RVKS And Associates
Chartered Accountants

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF Centralab Healthcare Services Private Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **Centralab Healthcare Services Private Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2023, 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 the significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements underthe provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

RVKS AND ASSOCIATES BANGALORE CHARTERED ACCOUNTANTS

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management 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 withrespect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

As part of an audit in accordance with 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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

2.

A. As required by Section 143(3) of the Act, based on our audit we report that:

a. We have sought and obtained all the information and explanations which to the best

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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,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 March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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 Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

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

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

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

iv. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

v. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vi. With the audit procedures which we have considered reasonable and appropriate, the representations given by the Company as mentioned in (iv) and (v) above does not contain any material mis-statement.

vii. The Interim dividend declared and paid by the company during the year is inn accordance with Section 123 of the Act.

**For R V K S And Associates**
**Chartered Accountants**
**Firm's Registration No. 008572S**

Pankaj. Kumar R
15/5/23

**Pankaj Kumar R**
**Partner**
**Membership No.: 234987**
**Date: 15 May 2023**
**UDIN: 23234987BGWDJL4355**

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

i.

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (property, plant and equipment) and intangible assets.

(b) As per the information and explanation given to us, property, plant and equipment have been physically verified by the management at reasonable intervals and no material discrepancy was noticed. In our opinion, this periodicity of physical verification is reasonable considering the size of the Company and nature of its asset.

(c) The Company does not hold any immovable property (in the nature of land or building). Accordingly, the provision of clause 3(i) (c) of the Order are not applicable

(d) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company has not revalued its property, plant and equipment and intangible assets during the year.

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

*ii.* (a) The inventories have been physically verified by the management at reasonable intervals. There were no discrepancies noticed which exceeds 10% or more in aggregate for each class of inventory. In our opinion, this periodicity of physical verification is reasonable considering the size of the Company and nature of its assets and the coverage and procedure of such verification is appropriate.

(b) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company has not been sanctioned any working capital from any banks or financial institutions.

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iii.

(a) During the year, the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security:

| Description | Guarantees | Security | Loans | Advance in the nature of loans |
|---|---|---|---|---|
| Aggregate amount granted/ provided during the year<br>- Holding company (Metropolis Healthcare Limited) | - | - | 3,24,00,000 | - |
| Balance Outstanding as at balance sheet date in respect of above cases<br>- Holding company (Metropolis Healthcare Limited) | - | - | 3,24,00,000 | - |

(b) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the investments made, guarantees provided, security given on the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.

(c) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.

(d) There is no overdue with respect to the repayment of principal and payment of interest for more than 90days.

(e) There are no loans or advances which fall due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of the examination of the records of the company, the company has not granted any loans or advances in the nature of loans which are repayable on demand or without specifying the terms or period of repayment.

iv. The Company has granted loan, investments, guarantees, or security which is in compliance with the provisions of Section 185 and 186 of the Companies Act, 2013.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 related to running of laboratories for carrying out pathological investigations only if the turnover is more than 35 crores in the preceding financial year. As the turnover of the Company is less than the prescribed threshold limit, paragraph 3(vi) of the Order is not applicable to the Company.

vii.

a) According to the information and explanation given to us and on the basis of our examination of records of the company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Goods and Service Tax, Income-tax, Sales-tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on March 31, 2023 for a period of more than six months from the date they become payable

b) According to information and explanations given to us, no dues of Provident Fund, Employees' State Insurance, Goods and Service Tax, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess are pending on account of disputes.

viii. According to the information and explanations given to us and on the basis of the examination of the records of the Company no transactions recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company has not taken any loans or borrowings from financial institutions, banks and government or any other lender. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company and hence not commented upon.

x. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the provisions of clause 3(x)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.

xi. In our opinion and according to the information and explanations given to us, in respect of fraud reporting -

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(a) We report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

xii. In our opinion, the Company is not a Nidhi Company and hence reporting under clause 3(xii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

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

xiv. (a)
In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.

(b)
Since the Company did not have an internal audit system for the period under audit, reporting under this clause is not applicable.

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

xvi. In our opinion and according to the information and explanations given to us, we report that

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

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities.

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

(d) The Group has no CIC. Hence, reporting under this clause is not applicable.

xvii. In our opinion and according to the information and explanations given to us, the company has not incurred any cash losses in the financial year and in the immediately preceding financial year. Hence, reporting under this clause is not applicable.

xviii. There has been no resignation of the statutory auditors during the year. Hence, reporting under this clause is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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, provision of Section 135 of the Companies Act, 2013 is not applicable to the company and hence not commented upon.

xxi. As the company doesn't not have any subsidiary company, reporting under this clause is not applicable.

**For R V K S And Associates**
**Chartered Accountants**
**Firm's Registration No. 008572S**

15/5/23

**Pankaj Kumar R**
**Partner**
**Membership No.: 234987**
**Date: 15 May 2023**
**UDIN: 23234987BGWDJL4355**

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Centralab Healthcare Services Private Limited of even date)**

We have audited the internal financial controls over financial reporting of **Centralab Healthcare Services Private Limited** (the "Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 system over financial reporting.

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**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that,

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 financialcontrols over financial reporting to future periods are subject to the risk that the internal financial controlover financial reporting may become inadequate because of changes in conditions, or that the degree ofcompliance with the policies or procedures may deteriorate.

**Opinion**

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

**For R V K S And Associates**
**Chartered Accountants**
**Firm's Registration No. 008572S**

Pankaj Kumar 15/5/23.

R V K S AND ASSOCIATES BANGALORE CHARTERED ACCOUNTANTS

**Pankaj Kumar R**
**Partner**
**Membership No.: 234987**
**Date: 15 May 2023**
**UDIN: 23234987BGWDJL4355**

**Centralab Healthcare Services Private Limited**
**CIN - U85110KA2011PTC057920**
**(Currency : Indian Rupees in lakhs)**

| ASSETS | Note | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 97.41 | 115.24 |
| Goodwill | 4 | 55.51 | 55.51 |
| Other intangible assets | 4 | 15.81 | 1.29 |
| Right of Use Assets | 37 | 118.99 | 58.53 |
| Financial assets | | | |
| i) Investments | | | |
| ii) Loans | 5a | 324.00 | - |
| iii) Other non current financial assets | 5b | 36.85 | 35.25 |
| Other non-current assets | 6 | 5.44 | 6.08 |
| Deferred tax assets (net) | 30 | 28.04 | 25.58 |
| Non-current tax assets (net) | 7 | 23.67 | 78.00 |
| **Total Non-current assets** | | **705.73** | **375.48** |
| **Current assets** | | | |
| Inventories | 8 | 25.40 | 40.11 |
| Financial Assets | | | |
| i) Trade receivables | 9 | 106.00 | 137.07 |
| ii) Cash and cash equivalents | 10 | 102.07 | 98.75 |
| iii) Bank balances other than cash and cash equivalents | 11 | 55.31 | 878.55 |
| Other current assets | 12 | 35.74 | 54.21 |
| **Total Current assets** | | **324.52** | **1,208.69** |
| **TOTAL ASSETS** | | **1,030.25** | **1,584.17** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 13 | 435.00 | 435.00 |
| Other equity | 14 | 223.77 | 849.36 |
| **Total Equity** | | **658.77** | **1,284.36** |
| **Liabilities** | | | |
| **Non current liabilities** | | | |
| Financial liabilities | | | |
| Lease liabilities | 37 | 124.07 | 61.83 |
| Deferred tax liabilities (net) | | | |
| Provisions | 15 | 11.33 | 21.72 |
| **Total Non current liabilities** | | **135.40** | **83.55** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Trade payables | | | |
| Total outstanding dues of MSME | 16 | 28.68 | - |
| Total outstanding dues of creditors other than MSME | | 101.88 | 65.54 |
| Other current financial liabilities | 17 | 10.99 | 7.35 |
| Other current liabilities | 18 | 7.34 | 7.58 |
| Provisions | 19 | 27.56 | 17.88 |
| Current tax liabilities | 20 | 59.63 | 117.90 |
| **Total Current liabilities** | | **236.08** | **216.25** |
| **TOTAL EQUITY AND LIABILITIES** | | **1,030.25** | **1,584.17** |

Significant Accounting Policies 2

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

**For RVKS And Associates**
*Chartered Accountants*
Firm's Registration No : 008572S

*For and on behalf of the Board of Directors*
*Centralab Healthcare Services Private Limited*
*CIN - U85110KA2011PTC057920*

15/5/23

RVKS AND ASSOCIATES BANGALORE CHARTERED ACCOUNTANTS

| **Pankaj Kumar R** | **ISHITA MEDHEKAR** | **RAKESH AGARWAL** | **ALANGADAN KANNAN** |
|---|---|---|---|
| *Partner* | *Director* | *Director* | *Director* |
| Membership No: 234987 | DIN : 09151779 | DIN : 08614903 | DIN : 09151786 |
| Place : Bangalore | Place : Mumbai | Place : Mumbai | Place : Mumbai |
| Date: 15 May 2023 | Date: 15 May 2023 | Date: 15 May 2023 | Date: 15 May 2023 |

