

Centralab Healthcare Services Private Limited

Balance Sheet
as at 31 March 2024

(Currency : Indian Rupees in lakhs)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets:			
Property, plant and equipment	3	231.77	97.41
Right of Use assets	35	78.83	118.99
Goodwill	4	55.51	55.51
Other Intangible assets	4	12.96	15.81
Financial Assets:			
Loan	5	4.00	324.00
Other financial assets	6	40.67	36.86
Deferred tax assets (net)	17	22.70	28.04
Non current tax assets (net)	8	12.40	53.28
Other non current assets		-	3.78
Total non-current assets		458.84	733.69
Current assets:			
Inventories	9	41.57	25.40
Financial Assets:			
(i) Trade receivables	10	272.50	106.00
(ii) Cash and cash equivalents	11	93.31	102.07
(iii) Bank balances other than (ii) above	12	151.46	55.31
(iv) Other financial assets	13	36.64	3.57
Other current assets	14	102.34	4.22
Total current assets		697.82	296.58
Total Assets		1,156.66	1,030.26
EQUITY AND LIABILITIES			
Equity:			
(i) Equity share capital	15	435.00	435.00
(ii) Other equity	16	364.08	223.78
Total Equity		799.08	658.78
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
(i) Lease liabilities	35	24.50	124.07
Provisions	17	16.06	11.33
Total non-current liabilities		40.56	135.40
Current liabilities			
Financial Liabilities			
(i) Lease liabilities	35	57.68	-
(ii) Trade payables		-	28.68
- Total outstanding due of micro enterprises and small enterprises		-	28.68
- Total outstanding dues of creditors other than micro enterprises and small enterprises	18	220.58	125.17
(i) Other financial liabilities	19	16.57	10.99
Other current liabilities	20	13.63	7.34
Provisions	21	3.24	4.27
Current tax liabilities (net)	22	5.31	59.63
Total current liabilities		317.01	236.08
Total Equity and Liabilities		1,156.66	1,030.26

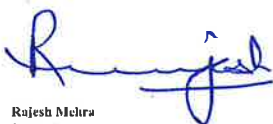
Basis of preparation, measurement and material accounting policies

1-2

The accompanying notes 1 to 46 are an integral part of these financial statements

As per our report of even date attached

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



Rajesh Mehra
Partner
Membership No: 103145
Place : Mumbai
Date: 20th May 2024

For and on behalf of the Board of Directors
Centralab Healthcare Services Private Limited
CIN - UR5110KA2011PTC057920



Rakesh Agarwal
Director
DIN : 08614903
Place : Mumbai
Date: 20th May 2024



Alangadan Kannan
Director
DIN : 09151786
Place : Mumbai
Date: 20th May 2024



Centralab Healthcare Services Private Limited

Statement of profit and loss for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

Particulars	Note	31 March 2024	31 March 2023
Income			
Revenue from operations	23	1,737.76	1,209.29
Other income	24	19.96	53.04
Total Income		1,757.72	1,262.33
Expenses			
Cost of materials consumed	25	219.24	196.37
Laboratory testing charges	26	181.87	60.80
Employee benefits expense	27	218.64	224.42
Finance costs	28	11.05	13.76
Depreciation and amortisation expense	29	96.73	110.45
Other expenses	30	503.10	424.94
Total expenses		1,230.63	1,030.75
Profit before tax		527.09	231.58
Tax expense:			
Current tax	31	129.50	59.63
Deferred tax charge/ (credit)	31	5.83	(2.47)
Total tax expenses		135.33	57.17
Profit for the year		391.76	174.42
Other comprehensive income			
<u>Items that will not be reclassified to profit or loss</u>			
Remeasurements of the defined benefit plans		(1.95)	-
Income tax on Remeasurements of the defined benefit plans		0.49	-
Other comprehensive income for the year, net of income tax		(1.46)	-
Total comprehensive income for the year		390.30	174.42
Earnings per equity share (Face value of Rs. 10 each)			
(1) Basic earnings per share	32	8.97	4.01
(2) Diluted earnings per share	32	8.97	4.01
Basis of preparation, measurement and material accounting policies	1-2		

The accompanying notes 1 to 46 are an integral part of these standalone financial statements

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Centralab Healthcare Services Private Limited

Statement of Cash flows

for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

Particulars	As at 31 March 2024	31 March 2023
A Cash Flow from operating activities		
Profit before tax	527.09	231.57
Adjustments for :		
Interest income from bank	(4.64)	(28.90)
Interest income from Others	(15.32)	(0.67)
Finance costs	11.05	16.04
Depreciation and amortisation expense	96.73	110.45
Cash generated from operations before working capital changes	614.91	328.49
Adjustments:		
(Increase) in financial assets	(37.19)	(1.60)
(Increase) / Decrease in Inventories	(16.17)	14.70
(Increase) / Decrease in Trade receivables	(166.50)	31.07
(Increase) / Decrease in Other assets	(94.59)	70.97
Increase in Provision	1.75	9.69
Increase in Trade Payable	66.31	65.02
(Decrease) / Increase in Other current financial liabilities	(1.93)	51.85
Increase / (Decrease) in Other current liabilities	6.29	(54.87)
Cash generated from operating activities	372.90	515.32
Income tax paid (net)	(142.95)	(57.16)
Net cash generated from operating activities (A)	229.95	458.16
B Cash flows from investing activities		
Purchase of property, plant and equipment including capital advances	(146.78)	(167.61)
Interest received	22.27	29.57
Net investment in deposits (having original maturity of more than three months)	(98.14)	-
Loan Given to Related Parties (Net)	320.00	(324.00)
Net cash flows generated from / (used in) investing activities (B)	97.35	(462.03)
C Cash Flow from Financing Activities		
Payment of lease liabilities	(86.72)	(16.04)
Payment of dividend	(250.00)	(800.00)
Net cash flows (used in) financing activities (C)	(336.72)	(816.04)
Net (decrease) in cash and cash equivalents (A) + (B) + (C)	(9.42)	(819.91)
Cash and Cash Equivalents at the beginning of the year	102.76	977.30
Cash and Cash Equivalents at the end of the year	93.35	102.76



