

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Suraksha Diagnostic Limited (formerly known as Suraksha Diagnostic Private Limited)

Report on the Audit of the Special Purpose Ind AS Interim Standalone Financial Statements

### Opinion

We have audited the accompanying Special Purpose Ind AS Interim Standalone Financial Statements of **Suraksha Diagnostic Limited (formerly known as Suraksha Diagnostic Private Limited)** (hereinafter referred as the "Company"), which comprises the Special Purpose Ind AS Interim Standalone Balance Sheet as at 30 June 2024, the Special Purpose Ind AS Interim Standalone Statement of Profit and Loss including other comprehensive income, the Special Purpose Ind AS Interim Standalone Statement of changes in equity, the Special Purpose Ind AS Interim Standalone Statement of Cash Flows for the three months period then ended, and notes to the Special Purpose Ind AS Interim Standalone Financial Statements, including material accounting policies information and other explanatory information (collectively referred to as the "Special Purpose Ind AS Interim Standalone Financial Statements"). The Special Purpose Ind AS Interim Standalone Financial Statements have been prepared by the Management of the Company and approved by the Board of Directors of the Company in accordance with the basis and purpose set out in Note 2.1 to the Special Purpose Ind AS Interim Standalone Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Ind AS Interim Standalone Financial Statements of the Company for the quarter ended 30 June 2024 are prepared in all material aspects in accordance with Indian Accounting Standards Interim Financial Reporting ('IND AS 34') and other recognised accounting principles generally accepted in India.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those SAs are further described in the Auditor's Responsibilities section of our report for the audit of the Special Purpose Ind AS Interim Standalone Financial Statements. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Special Purpose Ind AS Interim Standalone Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Emphasis of matter -Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2.1 to the Special Purpose Ind AS Interim Standalone Financial Statements which describes the purpose and basis of accounting the Special Purpose Ind AS Interim Standalone Financial Statements. These Special Purpose Ind AS Interim Standalone Financial Statements have been prepared by the management of the Company and approved by the Board of Directors of the Company solely for the purpose of preparation of the restated consolidated financial information of the Company to be included in the Draft Red Herring Prospectus (“DRHP”), Red Herring Prospectus (“RHP”) and Prospectus (collectively referred to “Offer Documents”) in connection with its proposed initial public offering of equity shares as required by Section 26 of Part I of Chapter III of the Act and as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the “SEBI ICDR Regulations”), the SEBI Communications and the Guidance Note on Reports in Company Prospectuses (Revised 2019) (“the Guidance Note”) issued by the ICAI. As a result, these Special Purpose Ind AS Interim Standalone Financial Statements may not be suitable for any another purpose.

Our report is addressed to the Board of Directors of the Company solely for the purpose as specified above, and this should not be distributed to or used by any other parties. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our Opinion is not modified in respect of the above matter.

## Management’s Responsibility and Those Charged with Governance for the Special Purpose Ind AS Interim Standalone Financial Statements

The Company’s management is responsible for the preparation and fair presentation of these Special Purpose Ind AS Interim Standalone Financial Statements, in accordance with the Indian Accounting Standard 34 “Interim Financial Reporting” prescribed under section 133 of the Act read with Companies (Accounts) Rules, 2015 as amended and other accounting principles generally accepted in India, except for disclosure of comparatives which is exempt as per ICDR Regulations, in accordance with the basis stated in Note 2.1 to the Special Purpose Ind AS Interim Standalone Financial Statements for the purpose set out in paragraph above, and this includes design, implementation, and maintenance of such internal controls as management determines necessary to enable the preparation of these Special Purpose Ind AS Interim Standalone Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Ind AS Interim Standalone Financial Statements, the management and Board of Directors of the Company is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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

## **Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Interim Standalone Financial Statements**

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Special Purpose Ind AS Interim Standalone Financial Statements.

## **Other matter**

These Special Purpose Ind AS Interim Standalone Financial Statements for the three months period ended 30 June 2024 has been prepared by the management of the Company in accordance with the basis stated in Note 2.1 to the Special Purpose Ind AS Interim Standalone Financial Statements and approved by the Board of Directors of the Company solely for the purpose of preparation of Restated Consolidated Financial Information to be included in the Offer Documents in connection with the proposed initial public offering of equity shares of the Company. Further, disclosure of comparatives is exempt as per SEBI ICDR Regulations. Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Ind AS Interim Standalone Financial Statements.