**Centralab Healthcare Services Private Limited**
**CIN - U85110KA2011PTC057920**
**(Currency : Indian Rupees in lakhs)**

| | *Note* | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| **I. Income** | | | |
| Revenue from Operations | 21 | 1,209.29 | 1,618.99 |
| Other income | 22 | 53.04 | 31.98 |
| **Total Income** | | **1,262.33** | **1,650.97** |
| **II. Expenses** | | | |
| Cost of materials consumed | 23 | 196.37 | 382.81 |
| Laboratory testing charges | 24 | 60.80 | 84.62 |
| Employee benefits expense | 25 | 224.43 | 221.14 |
| Finance costs | 26 | 21.30 | 18.75 |
| Depreciation and amortisation expense | 27 | 110.45 | 102.76 |
| Other expenses | 28 | 417.40 | 404.32 |
| **Total Expenses** | | **1,030.75** | **1,214.40** |
| **III. Profit before tax and exceptional items (I- II)** | | **231.58** | **436.57** |
| **IV. Exceptional Items (Income)** | | | |
| **V. Profit before tax (III-IV)** | | **231.58** | **436.57** |
| **Income tax expenses:** | | | |
| 1. Current Tax | 29 | 59.63 | 117.90 |
| 2. Deferred Tax (income)/ expenses | 30 | -2.47 | -3.92 |
| 3. Tax adjustments for earlier years | | | 1.83 |
| **VI. Total Income tax expenses** | | **57.16** | **115.81** |
| **VII. Profit for the year (V-VI)** | | **174.42** | **320.76** |
| **VIII. Other comprehensive income** | | | |
| **IX. Total comprehensive income for the year (VII-VIII)** | | | |
| **Equity shares of face value of Rs. 10 each** | 31 | | |
| Basic earnings per share (in absolute figures) | | **4.01** | 7.37 |
| Diluted earnings per share | | **4.01** | 7.37 |
| Significant Accounting Policies | 2 | | |

The accompanying notes are an integral part of these financial statements
As per our report of even date attached

**For RVKS And Associates**
*Chartered Accountants*
Firm's Registration No :
008572S

Pankaj 15/5/23

**Pankaj Kumar R**
Partner
Membership No: 234987
Place :Bangalore
Date: 15 May 2023

*For and on behalf of the Board of Directors*
*Centralab Healthcare Services Private Limited*
*CIN - U85110KA2011PTC057920*

**ISHITA MEDHEKAR**
*Director*
DIN : 09151779
Place : Mumbai
Date: 15 May 2023

**RAKESH AGARWAL**
*Director*
DIN : 08614903
Place : Mumbai
Date: 15 May 2023

**ALANGADAN KANNAN**
*Director*
DIN : 09151786
Place : Mumbai
Date: 15 May 2023

**Centralab Healthcare Services Private Limited**
**CIN - U85110KA2011PTC057920**
**(Currency : Indian Rupees in lakhs)**

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| A | **Cash Flow from Operating Activities** | | |
| | Profit before tax | 231.57 | 436.57 |
| | **Adjustments for :** | - | - |
| | Depreciation and amortisation expense | 110.45 | 102.76 |
| | Interest on lease Liabilities | 13.76 | 9.54 |
| | Lease expense | 2.28 | 2.15 |
| | Allowance for expected credit loss of Trade receivables (net) | - | 15.90 |
| | Interest & other income | -28.90 | -26.25 |
| | Interest income on income tax refund | -0.67 | -1.23 |
| | **Operating profit before working capital changes** | **328.49** | **539.44** |
| | **Working capital adjustments:** | | |
| | (Increase) / Decrease in inventories | 14.70 | 6.43 |
| | Increase / (Decrease) in Trade Receivables | 31.07 | 34.85 |
| | (Increase) / Decrease in other current financial assets | -1.60 | 0.94 |
| | (Increase) / Decrease in other current assets | 70.97 | -91.17 |
| | Increase / (Decrease) in Provision | 9.69 | 5.65 |
| | Increase / (Decrease) in Trade Payables | 65.02 | -8.77 |
| | (Decrease) / Increase in other non-current liabilities | 51.85 | 14.83 |
| | (Decrease) / Increase in other current liabilities | -54.87 | 52.98 |
| | **Cash generated from operating activities** | **515.32** | **555.18** |
| | Income tax paid (net) | -57.16 | -117.90 |
| | **Net cash generated from operating activities (A)** | **458.16** | **437.28** |
| B | **Cash Flow from Investing Activities:** | | |
| | Purchase of property, plant and equipment & Intangible assets (Including capital advances and capital creditors) | -144.41 | -86.15 |
| | Purchase of other intangible assets | -23.20 | - |
| | Loans Given to Related Parties (net) | -324.00 | - |
| | Interest Income received | 28.90 | 26.25 |
| | Interest Income received on Income tax refund | 0.67 | 1.23 |
| | **Net cash generated from/(used in) investing activities (B)** | **-462.03** | **-58.66** |
| C | **Cash Flow from Financing Activities** | | |
| | Interest on lease Liabilities | -16.04 | -9.54 |
| | Payment of Interim Dividend | -720.00 | - |
| | Payment of Tax on Interim Dividend | -80.00 | - |
| | Tax on buy back of equity shares | | - |
| | **Net cash used in financing activities (C)** | **-816.04** | **-9.54** |
| | **Net Increase in cash and cash equivalents (A+B+C)** | **-819.91** | **369.08** |
| | **Cash and Cash Equivalents at the beginning of the year** | 977.30 | 608.22 |
| | **Cash and Cash Equivalents at the end of the year (Refer note10)** | **157.40** | **977.30** |

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**(Currency : Indian Rupees in lakhs)**

1 The Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 "Statement of Cash Flows"

2 The figures in the brackets indicate outflow of cash and cash equivalents.

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Balance as at the beginning of the year | 977.30 | 608.22 |
| Cashflows | -819.91 | 369.08 |
| Non cash changes | | |
| **Balance as at the end of year** | **157.40** | **977.30** |

Significant Accounting Policies *2*

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

**For RVKS And Associates**
*Chartered Accountants*
Firm's Registration No : 008572S

15/5/23.

**Pankaj Kumar R**
*Partner*
Membership No: 234987
Place :Bangalore
Date: 15 May 2023

**For and on behalf of the Board of Directors**
**Centralab Healthcare Services Private Limited**
CIN - U85110KA2011PTC057920

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**Centralab Healthcare Services Private Limited**
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**Statement of Changes in Equity (SOCIE)**

(a) **Equity share capital (Refer Note 13)**

| | | |
|---|---|---|
| **Balance as at 31 March 2022** | **43,50,000** | **435.00** |
| **Balance as at 31 March 2023** | **43,50,000** | **435.00** |

(b) **Other Equity (Refer Note 14)**

| Particulars | Reserves & Surplus | | | Total other equity |
|---|---|---|---|---|
| | Retained earnings (P& L Credit Balance) | Other comprehensive income (OCI) | Debt instruments through OCI | |
| **Balance as at 31 March 2022** | **849.36** | - | - | **849.36** |
| Profit for the year | 174.41 | | | 174.41 |
| **Total comprehensive income** | **174.41** | - | - | **174.41** |
| Interim Dividend declared (Refer Note 38) | 800.00 | - | | 800.00 |
| **Balance as at 31 March 2023** | **223.77** | - | - | **223.77** |

The accompanying notes are an integral part of these financial statements

Retained Earnings are the profits of the company has earned till date, less any transfers to General reserve, dividends or other distributions to shareholders. Retained earnings is a free reserve available to the company.

As per our report of even date attached

**For RVKS And Associates**
*Chartered Accountants*
Firm's Registration No : 008572S

**Pankaj Kumar R**
*Partner*
Membership No: 234987
Place : Bangalore
Date: 15 May 2023

15/5/23

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RVKS AND ASSOCIATES BANGALORE CHARTERED ACCOUNTANTS

**Notes to financial statements**
*for the year ended 31 March 2023*

**1 <u>Background of the Company and nature of operation</u>**

CENTRALAB HEALTHCARE SERVICES PRIVATE LIMITED, was incorporated in India in the year 2011 and is engaged in the business of providing pathology and related healthcare services. The registered office of the Company was located at F3 3rd Floor Shiva Shankar Plaza No.19 Lalbagh Road, Richmond circle Junction Bangalore – 560027. During the year, the registered office of the company has been shifted to Mumbai basis approval from the regional director of RoC

**2 <u>Basis of preparation, measurement and significant accounting policies</u>**

**2 <u>Basis of preparation and measurement</u>**

**a Statement of compliance:**

The Balance Sheet of the Company as at 31 March 2023 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year ended 31 March 2023 and summary of significant accounting policies and other financial information (together referred as 'Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 by relevant amendment rules issued thereunder.
The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles Generally Accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.
Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**b Current vs non-current classification:**

All the assets and liabilities have been classified into current and non current.

