Cash and cash equivalents	(a)	2,109.22	2,857.55
Bank balances other than cash and cash equivalents	(a)	7,195.87	-
Other financial assets - current	(a)	88.70	-
Total		**11,422.97**	**5,010.25**
Financial liabilities			
Measured at amortised cost			
Borrowings : current *	(a)	10.26	-
Borrowings : non - current *	(b)	34.37	-
Lease liabilities - non current	(c)	2,457.14	490.61
Lease liabilities - current	(c)	526.52	162.06
Trade payables	(a)	1,119.99	754.39
Other financial liabilities - current	(a)	503.63	217.26
Total		**4,651.92**	**1,624.33**

* Borrowings include interest bearing loans taken at market rate of interest from Banks.
The following methods / assumptions were used to estimate the fair values:

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair valuation of non-current financial assets and liabilities have been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

(c) Fair value measurement of lease liabilities is not required to be disclosed.

There are no financial Instruments which are valued under category Level 1, Level 2 and Level 3.

Financial instruments measured at amortized cost
The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

38C Financial risk management objectives and Policies

The Company's financial assets includes trade receivables, cash and cash equivalents and other financial assets that derive directly from it's operations. The Company's principal financial liabilities comprise trade payables, lease liabilities, other payables and borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company has exposure to the following risk arising from financial instruments.

(a) Credit risk
(b) Market risk
(c) Liquidity risk

The Company's board of directors manages the financial risk of the Company through internal risk report which analyse exposure by magnitude of risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet it's contractual obligation and arises principally for the Company's receivable from customers. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics and credit worthiness of each customer. Further refer note 10 for details on provision for expected credit loss.
The company carries other financial assets such as balances with banks, security deposits, interest accrued on deposits, advances etc. Based on historical experience, the Company does not expect any significant risk of default.
The Company's maximum exposure to credit risk for each of the above categories of financial assets is their carrying values as at the reporting dates.

(b) Market risk
Market risk is the risk of loss of future earnings, risk of loss due to change in interest rates, fair values or future cash flows that may result from a change in the price of financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments.
Market risk includes:

(i) Foreign currency risk
(ii) Interest rate risk
(iii) Other price risk

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(i) Foreign currency risk
There are no foreign currency balances outstanding as at 31 March 2022.

(ii) Interest rate risk
The Company is not exposed to interest rate risk because the Company does not borrow funds at floating interest rates. As on 31 March 2022, the Company has borrowings from banks at fixed interest rate. Hence, a change in interest rate risk does not have a material impact on the Company's financial statements in relation to fair value of financial instruments.

(iii) Other price risk
There is no other price risk for the company

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligation associated with it's financial liabilities that are settled by delivering cash. The Company's ultimate responsibility for liquidity risk management rests with the board of directors, who have established an appropriate liquidity risk management framework of the company's short-term, medium-term and long-term funding requirements. The Company manages liquidity risk by maintaining adequate reserves and and banking facilities.
The company's principal sources of liquidity are cash and cash equivalents and cash flow that is generated from operations.

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

(Rupees in Lakhs)

As at 31 March 2022	0-1 year	Beyond 1 year	Total Amount	Carrying Amount
Non interest bearing instruments				
Lease liabilities	750.14	2,933.15	3,683.29	2,983.66
Trade payables	1,119.99	-	1,119.99	1,119.99
Employee benefits payable	381.42	-	381.42	381.42
Payable towards purchase of property, plant and equipment	60.84	-	60.84	60.84
Security deposits	61.17	-	61.17	61.17
Fixed interest bearing instruments				
Borrowings (including interest accrued)	10.26	34.57	44.84	44.84
	2,383.84	2,967.73	5,351.56	4,651.93

As at 31 March 2021	0-1 year	Beyond 1 year	Total Amount	Carrying Amount
Non interest bearing instruments				
Lease liabilities	221.42	549.67	771.09	652.68
Trade payables	754.39	-	754.39	754.39
Employee benefits payable	126.25	-	126.25	126.25
Payable towards purchase of property, plant and equipment	37.24	-	37.24	37.24
Security deposits	53.77	-	53.77	53.77
	1,193.07	549.67	1,742.74	1,624.33

The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

38D Following figures of previous year have been reclassed to conform to the current year's classification/ disclosures.