Our opinion is not modified in respect of the above matter.

**For M S K A & Associates**

**Chartered Accountants**

ICAI Firm Registration Number: 105047W



**Dipak Jaiswal**

Partner

Membership No. 063682

UDIN: 24063682BKATEL6782

Place: Kolkata

Date: 16 September 2024

## Annexure A to the Independent Auditor's Report of Even Date on the Special Purpose Ind AS Interim Standalone Financial Statements of Suraksha Diagnostic Limited (formerly known as Suraksha Diagnostic Private Limited)

### Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Interim Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the Special Purpose Ind AS Interim Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for expressing our opinion on whether the Company has internal financial controls with reference to Special Purpose Ind AS Interim Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the Special Purpose Ind AS Interim Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Ind AS Interim Standalone Financial Statements, including the disclosures, and whether the Special Purpose Ind AS Interim Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



# MSKA & Associates

Chartered Accountants

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

**For M S K A & Associates**  
**Chartered Accountants**

ICAI Firm Registration Number: 105047W



**Dipak Jaiswal**  
Partner

Membership No. 063682

UDIN: 24063682BKATEL6782

Place: Kolkata

Date: 16 September 2024

Suraksha Diagnostic Limited (Formerly known as Suraksha Diagnostic Private Limited)  
Special Purpose Ind AS Interim Standalone Balance Sheet as at 30 June 2024  
(All amount are in INR Lakhs, unless otherwise stated)

Particulars	Notes	As at 30 June 2024
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	5	13,359.43
Capital work-in-progress	6	19.35
Right-of-use assets	7	7,391.86
Other intangible assets	8(a)	140.02
Intangible assets under development	8(b)	24.12
<b>Financial assets</b>		
Investments	9	170.74
Loans	10	1,241.66
Other financial assets	11	840.16
Non-current tax assets (net)	12	48.51
Other non-current assets	13	375.83
<b>Total non-current assets</b>		<b>23,611.68</b>
<b>Current assets</b>		
Inventories	14	630.69
<b>Financial assets</b>		
Trade receivables	15	996.43
Cash and cash equivalents	16	407.73
Bank balances other than cash and cash equivalents	17	4,761.62
Other financial assets	18	244.56
Other current assets	19	415.68
<b>Total current assets</b>		<b>7,456.71</b>
<b>Total Assets</b>		<b>31,068.39</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Equity share capital	20	862.50
Instruments entirely equity in nature	20	162.86
Other equity	21	17,864.45
<b>Total equity</b>		<b>18,889.81</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	22(a)	445.40
Lease liabilities	7	7,056.70
Provisions	23	133.84
Deferred tax liabilities (net)	36	508.57
<b>Total non-current liabilities</b>		<b>8,144.51</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	22(b)	311.12
Lease liabilities	7	1,039.41
Trade payables	24	
Total outstanding dues of micro enterprises and small enterprises		142.85
Total outstanding dues other than above micro enterprises and small enterprises		1,386.32
Other financial liabilities	25	789.03
Other current liabilities	26	192.27
Provisions	27	11.87
Current tax liabilities (net)	28	161.20
<b>Total current liabilities</b>		<b>4,034.07</b>
<b>Total liabilities</b>		<b>12,178.58</b>
<b>Total equity and liabilities</b>		<b>31,068.39</b>

The accompanying notes are an integral part of the special purpose Ind AS interim standalone financial statements

As per our report of even date  
For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No: 105047W



Dipak Jaiswal  
Partner  
Membership No: 063682

For and on behalf of the Board of Directors of  
**Suraksha Diagnostic Limited**  
(formerly known as Suraksha Diagnostic Private Limited)  
(CIN:UB5110WB2005PLC102265)

  
Dr Somnath Chatterjee  
Jt. Managing Director  
DIN: 00137075

  
Ritu Mittal  
Jt. Managing Director & Chief Executive Officer  
DIN: 00165886

  
Amit Saraf  
Chief Financial Officer

  
Mamta Jain  
Company Secretary  
M No: ACS25654

Place: Kolkata  
Date: 16 September 2024

Place: Kolkata  
Date: 16 September 2024

Place: Kolkata  
Date: 16 September 2024

Suraksha Diagnostic Limited (Formerly known as Suraksha Diagnostic Private Limited)  
Special Purpose Ind AS Interim Standalone Statement of Profit And Loss for the three months period ended 30 June 2024  
(All amount are in INR Lakhs, unless otherwise stated)