**Assets:**
An asset is classified as current when it satisfies any of the following criteria:
a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within twelve months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**Liabilities:**
A liability is classified as current when it satisfies any of the following criteria:
a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

**Operating cycle:**
All assets and liabilities have been classified as current or non-current as per the company normal operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. Based on the nature of services and the time taken between acquisition of assets/inventories for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

**c Basis of measurement:**

These financial statements have been prepared on accrual and going concern basis and the historical cost convention except for the following assets and liabilities which have been measured at fair value or revalued amount:

• Certain financial assets and liabilities (including derivative instruments) measured at fair value.
• Net defined benefit asset / liability - Fair value of plan assets less present value of defined benefit obligations.

**d Key estimates and assumptions:**

In preparing these financial statements, management has made judgements, 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.

The areas involving critical estimates or judgements are :
i. Determination of useful lives of property, plant and equipment and intangibles; (Note 2.2(a))
ii. Recognition of deferred tax assets; (Note 2.2(l))
iii. Recognition and measurement of provisions and contingencies; (Note 2.2(h))
iv. Measurement of defined benefit obligations; (Note 2.2(k))
v. Leases - Critical judgements in determining the discount rate (Note 37)

**e Measurement of fair values:**

Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.The Company has an established control framework with respect to the measurement of fair values (including Level 3 fair values). The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Further information about the assumptions made in measuring fair values is included in the notes on Financial

## 2 Significant accounting policies

### a) Property plant and equipment

**Recognition and measurement:**
Recognition and measurement:
Items of property, plant and equipment, other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses.
Freehold land is carried at cost and is not depreciated. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, (after deducting trade discounts and rebates), any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.
If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
Any gain or loss on derecognition of an item of property, plant and equipment is included in statement of profit and loss when the item is derecognized.
Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to statement of profit and loss during the reporting year in which they are incurred.

**Depreciation:**
Depreciation on property, plant and equipment, is provided under the written down value method in the manner prescribed under Schedule II of the Act.
Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### b) Intangible assets

**Goodwill**
Goodwill that arises on a business combination is subsequently measured at cost less any accumulated impairment losses on testing of impairment

**Other Intangible assets:**
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

**Amortization:**
Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the written down value method over their estimated useful lives, and is recognized in statement of profit and loss.
The estimated useful lives for current and comparative periods are as follows:
Computer software - 5 years
Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

**c) Impairment of non-financial assets**

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.

The recoverable amount of an individual asset (or where applicable, that of cash generating unit (CGU) to which the asset belongs) 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**d) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as call options to buy out stake in subsidiary.

**d. 1 Financial assets**

**Initial recognition and measurement**
Financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**
For the purpose of subsequent measurement, financial assets are classified in four categories:
• Amortized cost,
• Fair value through profit (FVTPL)
• Fair value through other comprehensive income (FVTOCI)
on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**Amortized cost :**
A financial instrument is measured at the amortized cost if both the following conditions are met:
The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

**Fair value through profit and loss ('FVTPL'):**
All financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss with all changes recognized in the statement of profit and loss. Interest income (basis EIR method), from financial assets at fair value through profit or loss is recognised in the statement of profit and loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fair value.
Derivative financial instruments (call option over shares of subsidiaries) are classified as financial instruments at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value.
They are subsequently re-measured at their fair value, with changes in fair value being recognised in the statement of profit and loss.

**Fair value through Other Comprehensive Income ('FVOCI')**
Financial assets are measured at FVOCI if both the following conditions are met:
The asset is held within a business model whose objective is achieved by both
- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Dividends, Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognized in the Statement of Profit and Loss. Other net gains and losses are recognized in other comprehensive Income.

**Derecognition:**
A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:
The contractual rights to receive cash flows from the financial 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.

On de-recognition, any gains or losses on all equity instruments (measured at FVTPL) and debt instruments (other than debt instruments measured at FVOCI) are recognized in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition.

**Impairment of financial assets**
In accordance with Ind-AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to

**d. 2 Financial liabilities**

**Initial recognition and measurement**
Financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

**Subsequent measurement**
Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

Financial Liabilities at Fair Value through Profit or Loss (FVTPL):
A financial liability is classified as Fair Value through Profit or Loss (FVTPL) if it is classified as held-for trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognized in the Statement of Profit and Loss.

Financial Liabilities at amortized cost:
After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the effective interest rate ("EIR") method.

Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss

**Derecognition**

A financial liability is derecognized 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 recognized in the statement of profit or loss.

**Derivative financial instruments**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss account. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**Offsetting of financial instruments**

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

**e) Investments in subsidiaries, associates and joint ventures:**

No Investment held during the financial year by the company.

**f) Inventories**

Inventories comprise of reagents, chemicals, diagnostic kits, medicines and consumables. Inventories are valued at lower of cost and net realizable value. Cost comprises the cost of purchase and all other costs attributed to bring the goods to that particular condition and location.Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**g) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet and cash flow statement includes cash at bank and on hand, deposits held at call with banks, with original maturities less than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

**h) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are not recognized till the realization of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is probable.

**i) Revenue Recognition**

Revenue comprise of revenue from providing healthcare services such as health checkup and laboratory services. Pathology service is the only principal activity and reportable segment from which the company generates its revenue.

Revenue is recognised once the testing samples are processed for requisitioned test, to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable, taking into account the amount of any trade discounts and volume rebates allowed by the entity

**j) Other income**

Interest income
For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options); expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

**k) Employee Benefits**

(i) Short-term Employee benefits
Liabilities for wages and salaries, bonus and ex gratia including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided.

A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Compensated absences
The Company provides for compensated absences. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date. It is measured at the balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the statement of profit and loss in the period in which they occur. The Company also offers a short term benefit in the form of encashment of unavailed accumulated compensated absences above certain limits for all of its employees and same is recognised as undiscounted liability at the balance sheet date.

(iii) Share-based payments
The cost of equity settled transactions is determined by the fair value at the grant date which is based on the Black Scholes model. The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity under “Employee Stock Options Reserve”, over the period that the employees become unconditionally entitled to the options.

The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Company revises its estimates of the number of options that are expected to vest, if required.

When the terms of an equity-settled award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.

(iv) Post-Employment Benefits

Defined Contribution Plans:
A defined contribution plan is a post-employment benefit plan under which a Company pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes contribution to provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance. Contribution paid or payable in respect of defined contribution plan is recognized as an expense in the year in which services are rendered by the employee.

Defined Benefit Plans:
The Company's gratuity benefit scheme is a defined benefit plan. The liability is recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets (being funded portion), together with adjustments for unrecognised actuarial gain losses and past service costs. The defined benefit/obligation are calculated at balance sheet date by an independent actuary using the projected unit credit method.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other

**l) Income-tax**

Income tax expense /income comprises current tax expense income and deferred tax expense income. It is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income, in which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

Current Tax

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured at the amount expected to be paid to (or recovered from) the taxation authorities, using the applicable tax rates and tax laws.

• Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognized amounts; and
• intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Tax
Deferred Income tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.
Deferred tax assets are recognized 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 utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized such reductions are reversed when it becomes probable that sufficient taxable profits will be available.
Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be recovered.
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities 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:
i) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**m) Leases**
Ind-AS 116:
**As a lessee**
Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- Fixed payments (including in-substance fixed payments), less incentives receivables.
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate at the commencement date.
- amount expected to be payable by the company under residual value guarantees.
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

**Notes to financial statements**
*for the year ended 31 March 2023*

**n) Earnings per share:**

Basic Earnings per share is calculated by dividing the profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:
• The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
• Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**o) Rounding off amounts**
All amounts disclosed in financial statements and notes have been rounded off to the nearest thousands as per the requirement of schedule III, under otherwise stated;

**Signature to the Schedules and notes**

**For Centralab Healthcare Services Private Limited**

**ISHITA MEDHEKAR**
*Director*
DIN : 09151779
Place : Mumbai
Date: 15 May 2023

**RAKESH AGARWAL**
*Director*
DIN : 08614903
Place : Mumbai
Date: 15 May 2023

**ALANGADAN KANNAN**
*Director*
DIN : 09151786
Place : Mumbai
Date: 15 May 2023

**Subject to our report of even Date annexed**

**For R V K S and Associates**
**Chartered Accountants**
**FRN No. 008572S**

**Pankaj Kumar R**
**Partner**
**Membership No: 234987**
**Place: Bangalore**
**Date: 15 May 2023**

**Centralab Healthcare Services Private Limited**
**CIN - U85110KA2011PTC057920**
**(Currency : Indian Rupees in lakhs)**

## 3 Property, plant and equipment

**As at 31 March 2023**

| Particulars | Freehold land | Buildings | Laboratory equipment | Furniture & fixtures | Vehicles | Office equipment | Computers | Leasehold improvement | Total |
|---|---|---|---|---|---|---|---|---|---|
| Cost as at 01 Apr 2022 | - | - | 136.49 | 17.89 | - | 81.00 | 18.11 | 84.31 | 337.79 |
| Additions during the year | - | - | 1.28 | - | - | 0.52 | 11.91 | 6.50 | 20.21 |
| Disposals during the year | - | - | - | - | - | - | - | - | - |
| **Cost as at 31 March 2023 (A)** | **-** | **-** | **137.77** | **17.89** | **-** | **81.52** | **30.01** | **90.80** | **358.00** |
| | | | | | | | | | |
| Accumulated depreciation as at 01st Apr 2022 | - | - | 71.18 | 9.72 | - | 61.08 | 15.95 | 64.62 | 222.55 |
| Depreciation charged during the year | - | - | 14.21 | 2.12 | - | 7.30 | 5.88 | 8.54 | 38.04 |
| Disposals during the year | - | - | - | - | - | - | - | - | - |
| **Accumulated depreciation as at 31 March 2023 (B)** | **-** | **-** | **85.39** | **11.84** | **-** | **68.38** | **21.82** | **73.16** | **260.59** |
| | | | | | | | | | |
| **Net carrying amount as at 31 March 2023 (A) - (B)** | **-** | **-** | **52.38** | **6.06** | **-** | **13.14** | **8.19** | **17.64** | **97.41** |