1 In addition to the above, there are no non cash movement for liabilities arising from financing activities other than interest accrued. The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind. AS - 7 "Statement of Cash Flows"

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

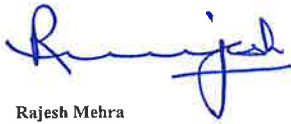
3 Reconciliation of cash and cash equivalents with the balance sheet

	As at 31 March 2024	31 March 2023
Balances with banks		
- in current accounts	92.53	101.29
Cash on hand	0.78	0.78
	<u>93.31</u>	<u>102.07</u>

The accompanying notes 1 to 46 are an integral part of these financial statements

As per our report of even date attached

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Centralab Healthcare Services Private Limited

Statement of Changes in Equity (SOCIE)
for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

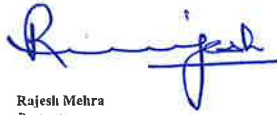
(a) Equity share capital (Refer note 14)		
	Number of shares	Amount
Balance as at 31 March 2022	43,50,000	435.00
Changes in equity share capital due to prior period errors	-	-
Balance as at 1 April, 2022	43,50,000	435.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2023	43,50,000	435.00
Balance as at 1 April, 2023	43,50,000	435.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2024	43,50,000	435.00

(b) Other equity		Reserves & Surplus
Particulars		Retained earnings
Balance as at 1 April 2022		849.36
Profit for the year		174.42
Less: Interim dividend		(800.00)
Total comprehensive income		(625.58)
Balance as at 31 March 2023		223.78
Balance as at 1 April 2023		223.78
Profit for the year		391.76
Less: Interim dividend		(250.00)
Remeasurement of defined benefit plans (net of income tax)		(1.46)
Total comprehensive income		140.30
Balance as at 31 March 2024		364.08

* There are no changes in other equity due to prior period errors

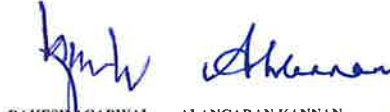
Refer Note 16 for nature and purpose of reserves
The accompanying notes 1 to 46 are an integral part of these financial statements
As per our report of even date attached

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



Rajesh Mehra
Partner
Membership No: 103145
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RAKESH AGARWAL
Director
DIN : 08614903
Place : Mumbai
Date: 20th May 2024

ALANGADAN KANNAN
Director
DIN : 09151786
Place : Mumbai
Date: 20th May 2024



Centralab Healthcare Services Private Limited

Notes to the financial statements

for the year ended 31 March 2023

(Currency : Indian Rupees in lakhs)

1 Background of the Company and nature of operation

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 previous year, the registered office of the company has been shifted to Mumbai basis approval from the regional director of RoC.

2 Basis of preparation, measurement and material accounting policies

2.1 Basis of preparation and measurement

a Statement of compliance:

The Balance Sheet of the Company as at 31 March 2024 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 2024 and summary of Material 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, as amended from time to time.

The financial statements of the Company for year ended 31 March 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 20th May 2024.

The accounting policies are applied consistently to all the periods presented in the financial statements.

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:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within twelve months after the reporting date; or
- 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:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- 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.

Current vs non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the schedule III to the Companies Act 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, 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.

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 a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

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



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and material accounting policies (Continued)

2.1 Basis of preparation and measurement (Continued)

d Key estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments

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

- Leasing arrangement (classification) - Note 2.2(k)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2024 is included in the following notes:

- Financial instruments - Note 2.2(d)
- Fair value measurement - Note 2.2(d)
- Impairment test of goodwill and intangible assets: key assumptions underlying recoverable amounts - Note 2.2(b),
- Measurement of ECL allowance for trade receivables and other assets - Note 2.2(d)
- Assessment of useful life and residual value of property, plant and equipment and intangible assets - Note 2.2(a)
- Leasing arrangement (accounting) - Note 2.2(k)
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions)

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

Further information about the assumptions made in measuring fair values is included in the Financial Instruments (refer note no 35)

2.2 Material accounting policies

a) Property plant and equipment

Recognition and measurement:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if its probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment, other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses.

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 site on which it is located.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and material accounting policies (Continued)

2.2 Material accounting policies (Continued)

a) Property plant and equipment (Continued)

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 arising on the disposal or retirement of an item of Property Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of profit and loss when the item is derecognized.

The cost of property, plant and equipment at 1 April 2021, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Subsequent expenditure:

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

Depreciation:

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. The management basis its past experience and technical assessment has estimated the useful lives, which is at variance with the life prescribed in Part C of Schedule II to the Act and has accordingly, depreciated the assets over such useful lives. The Company has established the estimated range of useful lives for different categories of PPE as follows:

Particulars	Management's estimate of useful life	Useful life as per Schedule II
Laboratory Equipment's (Plant & Equipment's) : (Electrical Machinery, X-ray & diagnostic equipment's namely Cat-scan, Ultrasound , ECG monitors.)	13 years	13 years
Office equipments	5 years	5 years
Computers	6 years	3 years
Furniture and Fixtures	15 years	10 years
Vehicles	10 years	8 years

Leasehold improvement is amortized over the lease term i.e. the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

b) Intangible assets

Goodwill

Goodwill is initially recognised as the excess of consideration paid and acquirer's interest in the net fair value of the identifiable net assets of acquired business. Goodwill that arises on a business combination is subsequently measured at cost less any accumulated impairment losses on testing of impairment. The Company estimates the value-in-use of the cash generating units (CGUs) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rates used for the CGUs represent the weighted average cost of capital based on the historical market returns of comparable companies.

Other Intangible assets:

An intangible asset is recognised only if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

The cost of Intangible asset at 1 April 2021, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Intangible assets under development that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs, less impairment losses if any.

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.

Amortization:

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line 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.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and material accounting policies (Continued)

e) 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. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash flows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs that are expected to benefit from the synergies of the combination.

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).



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and material accounting policies (Continued)

2.2 Material accounting policies (Continued)

c) Impairment of non-financial assets (Continued)

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.

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 foreign exchange forward contracts, futures and currency options.

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.

Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate for these receivables is zero. Subsequently, the company applies lifetime expected credit loss model for measurement of trade receivables.

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- Amortized cost,
- Fair value through profit (FVTPL)

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
 - how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
 - the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and material accounting policies (Continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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 standalone 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.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or a part of a Company 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), are recognized in the Statement of Profit and Loss.

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 have a low credit risk at the reporting date.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and material accounting policies (Continued)

2.2 Material accounting policies (Continued)

d) Financial Instruments (Continued)

1. Financial assets (Continued)

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.

Trade receivables

The Company reviews its trade receivables to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Impairment of financial instruments (other than at fair value)

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 - Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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.

Classification and 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.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and material accounting policies (Continued)

2.2 Material accounting policies (Continued)

d) Financial Instruments (Continued)

2. Financial liabilities (Continued)

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

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

f) 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.

g) 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.

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. Contingent liability and contingent asset are reviewed at each balance sheet date.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and material accounting policies (Continued)

h) 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 at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the service to the customer. Revenue from sales of goods or rendering of services is net of indirect taxes, reversals and discounts;

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 based on the consideration specified in a contract with a customer. Revenue is recognised at a point in time when the Company satisfies performance obligations by transferring the promised services to its customers. Generally, each test represents a separate performance obligation for which revenue is recognised when the test report is generated i.e. when the performance obligation is satisfied. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for a test when registered separately is the best evidence of its standalone selling price.

Contract liabilities - A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and material accounting policies (Continued)

2.2 Material accounting policies (Continued)

i) 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.

j) Employee Benefits

(i) Short-term Employee benefits

Liabilities for wages and salaries, bonus, compensated absences and ex gratia including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period 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) 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 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, 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 comprehensive income (OCI).



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and material accounting policies (Continued)

2.2 Material accounting policies (Continued)

k) Leases

Ind-As 116:

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

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

The lease liability is measured at amortised cost using effective interest method. It is remeasured when there is change in assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

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 group, 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 economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Value Ind AS Retail Limited, which does not have recent third party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentives received.

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.

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.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian Rupees in lakhs)

2 Basis of preparation, measurement and material accounting policies (Continued)

2.2 Material accounting policies (Continued)

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 using tax rates enacted or substantively enacted by the end of the reporting period.

- 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 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.

Uncertain tax provision

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

m) Dividend

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorized by the shareholders in AGM and the distribution is no longer at the discretion of the Company on or before the end of the reporting period.

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 period.

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) Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director & CEO of the Company.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Based on the nature of the business and line of products/services, there is only one reportable segment - Pathology service.



Centrallab Healthcare Services Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2024

(Currency: Indian Rupees in lakhs)

3 Property, plant and equipment

Changes in the carrying value of property, plant and equipment for the year ended 31 March 2024

Particulars	Laboratory equipment	Furniture & fixtures	Office equipment	Computers	Leasehold improvement	Total
Group-block (at cost) as at 01 April 2023	137.77	17.89	81.52	30.01	90.80	358.00
Additions during the year	41.92	0.62	9.38	8.01	92.85	152.77
Disposals during the year	-	-	-	-	-	-
Group-block (at cost) as at 31 March 2024 (A)	179.69	18.51	90.90	38.02	183.65	510.77
Accumulated depreciation as at 01st April 2023	85.39	11.84	68.38	21.82	73.16	260.59
Depreciation charged during the year	4.87	2.13	3.49	2.22	5.70	18.41
Disposals during the year	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2024 (B)	90.26	13.97	71.87	24.04	78.86	279.00
Net carrying amount as at 31 March 2024 (A) - (B)	89.42	4.54	19.04	13.98	104.79	231.77

Changes in the carrying value of property, plant and equipment for the year ended 31 March 2023

Particulars	Laboratory equipment	Furniture & fixtures	Office equipment	Computers	Leasehold improvement	Total
Cost as at 01 Apr 2022	156.49	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)	157.77	17.89	81.52	30.01	90.80	358.00
Accumulated depreciation as at 01st April 2022	71.18	0.72	61.08	15.95	64.62	213.55
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)	72.38	6.06	13.14	8.19	17.64	97.41

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 Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) Rules made thereunder.

c There are no immovable property as at 31 March 2024 and 31 March 2023.

d On review of the pattern of consumption of the future economic benefits embodied in the assets, it was noted that there has been change in expected pattern of consumption of these benefits. Accordingly, with effect from 01 April 2023, the Company has changed its depreciation/amortization method to Straight Line method from Written down value method for various class of assets to reflect this change. Such a change has been accounted for as a change in an accounting estimate in accordance with Ind AS 8 "Accounting Policies, Change in Accounting Estimates and Errors". Had the Company continued the previous Written Down Value Method for charging depreciation on all class of assets, charge for depreciation/amortisation for the year ended 31 March 2024 and for future period would have been higher by Rs. 16,89 lakhs and Rs. 3,17 lakhs respectively and consequently deferred tax charge on the same for the year ended 31 March 2024 and for future period would have been lower by Rs. 4.25 lakhs and Rs. 0.80 lakhs respectively.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

4 Goodwill and other Intangible assets

Changes in the carrying value of intangibles for the year ended 31 March 2024

Particulars	Goodwill	Total	Software	Total
Cost as at 1 April 2023	391.84	391.84	42.29	434.13
Additions during the year	-	-	1.52	1.52
Disposals during the year	-	-	-	-
Cost as at 31 March 2024 (A)	391.84	391.84	43.81	435.65
Accumulated depreciation/impairment as at 1 April 2023	336.33	336.33	26.47	362.80
Amortisation recognised for the year	-	-	4.38	4.38
Disposals during the year	-	-	-	-
Accumulated depreciation/impairment as at 31 March 2024	336.33	336.33	30.85	367.18
Net carrying amount as at 31 March 2024 (A) - (B)	55.51	55.51	12.96	68.47

Changes in the carrying value of intangibles for the year ended 31 March 2023

Particulars	Goodwill*	Total	Software	Total
Cost as at 1 April 2022	391.84	391.84	19.09	410.93
Additions during the year	-	-	23.20	23.20
Disposals during the year	-	-	-	-
Cost as at 31 Mar 2023 (A)	391.84	391.84	42.29	434.13
Accumulated depreciation/impairment as at 1 April 2022	336.33	336.33	17.79	354.12
Amortisation recognised for the year	-	-	8.68	8.68
Disposals during the year	-	-	-	-
Accumulated depreciation/impairment as at 31 March 2023	336.33	336.33	26.47	362.80
Net carrying amount as at 31 Mar 2023 (A) - (B)	55.51	55.51	15.81	71.33



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

4 Goodwill & Intangible assets (Continued)

Goodwill Impairment

Carrying amount of goodwill which is allocated to the Pathology division as at 31 March 2024 is Rs. 55.51 Lakhs (31 March 2023: Rs. 55.21 Lakhs). This goodwill is acquired on account of business acquisition.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU), which benefit from the synergies of the acquisition.