Particulars	Notes	For the period 01 April 2024 to 30 June 2024
<b>Income</b>		
Revenue from operations	29	6,043.29
Other income	30	121.09
<b>Total Income</b>		<b>6,164.38</b>
<b>Expenses</b>		
Cost of materials consumed	31	654.12
Employee benefits expenses	32	1,018.54
Finance costs	33	221.52
Depreciation and amortisation expense	34	887.69
Other expenses	35	2,260.32
<b>Total expenses</b>		<b>5,042.19</b>
<b>Profit before tax</b>		<b>1,122.19</b>
<b>Income tax expense</b>	36	
Current tax		309.16
Deferred tax		(20.02)
<b>Total tax expense</b>		<b>289.14</b>
<b>Profit for the period</b>		<b>833.05</b>
<b>Other comprehensive income</b>		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement gain/(loss) of net defined benefit plan	39	(39.73)
Income tax effect on above	36	10.00
<b>Other comprehensive income/(losses) for the period, net of tax</b>		<b>(29.73)</b>
<b>Total comprehensive income for the period</b>		<b>803.32</b>
<b>Earnings per equity share ( Face Value of 2 each (INR))</b>	37	
- Basic (INR)		1.56
- Diluted (INR)		1.56


The accompanying notes are an integral part of the special purpose Ind AS Interim standalone financial statements

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No: 105047W

  
Dipak Jaiswal  
Partner  
Membership No: 063682

Place: Kolkata  
Date: 16 September 2024

For and on behalf of the Board of Directors of  
**Suraksha Diagnostic Limited**  
(formerly known as Suraksha Diagnostic Private Limited)  
(CIN:U85110WB2005PLC102265)

  
Dr Somnath Chatterjee  
Jt. Managing Director  
DIN: 00137075

  
Amit Saraf  
Chief Financial Officer

Place: Kolkata  
Date: 16 September 2024

  
Ritu Mittal  
Jt. Managing Director & Chief Executive Officer  
DIN: 00165886

  
Mamta Jain  
Company Secretary  
M No: ACS25654

Place: Kolkata  
Date: 16 September 2024

Suraksha Diagnostic Limited (Formerly known as Suraksha Diagnostic Private Limited)  
Special Purpose Ind AS Interim Standalone Statement of Cash Flows for the three months period ended 30 June 2024  
(All amount are in INR Lakhs, unless otherwise stated)

Particulars	For the period 01 April 2024 to 30 June 2024
<b>Cash flow from operating activities</b>	
Profit before tax	1,122.19
Adjustments for:	
Depreciation and amortisation expense	888.29
Finance costs	221.52
Interest on loans, deposits and IT refund	(95.93)
Unwinding of security deposit	(8.00)
Provision for credit allowances on receivables and deposits	15.82
Security deposits written off	6.65
Bad debts written off	26.78
Liabilities/ provisions no longer required written back	(16.16)
<b>Operating profit before working capital changes</b>	<b>2,161.16</b>
<b>Changes in operating assets and liabilities</b>	
Adjustments for (increase) / decrease in operating assets	
Trade receivables	(105.95)
Inventories	34.62
Security deposits	(31.05)
Other financial assets	(244.56)
Other assets	(116.36)
Adjustments for increase / (decrease) in operating liabilities	
Trade payables	115.78
Other liabilities	22.26
Other financial liabilities	10.79
Provisions	28.85
<b>Cash generated from operations</b>	<b>1,875.54</b>
Income tax paid (net)	(64.19)
<b>Net cash flows generated from operating activities (A)</b>	<b>1,811.35</b>
<b>Cash flows from investing activities</b>	
Purchase of property, plant & equipment, other intangible assets and Intangible Asset under Development (including capital work-in-progress, capital advances and capital creditors)	(514.80)
Redemption of deposits with banks	1,836.10
Investments in deposits with banks	(1,636.55)
Investment in Subsidiaries	(55.00)
Loan given to Subsidiaries	(673.39)
Interest received on bank deposits	77.80
<b>Net cash flows used in investing activities (B)</b>	<b>(965.84)</b>
<b>Cash flow from financing activities</b>	
Repayment of borrowings	(107.14)
Payment of lease liabilities	(517.94)
Finance cost paid	(23.64)
<b>Net cash flows used in financing activities (C)</b>	<b>(648.72)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>196.79</b>
Cash and cash equivalents at the beginning of the period	210.94
<b>Cash and cash equivalents at the end of the period</b>	<b>407.73</b>