**As at 31 March 2022**

| Particulars | Freehold land | Buildings | Laboratory equipment | Furniture & fixtures | Vehicles | Office equipment | Computers | Leasehold improvement | Total |
|---|---|---|---|---|---|---|---|---|---|
| Cost as at 01 Apr 2021 | - | - | 125.37 | 17.89 | - | 78.78 | 17.53 | 83.81 | 323.38 |
| Additions during the year | - | - | 11.12 | - | - | 2.21 | 0.58 | 0.50 | 14.41 |
| Disposals during the year | - | - | - | - | - | - | - | - | - |
| **Cost as at 31 March 2022 (A)** | **-** | **-** | **136.49** | **17.89** | **-** | **81.00** | **18.11** | **84.31** | **337.79** |
| | | | | | | | | | |
| Accumulated depreciation as at 01st Apr 2021 | - | - | 54.82 | 9.14 | - | 50.72 | 14.45 | 49.96 | 179.08 |
| Depreciation charged during the year | - | - | 16.36 | 0.58 | - | 10.36 | 1.50 | 14.67 | 43.47 |
| Disposals during the year | - | - | - | - | - | - | - | - | - |
| **Accumulated depreciation as at 31 March 2022 (B)** | **-** | **-** | **71.18** | **9.72** | **-** | **61.08** | **15.95** | **64.62** | **222.55** |
| | | | | | | | | | |
| **Net carrying amount as at 31 March 2022 (A) - (B)** | **-** | **-** | **65.31** | **8.17** | **-** | **19.92** | **2.16** | **19.68** | **115.24** |

a. The company has not revalued any of its Property, plant and equipment

b. Details of Benami Property held: No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Property) Act, 1988 (45 of 1988) and rules made thereunder.

**Centralab Healthcare Services Private Limited**
**CIN - U85110KA2011PTC057920**
**(Currency : Indian Rupees in lakhs)**

## 4 Other intangible assets

**Changes in the carrying value of intangibles for the period ended 31 March 2023:**

| Particulars | Goodwill | Software |
|---|---|---|
| Cost as at 01 Apr 2022 | 391.84 | 19.09 |
| Additions during the period | - | 23.20 |
| **Cost as at 31 March 2023 (A)** | **391.84** | **42.28** |
| | | |
| Accumulated amortisation | 336.33 | 17.79 |
| Amortisation recognised during the period | - | 8.68 |
| **Accumulated amortisation as at 31 March 2023 (B)** | **336.33** | **26.47** |
| | | |
| **Net carrying amount as at 31 March 2023 (A) - (B)** | **55.51** | **15.81** |

**Changes in the carrying value of intangibles for the period ended 31 March 2022:**

| Particulars | Goodwill | Software |
|---|---|---|
| Cost as at 01 Apr 2021 | 391.84 | 19.09 |
| **Cost as at 31 March 2022 (A)** | **391.84** | **19.09** |
| | | |
| Accumulated amortisation | 336.33 | 17.00 |
| Amortisation recognised during the period | - | 0.79 |
| **Accumulated amortisation as at 31 March 2022 (B)** | **336.33** | **17.79** |
| | | |
| **Net carrying amount as at 31 March 2022 (A) - (B)** | **55.51** | **1.29** |

**Centralab Healthcare Services Private Limited**
**CIN - U85110KA2011PTC057920**
**(Currency : Indian Rupees in lakhs)**

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **5a Loans** | | |
| Loans to related parties (Refer Note 33) (Holding Company- Metropolis Healthcare Limited) | 324.00 | - |
| | **324.00** | **-** |
| **5b Other non current financial assets** | | |
| Security deposits | 36.85 | 35.25 |
| | **36.85** | **35.25** |
| **6 Other non-current assets** | | |
| *(Unsecured, considered Good)* | | |
| Prepaid expenses | 1.66 | 2.81 |
| Interest accrued but not due | 3.78 | 3.26 |
| | **5.45** | **6.08** |
| **7 Non-Current Tax Assets** | | |
| Advance taxes | 23.67 | 78.00 |
| | **23.67** | **78.00** |
| **8 Inventories** ***(valued at lower of cost and net realisable value)*** | | |
| Consumables (Reagents, chemicals, diagnostic kits, medicines, consumables, etc) | 25.40 | 40.11 |
| | **25.40** | **40.11** |
| **9 Trade receivables** | | |
| Trade receivables considered good - Unsecured | 106.00 | 152.97 |
| | **106.00** | **152.97** |
| Less: Allowance for expected credit losses | - | 15.90 |
| | **106.00** | **137.07** |

**Centralab Healthcare Services Private Limited**
**CIN - U85110KA2011PTC057920**
**(Currency : Indian Rupees in lakhs)**

Note : For determining allowances for doubtful trade receivables the company has used a practical expedient for computing the expected credit loss allowance on a provision matrix. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For the receivables outstanding as on 31st March 2023, as per the matrix there is no provision for receivable to be created. Accordingly, the existing provision is written back under Other Income

**Trade receivables Ageing Schedule**

**As at 31 March 2023**

| Particulars | Outstanding for following periods from due date of payment | | |
|---|---|---|---|
| | Less than 6 Months | 6 months – 1 year | 1year -2 years |
| Undisputed Trade Receivables – considered good | 90.65 | 15.06 | 0.29 |
| Undisputed Trade Receivables – considered doubtful | - | - | - |
| Disputed Trade receivables - considered good | - | - | - |
| Disputed Trade Receivables – considered doubtful | - | - | - |
| **Total** | **90.65** | **15.06** | **0.29** |

**As at 31 March 2022**

| Particulars | Outstanding for following periods from due date of payment | | |
|---|---|---|---|
| | Less than 6 Months | 6 months – 1 year | 1year -2 years |
| Undisputed Trade Receivables – considered good | 123.16 | 29.81 | - |
| Undisputed Trade Receivables – considered doubtful | - | - | - |
| Disputed Trade receivables - considered good | - | - | - |
| Disputed Trade Receivables – considered doubtful | - | - | - |
| **Total** | **123.16** | **29.81** | **-** |

**10 Cash and cash equivalents**

| | | |
|---|---|---|
| **Balances with banks** | | |
| - in current accounts | 101.29 | 97.29 |
| - in fixed deposits accounts with maturity within 3 months | | - |
| Cash on hand | 0.78 | 1.46 |
| | **102.07** | **98.75** |

**11 Bank balances other than cash and cash equivalents**

| | | |
|---|---|---|
| Investment in Term deposit with original maturity of more than 3 months but less than 12 months of reporting date | 55.31 | 878.55 |
| | **55.31** | **878.55** |

**Centralab Healthcare Services Private Limited**
**CIN - U85110KA2011PTC057920**
**(Currency : Indian Rupees in lakhs)**

**12 Other current assets**

| | | |
|---|---|---|
| *(Unsecured, considered good)* | | |
| Advance to employees | 0.25 | - |
| Tax Deducted at Source | 29.61 | 51.66 |
| Prepaid Lease Rentals | 3.97 | 2.55 |
| Interest Accrued on loans to MHL | 1.91 | - |
| | **35.74** | **54.21** |

**13 Share capital**

Equity share capital
(Refer detailed Note-13 for Equity Share Capital)

**14 Other equity**

| | | |
|---|---|---|
| Retained Earnings (Refer Note 14) | 223.77 | 849.36 |
| | **223.77** | **849.36** |

**15 Non-current provisions**

| | | |
|---|---|---|
| Provision for employee benefits: | | |
| - Gratuity | 11.33 | 21.72 |
| | **11.33** | **21.72** |

**16 Trade payables**

| | | |
|---|---|---|
| Total outstanding due of micro and small enterprises | 28.68 | |
| Total outstanding due of creditors other than micro and small enterprises | 101.88 | 65.54 |
| | **130.56** | **65.54** |

**Trade payables Ageing Schedule**

**As at 31 March 2023**

| **Particulars** | **Outstanding for following periods from due date of payment** | | |
|---|---|---|---|
| | **Less than 1 Year** | **1-2 years** | **2-3 Years** |
| Total outstanding dues of MSME | 28.68 | - | - |
| Total outstanding dues of creditors other than MSME | 72.80 | 18.66 | 10.42 |
| Disputed dues of MSME | - | - | - |
| Disputed dues of creditors other than MSME | - | - | - |
| **Total** | **101.48** | **18.66** | |