(Rupees in Lakhs)

Balance sheet (Sub heading)	Classification as per previous year financials	Classification as per Current year financials	Amount
Security deposits	Loans	Other financial assets	1,363.49
Prepaid Rent on leases (Non Current)	Other assets (Non Current)	Right of use assets	18.81
Prepaid Rent on leases (Current)	Other assets (Current)	Right of use assets	8.56
Advance tax & TDS	Current Tax Assets (Net)	Non Current tax assets	217.33
Provisions for expenses	Other current liabilities	Trade payables	115.79
Employee payables	Provisions for employee benefits	Other financial Liabilities	125.93
Security deposits received	Other current liabilities	Other financial Liabilities	54.07

Statement of Profit and Loss	Classification as per previous year financials	Classification as per Current year financials	Amount
Cost of tests outsourced	Cost of materials consumed	Cost of tests outsourced	114.36
Bank charges	Other Expenses	Finance Costs	99.99

Statement of Cash flow	Classification as per previous year financials	Classification as per Current year financials	Amount
Payment of lease liabilities	Operating activities	Financing activities	141.86
Bank charges	Operating activities	Financing activities	99.99

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39. Ratio Analysis

Ratio	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	% Variance	Remarks
Current ratio	Current Assets	Current Liabilities	4.74	3.59	32%	Due to increase in fixed deposit having maturity period less than one year
Debt- Equity Ratio	Total Debt	Shareholder's Equity	20.66%	6.95%	197%	Increase in debt equity ratio due to new leases accounted under Ind AS 116 during the year.
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	13.84	45.36	-69%	Decrease in debt service coverage ratio due to lease payments have increased due to new leases accounted under Ind AS 116.
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	62.30%	108.20%	-42%	Decrease in return on equity ratio due to reduction in profits due to change in covid test rates but reserve and surplus have increased due to previous years profits.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	8.95	10.29	-13%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	12.85	15.71	-18%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	9.44	13.41	-30%	Due to less payment made to creditors during the year.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	3.51	9.27	-62%	Decrease in Net capital turnover ratio due to increase in fixed deposits having maturity period less than one year
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	23.68%	28.45%	-17%	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	59.25%	115.52%	-49%	Decrease in return on capital employed due to reduction in profits due to change in covid test rates but reserve and surplus have increased due to previous years profits.

40. Additional notes

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off U/s 248 of the Companies Act 2013.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period,

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v)No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

(vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(vii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

(viii) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

B S R & Co LLP Gurugram

DDRC SRL Diagnostics Private Limited Mumbai

41 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	As at 31 March 2022	As at 31 March 2021
The principal amount remaining unpaid as at the end of year	342.16	111.77
Interest due on above principal and remaining unpaid as at the end of the year	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until 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 the Micro Small and Medium Enterprise Development Act, 2006	-	-

42 Operating segments

(a) **Basis for segmentation**

The company is engaged in the business of maintaining and managing clinical reference laboratories, to provide testing and diagnostics on human beings, in the field of pathology. As the company's business activity primarily falls within a single segment i.e. pathology services, there are no disclosures required to be provided in terms of Ind AS 108 on 'Operating segments'.

(b) **Geographical information**

The Company provides services to customers in India. Further, there are no non-current assets located outside India.

(c) **Major customer**

The Company does not derive revenue from one customer which would amount to 10 per cent or more of the entity's revenue.

43 The Company has made detailed assessment of its liquidity position and of the recoverability and carrying values of its assets comprising Property, plant and equipment, Intangible assets, Trade receivables, Inventories as at the reporting period and has concluded that there are no material adjustments required in the financial statements. The management has considered the possible effects that may result from COVID-19 pandemic in preparation of its financial statements. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial statements. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic

For B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.:101248W/W-100022

Rajesh Arora
Partner
Membership Number: 076124

Date : 20 May 2022
Place : Gurugram

For and on behalf of the Board of Directors of
DDRC SRL Diagnostics Private Limited

Anand Kuppuswamy
Director
DIN: 02427196

Mangesh Shrikant Shirodkar
Director
DIN: 05320244

Date : 20 May 2022
Place : Gurugram

DDRC SRL Diagnostics Private Limited
Mumbai