Cash Generating Unit	As at 31 March 2024	As at 31 March 2023
Centralab Healthcare Services Private Limited	55.51	55.51

The recoverable amount of a CGU is based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years. We believe 5 years to be most appropriate time scale over which to review and consider annual performance before applying a fix terminal value multiple to year end cash flow.

Key assumptions used in the value-in-use calculations

Assumptions	How determined
Budgeted EBITDA growth rate	Budgeted EBITDA has been based on past experience adjusted for the following: - Revenue in the diagnostic service is expected to grow on account of changing lifestyle and food habit. Revenue and EBITDA are factored by focused approach towards B2C segment, network expansion, operational efficiencies and automation.
Terminal value growth rate	Long-term growth rate used for the purpose of calculation of terminal value has been determined by taking into account nature of business, long term inflation expectation and long term GDP expectation for the Indian economy
Post tax risk adjusted discount rate	The discount rate applied to the cash flows of company's operations is generally based on the risk free rate for ten year bonds issued by the government in India. These rates are adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of the Group.

Particulars	As at 31 March 2024	As at 31 March 2023
Post tax risk adjusted discount rate	12.10%	11.50%
Terminal value growth rate	5.00%	5.00%
Budgeted EBITDA growth rate	0 - 15%	0 - 15%

These assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the Management's past experience as their assessment of future trends, and are consistent with external internal sources of information.

The estimated recoverable amount of the CGU exceeds its carrying amount. The Company has also performed sensitivity analysis calculations on the projections used and discount rate applied. Given the significant headroom that exists, and the results of the sensitivity analysis performed, it is concluded that there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2024

(Currency: Indian Rupees in lakhs)

13 Other financial assets
(Unsecured, considered good)

Security deposits
Interest accrued but not due
Interest Receivable to Related Party

35.38	-
1.18	3.57
0.04	
36.60	3.57

There are no loans or advances in the nature of loans granted to promoters, directors, KMPs and their related parties, either severally or jointly with any other person, that are:
(a) repayable on demand; or
(b) without specifying any terms or period of repayment

14 Other current assets
(Unsecured, considered good)

Other Advances
Prepaid expenses
Advance to employee

101.60	-
0.74	3.97
-	0.25
102.34	4.22

15 Equity share capital

Details of authorised, issued and subscribed share capital and reconciliation of number of shares at the beginning and at the end of the year

15.1 Authorised equity share capital

Equity shares of Rs 10/- each
As at 31 March 2023
As at 31 March 2024

No. of shares	Amount
45,00,000	450.00
45,00,000	450.00

15.2 Issued equity capital

Equity shares of Rs 10/- each fully paid
As at 1 April 2023
Add: Movement during the year
As at 31 March 2023
Add: Movement during the year
As at 31 March 2024

No. of shares	Amount
43,50,000	435.00
43,50,000	435.00
-	-
43,50,000	435.00

* Terms and Rights attached to equity shareholders:

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.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

15 Equity share capital (Continued)

b Shares held by holding company/ultimate holding company, subsidiaries/associates of holding company or ultimate holding company:

Shareholding structure	No. of shares	Amount
Metropolis Healthcare Limited		
Equity shares of Rs 10 each	43,50,000	435.00
As at 31 March 2023	43,50,000	435.00
As at 31 March 2024		

c Shareholders holding more than 5% of the equity shares in the Company as at the balance sheet date:

Shareholders	31 March 2024	
	Numbers	% Shareholding
Metropolis Healthcare Limited*	43,49,999	99.99%
Total	43,49,999	99.99%

Shareholders	31 March 2023	
	Numbers	% Shareholding
Metropolis Healthcare Limited*	43,49,999	99.99%
Total	43,49,999	99.99%

*Includes one share held by Mr. Amara Shah (As a Member of Metropolis Healthcare Limited)

Details of shares held by promoters

As at 31 March 2024

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Metropolis Healthcare Limited	43,49,999	-	43,49,999	100%	-
Mr. Amara Shah	1	-	1	0%	-
	43,50,000	-	43,50,000	100%	-

As at 31 March 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Metropolis Healthcare Limited	-	43,49,999	43,49,999	100%	100%
Dr. Ganesh Hitech Diagnostic Centre Private Limited	43,49,999	(43,49,999)	-	0%	-100%
Mr. Amara Shah	-	1	1	0%	0%
	43,49,999	1	43,50,000	100%	0%

d 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 date 31 March 2024.

The Company has not issued any bonus shares or shares for consideration other than cash and has not bought back any shares during the period of five years immediately preceding the reporting date.