**Centralab Healthcare Services Private Limited**
**CIN - U85110KA2011PTC057920**
**(Currency : Indian Rupees in lakhs)**
**As at 31 March 2022**

| Particulars | Outstanding for following periods from due date of payment | | |
|---|---|---|---|
| | Less than 1 Year | 1-2 years | 2-3 Years |
| Total outstanding dues of MSME | - | - | |
| Total outstanding dues of creditors other than MSME | 65.54 | - | |
| Disputed dues of MSME | - | - | |
| Disputed dues of creditors other than MSME | - | - | |
| **Total** | **65.54** | **-** | |

**17 Other current financial liabilities**

| | | |
|---|---|---|
| Employee related dues | 10.99 | 7.35 |
| | **10.99** | **7.35** |

**18 Other current liabilities**

| | | |
|---|---|---|
| Statutory dues | 7.34 | 4.63 |
| | **7.34** | **7.58** |

**19 Current provisions**

| | | |
|---|---|---|
| Provision for employee benefits: | | |
| - Gratuity | 0.52 | 1.45 |
| - Compensated Absences | 3.38 | 3.05 |
| Other provisions | | |
| -Expenses | 23.29 | 13.00 |
| -Others statutory provisions | 0.37 | 0.37 |
| | **27.56** | **17.88** |

**20 Current tax liabilities**

| | | |
|---|---|---|
| Provision for income tax | 59.63 | 117.90 |
| | **59.63** | **117.90** |

## 13 Equity share capital

### (a) Details of authorised, issued and subscribed share capital

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | **Number(in Absolute)** | **Amount (in Lakhs)** | **Number(in Absolute)** | **Amount (in Lakhs)** |
| **Authorised Capital** | | | | |
| Equity shares of the par value of Rs. 10 each | 45,00,000 | 450.00 | 45,00,000 | 450.00 |
| **Issued, Subscribed and fully Paid up** | | | | |
| Equity shares of the par value of Rs. 10 each | 43,50,000 | 435.00 | 43,50,000 | 435.00 |
| | **43,50,000** | **435.00** | **43,50,000** | **435.00** |

### (b) Reconciliation of number of shares at the beginning and at the end of the year

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | **Number(in Absolute)** | **Amount (in Lakhs)** | **Number(in Absolute)** | **Amount (in Lakhs)** |
| **Equity Shares outstanding at the beginning** | 43,50,000 | 435.00 | 43,50,000 | 435 |
| **Shares outstanding at the end of the year** | **43,50,000** | **435.00** | **43,50,000** | **435** |

### (c) Particulars of shareholders holding more than 5% of shares held

| Name of Shareholder | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | **Number** | **Percentage** | **Number** | **Percentage** |
| Metropolis Healthcare Limited | **43,49,999** | **99.00%** | **-** | **-** |
| Dr. Ganesans Hitech Diagnostic Centre Private Limited | **-** | **-** | **43,49,999** | **99.00%** |

### (d) Terms/rights attached to equity shares

The Company has a single class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend if proposed by the Board of Directors , will be subject to the approval of Shareholders in the ensuing Annual General Meeting except interim dividend. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholder.

### (e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

The Company has not issued any bonus shares nor has there been any buy back of shares during the years ended 31 March 2023.

**Centralab Healthcare Services Private Limited**
**CIN - U85110KA2011PTC057920**
**(Currency : Indian Rupees in lakhs)**

| | Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| **21** | **Revenue from Operations** | | |
| | Service Charges Received | 1,209.29 | 1,618.99 |
| | | **1,209.29** | **1,618.99** |
| **22** | **Other income** | | |
| | Interest Income | | |
| | - from banks | 28.99 | 28.35 |
| | - on income tax refund | 0.67 | 1.23 |
| | - on Loans | 2.12 | - |
| | - on lease deposit | 2.20 | 2.10 |
| | Other Non-operating Income | | |
| | 'Income Tax Refund | 0.05 | - |
| | 'S.Crs Written Back | 0.10 | 0.29 |
| | 'Write back of ECL provision | 18.90 | - |
| | | **53.04** | **31.98** |
| **23** | **Cost of materials consumed** | | |
| | Opening stock (Refer Note 8) | 40.11 | 46.54 |
| | Add: Purchases | 181.67 | 376.38 |
| | | **221.77** | **422.91** |
| | Less: Closing stock (Refer Note 8) | 25.40 | 40.11 |
| | | **196.37** | **382.81** |
| **24** | **Laboratory testing charges** | | |
| | Laboratory testing charges | 60.80 | 84.62 |
| | | **60.80** | **84.62** |
| **25** | **Employee benefits expense** | | |
| | Salaries and wages, bonus etc | 186.42 | 163.48 |
| | Gratuity expenses | 3.48 | 3.42 |
| | Staff welfare expenses | 34.53 | 54.23 |
| | | **224.43** | **221.14** |

**Centralab Healthcare Services Private Limited**
**CIN - U85110KA2011PTC057920**
**(Currency : Indian Rupees in lakhs)**

**26 Finance costs**

| | | |
|---|---|---|
| Interest on lease liabilities | 13.76 | 9.54 |
| Bank & Credit Card Charges | 7.53 | 9.21 |
| | **21.30** | **18.75** |

**27 Depreciation and amortisation expense**

| | | |
|---|---|---|
| Depreciation on property, plant and equipment (Refer Note 3) | 38.04 | 43.47 |
| Amortisation on intangible assets (Refer Note 4) | 8.68 | 0.79 |
| Amortisation of Goodwill (Refer Note 4) | - | - |
| Depreciation on right-of-use asset (Refer Note 37) | 63.74 | 58.51 |
| | **110.45** | **102.76** |

**28 Other expenses**

| | | |
|---|---|---|
| Payment to Auditors for: | | |
| - Statutory audit | 2.95 | 2.95 |
| - Tax audit | 0.59 | 0.59 |
| - For other services | - | 1.15 |
| Consultancy Charges | 86.59 | 106.85 |
| Electricity Expenses | 15.82 | 14.90 |
| Insurance | 1.50 | 1.51 |
| Lab / Office expenses | 16.38 | 19.58 |
| Professional Charges | 4.44 | 22.57 |
| Marketing Expenses | 8.76 | 101.94 |
| Miscellaneous Expenses | 0.68 | 0.60 |
| Printing & Stationery Expenses | 8.54 | 8.26 |
| Rates & Taxes | 0.62 | 1.16 |
| Lease Rent including Facility fees | 214.09 | 16.39 |
| Repairs & Maintenance | 19.91 | 21.85 |
| Travelling & Conveyance | 36.51 | 68.00 |
| Bad debts , allowances for doubtful trade receivables (net) (Refer Note: 9) | - | 16.04 |
| | **417.40** | **404.32** |

**Centralab Healthcare Services Private Limited**
**CIN - U85110KA2011PTC057920**
***Notes to financial statements (Continued)***
*for the year ended 31 March 2023*
**(Currency : Indian Rupees in lakhs)**

## 29 Income taxes

### (a) Amounts recognised in statement of profit and loss

| **Particulars** | **31-03-2023** | **31-03-2022** |
|---|---|---|
| **Current tax expense** | | |
| Current year | **59.63** | **117.90** |
| Tax adjustments for earlier year | **-** | **1.83** |
| | **59.63** | **119.73** |
| **Deferred tax expense** | | |
| Relating to addition and (reversal) of temporary differences | **(2.47)** | **(3.92)** |
| | **(2.47)** | **(3.92)** |
| **Tax expense for the year** | **57.17** | **115.81** |
| | | |

* Effective Income tax rate applicable to the Company for FY 2019-20 has changed on account of decrease in tax rate to 22% w.e.f. 1 April 2019. A New section 115BAA has been introduced with effect from Financial Year (FY) 2019-20 (AY 2020-21) to provide an option for a concessional tax at the rate of 22% in the case of domestic Company. The Company have elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

### (b) Tax charge recognised directly to Other Comprehensive NIL

### (c) Reconciliation of estimated income tax to income tax expense is as below:

| **Particulars** | **31-03-2023** | **31-03-2022** |
|---|---|---|
| | | |
| **Profit before tax (after Exceptional items)** | **231.58** | **436.57** |
| Statutory income tax rate | 25.17% | 25.17% |
| Expected income tax expense | **58.28** | **109.88** |
| | | |
| **Tax effect of adjustments to reconcile expected Income Tax** | | |
| Expenses not allowed under Income tax | 35.53 | 32.39 |
| Not considered in DTA | -2.47 | 4.86 |
| Allowances under Income Tax not debited to P&L | -34.18 | (29.27) |
| Tax adjustments of earlier years | 0 | 1.83 |
| Others | 0 | (3.89) |
| **Total income tax expense** | **57.17** | **115.81** |
| Effective Tax Rate | **24.68%** | **26.53%** |
| **Total tax expense as per statement of profit and loss** | **57.17** | **115.81** |
| | | |

**(Currency : Indian Rupees in lakhs)**

## 30 Deferred Tax

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| **Deferred Tax Liability:** | | |
| WDV As Per Books | 113.22 | 116.53 |
| WDV AS Per IT | 191.76 | 188.61 |
| Difference In WDV | (78.54) | (72.08) |
| Expenses earlier disallowed but now allowed under Income Tax Act (viz. u/s 40(a) & 43 B) | 0.90 | - |
| ROU Asset | 118.99 | 58.53 |
| **Total** | 41.35 | (13.55) |
| Deferred Tax Liability | 10.41 | (3.41) |
| | | |
| **Deferred Tax Asset:** | | |
| Gratuity | (11.86) | (23.17) |
| Leave Encashment | (3.38) | (3.05) |
| Lease Liability | (124.07) | (61.83) |
| Expenses not allowed under Income Tax Act (viz. u/s 40(a) & 43 B) | (13.47) | |
| | | |
| **Total** | (152.77) | (88.06) |
| Deferred Tax Asset | (38.45) | (22.16) |
| | | |
| **CLOSING NET DEFERRED TAX LIABILITY / (ASSET) FOR THE YEAR ENDED** | **(28.04)** | **(25.58)** |
| | | |
| Opening balance of Deferred Tax Liability / (Asset) | (25.58) | (21.65) |
| | | |
| Deferred Tax Provided(+)/Withdrawn(-) in the year | | |
| (a) For the year | (2.47) | (3.92) |
| | | |
| **Total deferred tax liability / (asset) provided during the year** | **(2.47)** | **(3.92)** |

**Centralab Healthcare Services Private Limited**
**CIN - U85110KA2011PTC057920**
**(Currency : Indian Rupees in lakhs)**
***Notes to financial statements***
*as at 31 March 2023*

## 31 Earnings per share (EPS)

Basic EPS calculated by dividing the net profit for the year attributable to equity holders by the weighted

| Particulars | 31 March 2023 Amount (in Lakhs) | 31 March 2022 Amount (in Lakhs) |
|---|---|---|
| **i. Profit attributable to equity holders (Rs. in lakhs)** | | |
| Profit attributable to equity holders for basic and diluted EPS | 174.41 | 320.76 |
| | **174.41** | **320.76** |
| **ii. Weighted average number of ordinary shares** | | |
| Issued ordinary shares at April 1 | 43.5 | 43.5 |
| Add/(Less): Effect of shares issued/ (bought back) | | |
| **ii. Number of shares for calculating basic EPS** | **43.50** | **43.50** |
| **iii. Effect of dilution** | **-** | **-** |
| **Weighted average number of shares for calculating** | **43.50** | **43.50** |
| **iv. Basic and diluted earnings per share (Rs) (in absolute** | **4.01** | **7.37** |
| **v. Diluted earnings per share (Rs)** | **-** | - |

Note:
Ind AS 33 'Earnings per share', requires an adjustment in the calculation of basic and diluted earnings per share for all the periods presented if the number of equity or potential equity shares outstanding change as a result of share sub-division and bonus. The weighted average numbers of shares and consequently the basic and diluted earnings per share have accordingly been adjusted in the financial statements.

**(Currency : Indian Rupees in lakhs)**

## 32 Financial instruments – Fair values

### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| Particulars | As at 31 March 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | | Fair value | | | |
| | FVTPL | FVOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Non Current Financial assets** | - | - | | | | | | |
| Non-current loans | - | - | 324.00 | 324.00 | - | - | - | - |
| Other non current financial assets | - | - | 36.85 | 36.85 | - | - | - | - |
| **Current Financial assets** | - | - | - | | | | | |
| Trade receivables | - | - | 106.00 | 106.00 | - | - | - | - |
| Cash and cash equivalents | - | - | 102.07 | 102.07 | - | - | - | - |
| Bank Balances other than Cash and cash equivalents | - | - | 55.31 | 55.31 | - | - | - | - |
| | **-** | **-** | **624.24** | **624.24** | **-** | **-** | **-** | **-** |
| **Non Current Financial liabilities** | | | | | | | | |
| Lease Liabilities | - | - | 124.07 | 124.07 | - | - | - | - |
| **Current Financial liabilities** | | | | | | | | |
| Trade payables | - | - | 101.88 | 101.88 | - | - | - | - |
| Other current financial liabilities | - | - | 10.99 | 10.99 | - | - | - | - |
| | **-** | **-** | **236.94** | **236.94** | **-** | **-** | **-** | **-** |

| Particulars | As at 31 March 2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | | Fair value | | | |
| | FVTPL | FVOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Non Current Financial assets** | - | - | | | | | | |
| Other non current financial assets | - | - | 35.25 | 35.25 | - | - | - | - |
| **Current Financial assets** | - | - | | | | | | |
| Trade receivables | - | - | 137.07 | 137.07 | - | - | - | - |
| Cash and cash equivalents | - | - | 98.75 | 98.75 | - | - | - | - |
| Bank Balances other than Cash and cash equivalents | - | - | 878.55 | 878.55 | - | - | - | - |
| | **-** | **-** | **1,149.62** | **1,149.62** | **-** | **-** | **-** | **-** |
| **Non Current Financial liabilities** | | | | | | | | |
| Lease Liabilities | - | - | 61.83 | 61.83 | - | - | - | - |
| **Current Financial liabilities** | | | | | | | | |
| Trade payables | - | - | 65.54 | 65.54 | - | - | - | - |
| Other current financial liabilities | - | - | 7.35 | 7.35 | - | - | - | - |
| | **-** | **-** | **134.72** | **134.72** | **-** | **-** | **-** | **-** |

The Fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual creditworthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The call options are fair valued at each reporting date through statement of profit and loss.

**(Currency : Indian Rupees in lakhs)**

## B. Fair value hierarchy

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level. This is the case for unlisted equity securities included in level 3.

**Financial instruments measured at fair value**

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet as well as the significant unobservable inputs used.

| Type | Valuation technique | Significant | Inter-relationship |
|---|---|---|---|
| Non current financial assets and liabilities measured at amortized cost | Discounted cash flows: Under discounted cash flow method, future cash flows are discounted by using rates which reflect market risks. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate and credit risk. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value. | Not Applicable | Not Applicable |

**Transfers between Levels**
There have been no transfers between levels during the reporting periods

**<u>Sensitivity analysis</u>**

| Particulars | 31 March 2023<br>Impact in P&L (Net of tax)<br>Increase | <br><br>Decrease | 31 March 2022<br>Impact in P&L (Net of tax)<br>Increase | <br><br>Decrease | 31 March 2021<br>Impact in P&L (Net<br>Increase | <br><br>Decrease |
|---|---|---|---|---|---|---|
| Movement in equity value of unlisted company by 10% | | | | | | |
| Volatility in share price of comparable companies by 10% | | | Not applicable | | | |
| Lease Liabilities | | | | | | |
| Movement in Interest on lease liability - Discount rate (9.67%) + / - 100 basis points | | | | | | |

## Notes to financial statements *(Continued)*

### 32 Financial instruments – Fair values and risk management *(Continued)*

**(C) Financial risk management**

The Company' Board of Directors has overall responsibility for the establishment and oversight of the company' risk management framework.

The Company has exposure to the following risks arising from financial instruments
- Credit risk
- Liquidity risk
- Market risk

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables and cash and cash equivalents. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

**a. Trade receivables and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

The movement in the provision for bad and doubtful debts for the year ended 31 March 2023

| Particulars | Amount |
|---|---|
| **Balance as at 31 March 2022** | **15.90** |
| Deduction on account of w/off | |
| Expected Credit Loss allowance | - |
| **Balance as at 31 March 2023** | **-** |

**(C) Financial risk management *(Continued)***

**Credit risk *(Continued)***

**b. Cash and cash equivalents and Other bank balances**

The Company held cash and cash equivalents and other bank deposits as at 31 March 2023 Rs. 161.17 lakhs (31 March 2022 Rs. 977.30 lakhs). The cash and cash equivalents and other bank balances are held with bank with good credit ratings.

**c. Investments**

The Company has no investments.

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**(Currency : Indian Rupees in lakhs)**

**Notes to financial statements (Continued)**

**32 Financial instruments – Fair values and risk management (Continued)**

**(C) Financial risk management *(Continued)***

**Liquidity risk:**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions.

**Maturities of financial liabilities**
The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

| | | | Contractual cash flows | | | |
|---|---|---|---|---|---|---|
| **As at 31 March, 2023** | **Carrying amount** | **Total** | **Upto 1 year** | **1-3 years** | **3-5 years** | **More than 5 years** |
| **Non-derivative financial liabilities** | | | | | | |
| Payable towards acquisition of business | | | | | | |
| Lease Liabilities | 124.07 | 124.07 | 124.07 | | | |
| Trade payables | 101.88 | 101.88 | 101.88 | | | |
| Other current financial liabilities | 10.99 | 10.99 | 10.99 | | | |
| | 236.94 | 236.94 | 236.94 | - | - | - |
| **Total** | **236.94** | **236.94** | **236.94** | **-** | **-** | **-** |

| | | | Contractual cash flows | | | |
|---|---|---|---|---|---|---|
| **As at 31 March, 2022** | **Carrying amount** | **Total** | **Upto 1 year** | **1-3 years** | **3-5 years** | **More than 5 years** |
| **Non-derivative financial liabilities** | | | | | | |
| Payable towards acquisition of busin | - | - | - | - | - | - |
| Lease Liabilities | | - | - | - | - | - |
| Trade payables | 65.54 | 65.54 | 65.54 | - | - | - |
| Other current financial liabilities | 7.35 | 7.35 | 7.35 | - | - | - |
| | 72.89 | 72.89 | 72.89 | - | - | - |
| **Total** | **72.89** | **72.89** | **72.89** | **-** | **-** | **-** |