16 Other equity

Retained earnings	364.08	223.78
	<u>364.08</u>	<u>223.78</u>

16.1 Retained earnings

Balance at the beginning of the year	223.78	849.36
Add: Transferred from the statement of profit and loss	281.76	174.42
Add: Remeasurement of defined benefit plan (net of tax)	(1.46)	-
Less: Interim Dividend	(250.00)	(800.00)
Closing balance	<u>364.08</u>	<u>223.78</u>

Nature and purpose of Reserves

Retained earnings

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



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2024

(Currency: Indian Rupees in lakhs)

17 Non-current Borrowings

Lease Liabilities

24.50

24.50

17 Non-current provisions

Provision for employee benefits:
- Gratuity (Refer Note 40(F))

16.06

11.33

16.06

11.33

18 Trade payables

Total outstanding dues of micro enterprises and small enterprises [Refer note 39]
Total outstanding due to creditors other than micro and small enterprises*

28.68

220.58

125.17

220.58

153.85

*It includes amount due in related parties (Refer note 34)

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	220.57	-	-	-	220.57
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	220.57	-	-	-	220.57

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	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	28.68	-	-	-	28.68
Total outstanding dues of creditors other than micro enterprises and small enterprises	96.09	18.66	10.42	-	125.17
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	124.77	18.66	10.42	-	153.85

19 Other financial liabilities

Employee related dues
Creditors for expenses
Interest accrued but not due on borrowings
Other current financial liabilities
Payable towards capital expenditure

9.06

10.99

-

-

-

-

7.51

-

16.57

10.99

20 Other current liabilities

Statutory dues*
Security Deposit
Advance from customer
Other payable

7.76

7.34

-

-

5.27

-

0.60

-

13.63

7.34

* Statutory Dues payable include Tax Deducted at Source, Provident Fund and Professional tax

21 Current provisions

Provision for employee benefits:
- Gratuity (Refer Note 40(A))
- Compensated absences
- Other statutory provisions

2.34

0.52

0.90

3.38

-

0.37

3.24

4.27

22 Current tax liabilities (Net)

Provision for taxation (net of advance tax- 31 March 2024: Rs. 59.63 Lakhs, 31 March 2023: Rs. Nil)

5.31

59.63

5.31

59.63



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

	31 March 2024	31 March 2023
23 Revenue from operations		
Service income (Refer Note 44(b))	1,737.76	1,209.29
	<u>1,737.76</u>	<u>1,209.29</u>
24 Other income		
<u>Interest income</u>		
- from bank	4.64	28.99
- on income tax refund	-	0.67
- others	2.62	2.20
- Related party	12.70	2.12
<u>Other Non-operating income</u>		
- Income tax refund	-	0.05
- Sundry creditors written back	-	0.10
Other Msc Incomes	-	-
- Write back of ECL provision	-	18.90
	<u>19.96</u>	<u>53.04</u>
25 Cost of materials consumed		
Opening stock [Refer note 9]	25.40	40.11
Add: Purchases during the year	235.41	181.67
Less: Closing stock [Refer note 9]	(41.57)	(25.40)
	<u>219.24</u>	<u>196.37</u>
26 Laboratory testing charges		
Laboratory testing charges	<u>181.87</u>	<u>60.80</u>
	<u>181.87</u>	<u>60.80</u>
27 Employee benefits expense		
Salaries, wages and bonus	194.11	186.42
Contribution to provident and other funds [Refer note 40b]	13.56	-
Gratuity expenses [Refer note 40a]	9.88	3.48
Staff welfare expenses	1.09	34.53
	<u>218.64</u>	<u>224.42</u>



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

	31 March 2024	31 March 2023
28 Finance costs		
Interest on lease liabilities [refer note 35]	11.05	13.76
	<u>11.05</u>	<u>13.76</u>
29 Depreciation and amortisation expense		
Depreciation on property, plant and equipment [refer note 3]	18.41	38.04
Amortisation on intangible assets [refer note 4]	4.38	8.68
Depreciation on Right of use assets [refer note 35]	73.94	63.74
	<u>96.73</u>	<u>110.45</u>
30 Other expenses		
Accreditation expenses	1.77	-
Laboratory expenses	1.45	16.38
Electricity expenses	22.84	15.82
Rent [refer note 35]	277.19	214.09
<u>Repairs and maintenance</u>		
Buildings	9.61	-
Plant and equipment	11.30	-
Others	1.35	19.91
Insurance	2.95	1.50
Rates and taxes	0.35	0.62
Sales promotion expenses	5.63	-
Consultancy Charges	80.22	86.59
Legal and professional	-	5.03
Travelling and conveyance	3.13	36.51
Printing and stationery	8.83	8.54
Advertisement	-	8.76
Postage and courier	0.72	-
Sample collection charges	43.01	-
Payments to auditors [refer note 38]	2.28	2.95
Communication	4.76	-
Bank charges	4.88	7.53
Facility maintenance charges	15.81	-
Miscellaneous expenses	5.02	0.68
	<u>503.10</u>	<u>424.94</u>



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

31 Income taxes

Tax expense

(a) Tax expense recognised in Profit and Loss

	31 March 2024	31 March 2023
Current tax expense		
Current year	129.50	59.63
Tax adjustment for earlier years	-	-
	<u>129.50</u>	<u>59.63</u>
Deferred tax expense		
Relating to addition and reversal of temporary differences	5.83	(2.47)
	<u>5.83</u>	<u>(2.47)</u>
Tax expense for the year	<u>135.33</u>	<u>57.17</u>

(b) Current tax and deferred tax related to items recognised in other comprehensive income during the year

Particulars	31-Mar-24		
	Before tax	Tax (expense) benefit	Net of tax benefit
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(1.95)	0.49	(1.46)
	<u>(1.95)</u>	<u>0.49</u>	<u>(1.46)</u>

Particulars	31-Mar-23		
	Before tax	Tax (expense) benefit	Net of tax benefit
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

(b) Reconciliation of Effective Tax Rate

	31 March 2024	31 March 2023
Profit before tax	527.09	231.58
Statutory income tax rate	25.17%	25.17%
Expected income tax expense	132.67	58.29
Tax effect of adjustments to reconcile expected Income Tax Expense to reported		
Income Tax Expense:		
Others	2.66	(1.12)
Total tax expense	<u>135.33</u>	<u>57.17</u>



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

31 Income taxes (Continued)

(c) Movement in deferred tax assets and liabilities

Particulars	31 March 2024					
	Net balance 1 April 2022	Recognised in profit or loss	Recognised in Retained Earnings	Net deferred tax asset / (liabilities)	Deferred tax asset	Deferred tax liability
Deferred tax liability						
Property, plant and equipments and intangibles	19.77	5.21	-	14.56	14.56	-
Deferred tax asset						
Other	3.16	3.16	-	-	-	-
Right of use asset and Lease Liabilities [refer note 35]	1.28	0.43	-	0.85	0.85	-
Provision for employee benefits	3.83	(2.97)	(0.49)	7.29	7.29	-
Provision for bad and doubtful debts	-	-	-	-	-	-
Tax assets (Liabilities)	28.04	5.82	(0.49)	22.71	22.71	-