The outflows disclosed in the above table represent the total contractual undiscounted cash flows and total interest payable on borrowings

**(Currency : Indian Rupees in lakhs)**

# Notes to financial statements *(Continued)*

## 32 Financial instruments – Fair values and risk management *(Continued)*

### (C) Financial risk management *(Continued)*

**Market risk *(Continued)***

### b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Fixed-rate instruments** | | |
| Financial assets | 624.24 | 1,149.62 |
| Financial liabilities | (236.94) | (134.72) |
| | **387.30** | **1,014.90** |
| **Variable-rate instruments** | | |
| Financial assets | | - |
| Financial liabilities | | - |
| | **-** | **-** |
| **Total** | **387.30** | **1,014.90** |

## 32 Financial instruments – Fair values and risk management (Continued)

### (C) Financial risk management (Continued)

**<u>Market risk:</u>**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

**Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk.

**Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)**

There are no foreign currency transactions by the company. Hence evaluation of currency risk is not applicable to the company

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**33 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:**

**A. Relationships –**

**Category I: Holding company:**
METROPOLIS HEALTHCARE LIMITED

**Category II: Joint Venture: NIL**

**Category III: Key Management Personnel (KMP)**
Rakesh Agarwal, Director
Ishita Medhekar, Director
Alangadan Kannan, Director

**Category IV: Relatives of KMP: NIL**

**Category V: Companies in which key management personnel or their relatives have significant influence (Other related parties): NIL**

**B. For the period ended 31 March 2023**

| Name of the related party | Nature of transaction | Year 2022-23 | | Year 2021-22 | |
|---|---|---|---|---|---|
| | | Transaction value | Outstanding amount | Transaction value | Outstanding amount |
| Metropolis Healthcare Limited | Testing Outsourcing | 56.67 | 72.27 | - | - |
| | Dividend Paid | 800.00 | - | - | - |
| | Loans given during the year including Interest Accrual | 326.12 | 326.12 | - | - |
| Dr. Ganesan's Hitech Diagnostic Centre Private Limited | Services received | - | - | 44.90 | - |

**(Currency : Indian Rupees in lakhs)**

## 34 Employee benefits

### Defined benefits plan

The Company has gratuity as defined benefit retirement plan for its employees. Details of the same as at year end are as follows:

| **A. Amount recognised in the balance sheet** | **31 March 2023** | **31 March 2022** |
|---|---|---|
| Present value of the obligation as at the end of the year | 11.86 | 23.17 |
| Fair value of plan assets as at the end of the year | | |
| **Net liability recognised in the balance sheet** | **11.86** | **23.17** |
| **Out of which,** | | |
| Non-current portion | 11.33 | 21.72 |
| Current portion | 0.52 | 1.45 |
| | | |
| **B. Change in projected benefit obligation** | | |
| Projected benefit obligation at the beginning of the year | 23.17 | 19.76 |
| Current service cost | 5.91 | 2.67 |
| Interest cost | 1.61 | 1.38 |
| Actuarial loss / (gain) | (4.04) | (0.63) |
| Benefits paid | (14.80) | - |
| **Projected benefit obligation at the end of the year** | **11.86** | **23.17** |
| | | |
| **C. Change in plan assets** | | |
| Fair value of plan assets at the beginning of the year | - | - |
| Interest income | - | - |
| Actuarial loss | - | - |
| Assets Transferred In/Acquisitions | | |
| Return on Plan Assets, Excluding Interest Income | - | - |
| Employer contributions | - | - |
| Benefits paid | - | - |
| **Fair value of plan assets at the end of the year** | **-** | **-** |

**Employee benefits *(Continued)***

| **D. Amount recognised in the statement of profit and loss** | | |
|---|---|---|
| Current service cost | 5.91 | 2.67 |
| Interest cost | 1.61 | 1.38 |
| Actuarial (gain)/loss | (4.04) | (0.63) |
| **Expenses recognised in the statement of profit and loss** | **3.48** | **3.42** |

**(Currency : Indian Rupees in lakhs)**

**E. Amount recognised in other comprehensive income**

| | | |
|---|---|---|
| Actuarial (gain)/loss on Defined benefit obligation | - | - |
| *Due to Change inDemographic Assumptions* | - | - |
| *Due to Change inFinancial Assumptions* | - | - |
| *Due to Experience* | - | - |
| Actuarial gain/loss on Plan assets | | |
| **Total** | - | - |

**F. Plan Assets include the following:**

| | | |
|---|---|---|
| 1. Insurance funds | - | - |

**G. Assumptions used**

| **Particulars** | **31-Mar-23** | **31-Mar-22** |
|---|---|---|
| Discount rate | 7.52% | 6.96% |
| Long-term rate of compensation increase | 6.00%p.a. | 6.00% p.a. |
| Rate of return on plan assets | 0.00% | 0.00% |
| Attrition rate | 5.00% p.a. for all service groups | 5.00% p.a. for all service groups |
| Mortality Rate | Indian Assured Lives (2012-14) Ultimate Mortality Table | Indian Assured Lives (2006-08) Ultimate Mortality Table |

**H. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the

| **Particulars** | **31 March 2023** | |
|---|---|---|
| Effect of change in discount rate | 1% increase | 1% decrease |
| Effect on the aggregate of service & interest cost | -1.18 | 1.40 |
| Effect of change in salary increase | 1.41 | -1.20 |
| Effect of change in rate of employee turnover | 0.12 | -0.15 |

**(Currency : Indian Rupees in lakhs)**

**I. Expected future cash flows**

| | **31 March 2023** |
|---|---|
| **Year** | **Payout** |
| 2023-24 | 0.52 |
| 2024-25 | 0.64 |
| 2025-26 | 0.71 |
| 2026-27 | 0.73 |
| 2027-28 | 0.77 |
| Next 5 years Payouts (6-10 years) | 4.78 |
| More than 11years | 25.99 |

| | **31 March 2022** |
|---|---|
| **Year** | **Payout** |
| 2022-23 | 0.26 |
| 2023-24 | 0.30 |
| 2024-25 | 0.32 |
| 2025-26 | 0.36 |
| Next 5 years Payouts (6-10 years) | 1.29 |

**(Currency : Indian Rupees in lakhs)**

**35 Contingent liabilities not provided for**

| **Particulars** | **31 March 2023** | **31 March 2022** |
|---|---|---|
| In respect of Direct taxes | Nil | Nil |
| Due to others | | |
| Service tax liability disputed as per show cause notice | | |
| Claims against the Company not acknowledged as debt | | |
| - Claims by suppliers/contractors /others | | |
| - Claims pending in Consumer Dispute Redressal Forum | | |
| **Total** | Nil | Nil |

**36 Auditors' remuneration**

| **Particulars** | | |
|---|---|---|
| Statutory audit fees including GST | 2.95 | 2.95 |
| Tax Audit fees including GST | 0.59 | 0.59 |
| Others services including GST | - | 1.15 |
| **Total** | 3.54 | 4.69 |

**37 Disclosure on Ind-AS 116 Leases**

**Leases**
Ind-AS 116:
As a lessee
Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- Fixed payments (including in-substance fixed payments), less incentives receivables
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate at the commencement date
- amount expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar
Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever
• the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
• a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are presented as a separate line in the statement of financial position. The right-of-use assets are initially recognized at cost which comprises of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

**Lease Accounting**
**I). The following is the summary of practical expedients elected on initial application:**

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

II). The effect of depreciation and interest related to Right Of Use Asset and Lease Liability are reflected in the Profit & Loss Account under the heading "Depreciation and Amortisation Expense" and "Finance costs" respectively.

III). The weighted average incremental borrowing rate applied to lease liabilities in FY 2022-23 is 10.20%

IV). The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**Following are the changes in the carrying value of right of use assets for the year ended 31 March 2(**

| **Particulars** | **Category of ROU**<br>**Leasehold Premises(in Lakhs)** |
|---|---|
| **Cost as at 01 April 2021** | 83.81 |
| Addition | 71.74 |
| Disposal | - |
| **Cost as at 31 March 2022 (C)** | **155.55** |
| Accumulated amortisation as at 1 April 2021 | 38.51 |
| Amortisation recognised during the year | 58.51 |
| Impairment recognised during the year | - |
| **Accumulated amortisation as at 31 March 2022 (D)** | **97.02** |
| **Net carrying amount as at 31 March 2022 (C) - (D)** | **58.53** |
| **Cost as at 01 April 2022** | **155.55** |
| Addition | |
| Disposal | |
| **Cost as at 31 March 2023 (C)** | **155.55** |
| **Net carrying amount as at 31 March 2022** | **58.53** |
| Accumulated amortisation | |
| Addition due to merger | **124.20** |
| Amortisation recognised during the period | 63.74 |
| Disposals during the period | |
| **Net carrying amount as at 31 March 2023 (A) - (B)** | **118.99** |

**Centralab Healthcare Services Private Limited**
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***Notes to financial statements***
*as at 31 March 2023*

**The following is the movement in lease liabilities for the year ended 31 March 2023**

| Particulars | Amount (in Lakhs) |
|---|---|
| Opening Balance as on 1 April, 2021 | 50.11 |
| Additions during the year | 71.74 |
| Finance cost accrued during the year | 9.54 |
| Payment of lease liabilities | -69.56 |
| **Closing Balance as at 31 March 2022** | **61.83** |
| | |
| Opening Balance as on 1 April, 2022 | 61.83 |
| Additions during the year | 124.20 |
| Finance cost accrued during the year | 13.76 |
| Payment of lease liabilities | 61.96 |
| **Closing Balance as at 31 March 2023** | **124.07** |

**Impact of adoption of Ind AS 116 for the year ended 31 March, 2023 is as follows:**

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Decrease in Other expenses by | (61.96) | (69.56) |
| Increase in Finance cost by | 13.76 | 9.54 |
| Increase in Depreciation by (excludes depreciation on reclassified assets) | 63.74 | 58.51 |
| **Net Impact on Profit/Loss** | 15.54 | -1.51 |

Lease rent interest recorded for the year ending 31st March 2023 is ₹13.76 (31st March 2022 is ₹ 9.54)

Depreciation on ROU Asset for the year ending 31st March 2023 is ₹ 63.74
(31st March 2022 is ₹ 58.51 )

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases / Variable rent was ₹20.33 for the year ended 31 March, 2023 (31 March 2022 ₹ 16.39)

The total cash outflow for leases for year ended 31 March ,2023 is ₹ 61.96 (31 March 2022 ₹ 69.56)

**38 Dividends**

(₹ in lakhs)

| Particulars | Year ended 31 March 2023 |
|---|---|
| **Amounts recognised as distribution to Equity shareholders** | |
| Interim Dividend (30 January 2023 ₹ 18.39/share) | 800 |

Centralab Healthcare Services Private Limited
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## 37 Right of Use Asset

**Changes in the carrying value Right of Use Asset for the period ended 31 March 2023:**

| Particulars | Leasehold Premises(in Lakhs) |
|---|---|
| Cost as at 01 April 2022 | 155.55 |
| Additions during the period | 124.20 |
| **Cost as at 31 March 2023 (A)** | **279.75** |
| Accumulated amortisation | 97.02 |
| Amortisation recognised during the period | 63.74 |
| Disposals during the period | |
| **Accumulated amortisation as at 31 March 2023 (B)** | **160.76** |
| **Net carrying amount as at 31 March 2023 (A) - (B)** | **118.99** |

**Changes in the carrying value Right of Use Asset for the period ended 31 March 2022:**

| Particulars | Leasehold Premises(in Lakhs) |
|---|---|
| Cost as at 01 April 2021 | 83.81 |
| Additions due to merger | |
| Additions during the period | 71.74 |
| | - |
| **Cost as at 31 March 2022 (A)** | **155.55** |
| Accumulated amortisation | 38.51 |
| Addition due to merger | - |
| Amortisation recognised during the period | 58.51 |
| Disposals during the period | |
| **Accumulated amortisation as at 31 March 2022 (B)** | **97.02** |
| **Net carrying amount as at 31 March 2022 (A) - (B)** | **58.53** |

**Centralab Healthcare Services Private Limited.**

**Depreciation Schedule As Per Section 32(1) of the Income Tax Act 1961**

**(Amount in Rs)**

| Particulars | Rate | W.D.V as On 01-Apr-22 | Additions More than 180 days | Additions Less than 180 days | Deletions | Total as on 31-03-2023 | Depreciation Upto 31.03.2023 | W.D.V as on 31-03-2023 |
|---|---|---|---|---|---|---|---|---|
| Leasehold Improvements | 10% | 56,10,776 | 6,49,650 | - | - | 62,60,426 | 6,26,043 | 56,34,383 |
| Diagnostic Equipments | 15% | 75,43,315 | - | - | - | 75,43,315 | 11,31,497 | 64,11,818 |
| Furniture | 10% | 11,58,814 | - | - | - | 11,58,814 | 1,15,881 | 10,42,933 |
| Office Equipment | 15% | 6,68,553 | 47,906 | 7,700 | - | 7,24,159 | 1,08,046 | 6,16,112 |
| Air conditioners | 15% | 13,51,939 | - | - | - | 13,51,939 | 2,02,791 | 11,49,148 |
| Electrical & Networking | 15% | 10,15,716 | - | - | - | 10,15,716 | 1,52,357 | 8,63,359 |
| Refrigerator | 15% | 1,14,708 | - | - | - | 1,14,708 | 17,206 | 97,502 |
| Computers & Printers | 40% | 2,14,203 | 11,90,797 | - | - | 14,05,000 | 5,62,000 | 8,43,000 |
| Vehicles | 15% | 0.30 | - | - | - | 0.30 | 0 | 0.25 |
| Mobile Phone | 15% | 1,13,825 | - | - | - | 1,13,825 | 17,074 | 96,752 |
| Battery | 15% | 1,26,596 | - | - | - | 1,26,596 | 18,989 | 1,07,607 |
| Software | 40% | 1,08,530 | 21,30,875 | 1,88,800 | - | 24,28,205 | 9,33,522 | 14,94,683 |
| CCTV | 15% | 1,04,794 | - | - | - | 1,04,794 | 15,719 | 89,075 |
| UPS | 15% | 7,29,716 | 80,064 | 44,711 | - | 8,54,491 | 1,24,820 | 7,29,670 |
| **TOTAL** | | **1,88,61,485** | **40,99,292** | **2,41,211** | - | **2,32,01,988** | **40,25,947** | **1,91,76,042** |

**Centralab Healthcare Services Private Limited**
**CIN - U85110KA2011PTC057920**
**(Currency : Indian Rupees in lakhs)**
***Notes to financial statements***
*as at 31 March 2023*

**39 Ratio Analysis and its elements**

| Ratio | Numerator | Denominator | 31-Mar-23 | 31-Mar-22 | % change | Reasons |
|---|---|---|---|---|---|---|
| Current ratio | Current Assets | Current Liabilities | 1.37 | 5.59 | -75.4% | On account of payment of dividend and loan given to the holding company by liquidating fixed deposits |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity | - | - | 0.0% | |
| Debt Service Coverage ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest expense | Debt service = Interest & Lease Payments + Principal Repayments | - | - | 0.0% | |
| Return on Equity ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 0.40 | 0.74 | -45.6% | Decrease in turnover in current year due to drop in COVID testing |
| Inventory Turnover ratio | Cost of goods sold | Average Inventory | 6.00 | 8.84 | -32.2% | Decrease in consumption in current year |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 3.89 | 4.21 | -7.7% | Increase in collections |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables | 5.05 | 6.68 | -24.5% | Faster payments made to vendors to get competitive price |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets – Current liabilities | 13.67 | 1.63 | 738.2% | On account of payment of dividend and loan given to the holding company by liquidating fixed deposits |
| Net Profit ratio | Net Profit | Net sales = Total sales - sales return | 14.42% | 19.81% | -27.2% | Decrease in turnover in current year due to drop in COVID testing |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 35.15% | 33.99% | 3.4% | Decrease in reserves on account of payment of dividend |

**Centralab Healthcare Services Private Limited**
**CIN - U85110KA2011PTC057920**
**(Currency : Indian Rupees in lakhs)**
*Notes to financial statements*
*as at 31 March 2023*

**40 Other Schedule III Disclosures**

| | |
|---|---|
| Title Deeds of Immovable Property not held in name of the Company | NIL |
| Loans and Advances in the nature of loans granted to promoters, directors, KMP"s and related parties | Yes. Refer Note 33 |
| Capital Work In Progress | NA |
| Intangible Assets under development | NIL |
| Details of Benami Property held | NIL |
| Wilful Defaulters | NIL |
| Relationship with Struck Off Companies | NIL |
| Registration of charges or satisfaction with Registrar of Companies | NA |
| Compliance with number of layers of companies | NA |
| Compliance with approved Scheme of Arrangements | NA |
| Utilisation of borrowed funds and share premium | NIL |
| CSR Spending | NA |
| Details of Crypto Currency or Virtual Currency | NIL |

As per our report of even date attached

**Signature to the Schedules and notes**

**For R V K S and Associates**
**Chartered Accountants**
**FRN No. 008572S**

15/5/23.

**Pankaj Kumar R**
**Partner**
**Membership No:234987**
**Place: Bangalore**
**Date: 15 May 2023**

R V K S AND ASSOCIATES BANGALORE CHARTERED ACCOUNTANTS

**ISHITA MEDHEKAR**
*Director*
DIN : 09151779
Place : Mumbai
Date: 15 May 2023

**For Centralab Healthcare Services Private Limited**

**RAKESH AGARWAL**
*Director*
DIN : 08614903
Place : Mumbai
Date: 15 May 2023

**ALANGADAN KANNAN**
*Director*
DIN : 09151786
Place : Mumbai
Date: 15 May 2023