Particulars	31 March 2023					
	Net balance 1 April 2021	Recognised in profit or loss	Recognised in Retained Earnings	Net deferred tax asset / (liabilities)	Deferred tax asset	Deferred tax liability
Deferred tax liability						
Property, plant and equipments and intangibles	17.99	(1.78)	-	19.77	-	19.77
Deferred tax asset						
Other	-	(3.16)	-	3.16	3.16	-
Right of use asset and Lease Liabilities [refer note 35]	0.85	(0.43)	-	1.28	1.28	-
Provision for employee benefits	6.74	2.91	-	3.83	3.83	-
Tax assets (Liabilities)	25.58	(2.47)	-	28.04	8.27	19.77

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

(d) Tax Assets and Liabilities

Particulars	31 March 2024	31 March 2023
Non current tax assets (net of tax provision)	12.40	53.28
Current tax liabilities (net of tax assets)	5.31	59.63



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

32 Earnings per share (EPS)

Basic EPS calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	31 March 2024	31 March 2023
i. Profit attributable to equity holders		
Profit attributable to equity holders for basic and diluted EPS	390.30	174.42
	<u>390.30</u>	<u>174.42</u>
ii. Weighted average number of ordinary shares (no. of shares)	43,50,000	43,50,000
iii. Basic earnings per share and Diluted earnings per share (Rs)	8.97	4.01



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

33 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 for financial instruments measured at fair value. 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	31 March 2024							
	Carrying amount			Total	Fair value			Total
	FVTPL	FVOCI	Amotised Cost		Level 1	Level 2	Level 3	
Non Current Financial assets								
Non current Loans	-	-	-	-	-	-	-	-
Security deposit	-	-	40.67	40.67	-	-	-	-
Current Financial assets								
Trade receivables	-	-	272.50	272.50	-	-	-	-
Cash and cash equivalents	-	-	93.31	93.31	-	-	-	-
Security deposit	-	-	35.38	35.38	-	-	-	-
	-	-	441.86	441.86	-	-	-	-
Non Current Financial liabilities								
Lease liabilities	-	-	24.50	24.50	-	-	-	-
Current Financial liabilities								
Lease liabilities	-	-	57.68	57.68	-	-	-	-
Trade payables	-	-	220.58	220.58	-	-	-	-
Other current financial liabilities	-	-	16.57	16.57	-	-	-	-
	-	-	319.33	319.33	-	-	-	-

Particulars	31 March 2023							
	Carrying amount			Total	Fair value			Total
	FVTPL	FVOCI	Amotised		Level 1	Level 2	Level 3	
Non Current Financial assets								
Non current Loans	-	-	324.00	324.00	-	-	-	-
Security deposit	-	-	36.86	36.86	-	-	-	-
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	-	-	-	-
	-	-	624.25	624.25	-	-	-	-
Non Current Financial liabilities								
Lease liabilities	-	-	124.07	124.07	-	-	-	-
Current Financial liabilities								
Lease liabilities	-	-	-	-	-	-	-	-
Trade payables	-	-	125.17	125.17	-	-	-	-
Other current financial liabilities	-	-	10.99	10.99	-	-	-	-
	-	-	260.23	260.23	-	-	-	-

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.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2024

33 Financial instruments – Fair values (Continued)

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

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 tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non current financial assets 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 year.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

33 Financial instruments – Fair values and risk management (Continued)

Financial risk management

The company's board of Directors has overall responsibility for the establishment and oversight of the company' risk management framework. Key roles and responsibilities are defined in line with risk management plan and are reviewed at regular interval. This self regulatory process and procedure ensures efficient conduct of business in micro and macro risk environment.

The Company has exposure to the following risks arising from financial instruments

- Credit risk
- Liquidity risk
- Market risk
- Currency 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

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. 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 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 does not have any significant concentration of credit risk which constituted 10% of the total trade receivables (31 March 2023:Nil).

Management has analysed the debtors outstanding as at 31 March 2024 and concluded that the history of bad debts on the profile of its current debtors is insignificant. The debtors which are outstanding as at 31 March 2023 have been generally regular in making payments and hence it does not expect significant impairment losses on its current profile of outstanding debtors. The debtors which have defaulted in the past are mostly on account of any litigations and its experience regarding bad debts has been very low in the past.

On the basis of above, no additional provision has been made in the books of accounts under Ind AS.

	Amount
Balance as at 1 April 2022	15.90
Expected Credit Loss allowance	(18.90)
Deduction on account of write off and collections	(3.79)
Balance as at 31 March 2023	-
Expected Credit Loss allowance	-
Deduction on account of write off and collections	-
Balance as at 31 March 2024	-

b. Cash and cash equivalents and Other bank balances

The Company held cash and cash equivalents and other bank balances of Rs 93.30 Lakhs at 31 March 2024 (31 March 2023: 102.07 lakhs). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

33 Financial instruments – Fair values and 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. 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, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

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

31 March 2024	Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-3 years	More than 3 years
Financial liabilities (Non-current)					
Lease Liabilities	24.50	33.30	-	25.26	8.04
Financial liabilities (current)					
Lease Liabilities	57.68	57.68	57.68	-	-
Trade payables	220.58	220.58	220.58	-	-
Other current financial liabilities	16.57	16.57	16.57	-	-
Total	294.83	294.83	294.83	-	-

31 March 2023	Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-3 years	More than 3 years
Financial liabilities (Non-current)					
Lease Liabilities	-	-	-	-	-
Borrowings	-	-	-	-	-
Financial liabilities (current)					
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	-	-
Total	236.94	236.94	236.94	-	-



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

33 Financial instruments – Fair values and risk management (Continued)

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.

	31 March 2024	31 March 2023
Fixed-rate instruments		
Financial assets	196.13	624.24
Financial liabilities	-	(236.94)
	<u>196.13</u>	<u>387.30</u>
Variable-rate Instruments		
Financial assets	-	-
Financial liabilities	(82.18)	-
	<u>(82.18)</u>	<u>-</u>
Total	<u>113.95</u>	<u>387.30</u>

Market risk:

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. 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. However company has no currency exposure, hence not exposed to risk.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

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

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and will be settled in cash.

A) Relationships –

Category I: Holding company
Metropolis Healthcare Limited

Category II: Key Management Personnel (KMP)
Dr Nilesh Shah - Director
Mr.Rakesh Agarwal - Director

Category III: Fellow subsidiary
Ekopath Metropolis Lab Services Private Limited
Metropolis Healthcare (Mauritius) Limited
Metropolis Healthcare Lanka (Pvt) Limited (Formerly known as Nawaloka Metropolis Laboratories Private Limited, Sri Lanka)
Metropolis Histoexpert Digital Services Private Limited (w.e.f 26 November 2021)
Dr.Ganesan's Hitech Diagnostic Centre Private Limited (w.e.f 22 October 2021)*
Metropolis Bramser Lab Services (Mtius) Limited
Metropolis Healthcare Ghana Limited
Metropolis Star Lab Kenya Limited
Metropolis Healthcare (Tanzania) Limited
Centralab Healthcare Services Private Limited (w.e.f 22 October 2021)
Metropolis Healthcare Uganda Limited

*on account of voluntary liquidation, it got merged with Metropolis Healthcare Limited

Category IV: Companies in which key management personnel or their relatives have significant influence (Other related parties)
Metropolis Health Products Retail Private Limited

B) The transactions with the related parties are as follows:

Particulars	31 March 2024	31 March 2023
1) Receipts of services		
<i>Holding company</i>		
Metropolis Healthcare Limited	164.62	56.67
2) Proceeds from sale of investments		
<i>Subsidiary company</i>		
Dr. Ganesan's Hitech Diagnostic Centre Private Limited	-	44.90
3) Interest Income (Related Party)		
Metropolis Healthcare Limited	12.64	2.12
Metropolis Histo-expert Digital Services Private Limited	0.08	-

c) The related party balances outstanding at year end are as follows:

Particulars	31 March 2023	31 March 2022
1) Trade payable and other liabilities		
<i>Holding Company</i>		
Metropolis Healthcare Limited	-	72.27
2) Loans & Advances		
<i>Holding Company (Metropolis Healthcare Limited)</i>		
Advances	94.01	326.12
<i>Fellow Subsidiary (Metropolis Histo-expert Digital Services Private Limited)</i>		
Interest Receivable	0.08	-
Loans	4.00	-

Note: Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

35 Lease Accounting

i The following is the summary of practical expedients elected on initial application:

- i Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
 - ii 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
 - iii Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
 - iv 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.
- 2 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 under Note No 27 and 26
 - 3 The weighted average incremental borrowing rate applied to lease liabilities in FY 2023-24 is 9.20% - 10.10%.
 - 4 Following are the changes in the carrying value of right of use assets for the year ended 31 March 2024

Particulars	(Rs In lakhs)	
	Category of ROU Patent Service Center/Lab or Both	Total
Balance as of April 1, 2022	58.53	58.53
Reclassified on account of adoption of Ind AS 116	124.20	124.20
Additions	-	-
Depreciation	(63.74)	(63.74)
Balance as of 31 March 2023	118.99	118.99
Balance as of April 1, 2023	118.99	118.99
Reclassified on account of adoption of Ind AS 116	-	-
Additions	33.78	33.78
Depreciation	(73.94)	(73.94)
Balance as of 31 March 2024	78.83	78.82

5 The following is the break-up of current and non-current lease liabilities as of 31 March 2023

Particulars	(Rs In lakhs)	
	31 March 2024	31 March 2023
Current Lease liabilities	57.68	-
Non-current lease liabilities	24.50	124.07
Total	82.18	124.07



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

35 Disclosure on Ind-As 116 Leases (Continued)

6 The following is the movement in lease liabilities :

(Rs In lakhs)

Particulars	Amount
Balance as of April 1, 2022	61.83
Additions:	124.20
Finance cost accrued during the year	13.76
Payment of lease liabilities	(75.72)
Balance as of 31 March 2023	124.07
Balance as of April 1, 2023	124.07
Additions:	29.23
Finance cost accrued during the year	11.05
Payment of lease liabilities	(82.17)
Balance as of 31 March 2024	82.18

7 The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2024 on an undiscounted basis:

(Rs In lakhs)

Particulars	31 March 2024	31 March 2023
Less than one year	57.68	26.71
One to five years	33.30	0.00
More than 5 years	-	-
Total	90.98	26.71

8 Impact of adoption of Ind AS 116 for the year ended 31 March 2024 is as follows:

(Rs In lakhs)

Particulars	31 March 2024	31 March 2023
Decrease in Other expenses by	(82.17)	(61.96)
Increase in Finance cost by	11.05	13.76
Increase in Depreciation by (excludes depreciation on reclassified assets)	73.94	63.74
Net Impact on (Profit)/Loss	2.82	15.54

9 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.

10 Rental expense recorded for short-term leases was Rs 277.19 lakhs for the year ended 31 March 2024 (31 March 2023 : 214.09 lakhs).

11 The total cash outflow for leases for year ended 31 March 2024 is Rs. 86.72 lakhs (31 March 2023 : 16.04 Lakhs).



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2024

(Currency : Indian Rupees in lakhs)

36 Commitments	31 March 2024	31 March 2023
Capital commitments:	12.25	-
Estimated amount of contracts remaining to be executed on capital account not provided for		
Total	12.25	-

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

38 Auditors' remuneration

Statutory audit fees	2.28	2.95
Others (including reimbursement of out of pocket expenses)		
Total	2.28	2.95

39 Micro and small enterprises

There are no micro & small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2024. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

	31 March 2024	31 March 2023
a. Principal and interest amount remaining unpaid	-	28.68
b. Interest due thereon remaining unpaid	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006)	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

40 Employee benefits

(a) Defined benefits plan

The Company has gratuity as defined benefit retirement plan for its employees. Funded plan includes gratuity benefit to every employee who has completed service of five years or more, at 15 days salary for each completed year of service (on last drawn basic salary) in accordance with Payment of Gratuity Act, 1972. The scheme is funded with insurance company in the form of qualifying insurance policies

These plan typically expose the company to actuarial risk such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest Risk	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Longevity Risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.



Centrallab Healthcare Services Private Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2024

A. Amount recognised in the balance sheet	31 March 2024	31 March 2023
Present value of the obligation as at the end of the year	18.40	11.86
Fair value of plan assets as at the end of the year		
Net liability recognised in the balance sheet	18.40	11.86
Out of which,		
Non-current portion	16.06	11.33
Current portion	2.34	0.52
B. Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	11.86	23.17
Current service cost	8.98	5.91
Interest cost	0.89	
Actuarial loss	1.95	1.61
Benefits paid	-	(4.04)
Liability transferred out	(5.28)	(14.80)
Liability transferred in		-
Projected benefit obligation at the end of the year	18.40	11.86



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2024

40 Employee benefits (Continued)

	31 March 2024	31 March 2023
D. Amount recognised in the statement of profit and loss		
Current service cost	8.98	5.91
Interest cost	0.89	1.61
Expenses recognised in the statement of profit and loss	9.87	7.52
E. Amount recognised in other comprehensive income		
Due to Change in Demographic Assumptions		0.00
Due to Change in Financial Assumptions	0.58	(0.75)
Due to Experience	1.37	(3.29)
Net actuarial loss/(Gain)	1.95	(4.04)
G. Assumptions used	31 March 2024	31 March 2023
Discount rate	7.52%	7.52%
Long-term rate of compensation increase	6.00%	6.00%
Attrition rate	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

The weighted average duration of the defined benefit obligation is 14 years (31st March, 2023: 13 years).

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 amounts shown below.

	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.80)	2.17	(1.18)	1.40
Future salary growth (1% movement)	2.18	(1.84)	1.41	(1.20)
Employee Turnover (1% movement)	0.06	(0.10)	0.12	(0.15)

I. Expected future cash flows

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligations (Gratuity)	2.34	1.54	1.98	45.61	51.47
Total	2.34	1.54	1.98	45.61	51.47
31 March 2023					
Defined benefit obligations (Gratuity)	0.52	1.34	1.50	30.76	34.12
Total	0.52	1.34	1.50	30.76	34.12

(b) Defined contribution plan

The Company contributes towards statutory provident fund as per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and towards employee state insurance as per the Employees' State Insurance Act, 1948. The amount of contribution to provident fund and Employee State Insurance Scheme recognised as expenses during the year is Rs. 13.56 Lakhs (31 March 2023: Rs7.51 Lakhs)

41 Segment Reporting

The Company operates in a single segment i.e. "Pathology". Accordingly, in terms of paragraph 4 of the Indian Accounting Standard 108 (IND AS-108) "Segment Reporting", no disclosures related to segments are presented in this financial statement.



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2024

42(a) Disclosure as per Ind As 115 - Revenue from contracts with customers

The Company generates its entire revenue from contracts with customers for the services at a point in time. The Company is engaged mainly in the business of running laboratories for carrying out pathological investigations of various branches of bio-chemistry, hematology, histopathology, microbiology, electrophoresis, immuno-chemistry, immunology, virology, cytology, other pathological and radiological investigations

42(b) Reconciliation of revenue from contracts with customer

	31 March 2024	31 March 2023
Revenue from contract with customer as per the contract price	1,755.82	537.75
Adjustment made to contract price on account of :-		
Discount / Rebates		
a) Sales Return /Credits/Reversals	18.06	-
Revenue from operations	1,737.76	537.75



Centralab Healthcare Services Private Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2024

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Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	2.20	1.37		83%
Debt- Equity Ratio	Total Debt	Shareholder's Equity	-	-		0%
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	-	-		0% Note 1
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.13	0.40		-27%
Inventory Turnover ratio	Cost of goods sold	Average Inventory	6.55	6.00		55% Note 2
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	2.30	3.89		-159% Note 3
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	1.36	5.05		-369% Note 4
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	6.44	13.67		-723% Note 5
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	23%	14.42%		8%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	23%	35.15%		-12%
Return on Investment	Interest (Finance Income)	Investment	0%	0.00%		0%

Definitions:

- Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets
- Debt service = Interest & Lease Payments + Principal Repayments
- Average inventory = (Opening inventory balance + Closing inventory balance) / 2
- Net credit sales = Net credit sales consist of gross credit sales minus sales return
- Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
- Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return
- Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
- Working capital = Current assets - Current liabilities.
- Earning before interest and taxes = Profit before exceptional items and tax + Finance costs - Other Income
- Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

Note 1 Increase on account of repayment of lease amount

Note 2 Average inventory increased during the year

Note 3 Average trade receivable decreased during the year

Note 4 Purchase reduced during the year

Note 5 Increase in current assets

44 Compliance with approved Scheme(s) of Arrangements

The company did not have any such arrangements in the current year.

45 Disclosure of Transactions with Struck off companies

The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.



Centralab Healthcare Services Private Limited

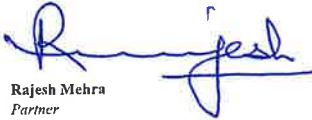
Notes to the financial statements (Continued) for the year ended 31 March 2024

- 46 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:
- (a) Crypto Currency or Virtual Currency
 - (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
 - (c) Registration of charges or satisfaction with Registrar of Companies

 - (d) Relating to borrowed funds:
 - i. Willful defaulter
 - ii. Utilisation of borrowed funds & share premium
 - iii. Borrowings obtained on the basis of security of current assets
 - iv. Discrepancy in utilization of borrowings
 - v. Current maturity of long term borrowings
 - (e) Compliances with number of layer of companies


As per our report of even date attached

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



Rajesh Mehra
Partner
Membership No. 103145
Place:
Date: 20th May 2024

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



RAKESH AGARWAL ALANGADAN KANNAN
Director Director
DIN : 08614903 DIN : 09151786
Place : Mumbai Place : Mumbai
Date: 20th May 2024 Date: 20th May 2024