Suraksha Diagnostic Limited (Formerly known as Suraksha Diagnostic Private Limited)  
 Special Purpose Ind AS Interim Standalone Statement of Cash Flows for the three months period ended 30 June 2024  
 (All amount are in INR Lakhs, unless otherwise stated)

Cash and cash equivalents comprises: (Refer Note 16)

	For the period 01 April 2024 to 30 June 2024
Balances with banks	
- In current accounts	341.23
- Cash in hand	66.50
<b>Balances as per statement of cash flows</b>	<b>407.73</b>

(i) The above statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard 7 (IND AS 7), "Statement of Cash Flows" notified under

(ii) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	For the period 01 April 2024 to 30 June 2024
Opening balance	9,047.63
<b>Cash flows:</b>	
Repayment of borrowings	(107.14)
Payment on leases	(517.94)
<b>Non cash flows :</b>	
Additions to lease liabilities	230.76
Interest expenses on leases	199.32
<b>Closing balance</b>	<b>8,852.63</b>

The accompanying notes are an integral part of the special purpose Ind AS interim standalone financial statements

As per our report of even date  
 For M S K A & Associates  
 Chartered Accountants  
 ICAI Firm Registration No: 105047W



Dipak Jaiswal  
 Partner  
 Membership No: 063682

For and on behalf of the Board of Directors of  
 Suraksha Diagnostic Limited  
 (formerly known as Suraksha Diagnostic Private Limited)  
 (CIN:U85110WB2005PLC102265)

  
 Dr Sagnath Chatterjee  
 Jt. Managing Director  
 DIN: 00137075

  
 Ritu Mittal  
 Jt. Managing Director & Chief Executive Officer  
 DIN: 00165886

  
 Amit Saraf  
 Chief Financial Officer

  
 Mamta Jain  
 Company Secretary  
 M No: ACS25654

Place: Kolkata  
 Date: 16 September 2024

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 Date: 16 September 2024

Suraksha Diagnostic Limited (Formerly known as Suraksha Diagnostic Private Limited)  
Special Purpose Ind AS Interim Standalone Statement of Changes in Equity for the three months period ended 30 June 2024  
(All amount are in INR Lakhs, unless otherwise stated)

(A) (i) Equity share capital

Particulars	No. of Shares	Amount
Balance as at 01 April 2024	6,90,000	690.00
Share issued during the period on account of stock split	3,38,10,000	-
Share issued during the period on account of Bonus Issue	86,24,997	172.50
Balance as at 30 June 2024	4,31,24,997	862.50

(ii) Instruments Entirely Equity In Nature: 0.0001% Compulsorily Convertible Preference Shares

Particulars	No. of Shares	Amount
Balance as at 01 April 2024	1,62,859	162.86
Issued during the period	-	-
Balance as at 30 June 2024	1,62,859	162.86

\*Refer note 20 for note on equity share capital

(B) Other equity

Particulars	Retained Earnings		Total
	Retained Earnings	Securities Premium	
Balance as at 01 April 2024	12,396.54	4,837.09	17,233.63
Profit for the period	833.05	-	833.05
Other comprehensive income for the period	(29.73)	-	(29.73)
Bonus shares issued during the period	-	(172.50)	(172.50)
Total comprehensive income	803.32	(172.50)	630.82
Balance as at 30 June 2024	13,199.86	4,664.59	17,864.45

\*Refer note 21 for note on other equity

The accompanying notes are an integral part of the special purpose Ind AS interim standalone financial statements

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No: 105047W



Dipak Jaiswal  
Partner  
Membership No: 063682

For and on behalf of the Board of Directors of  
Suraksha Diagnostic Limited  
(formerly known as Suraksha Diagnostic Private Limited)  
(CIN:U85110WB2005PLC102265)

Dr. Somnath Chatterjee  
Jt. Managing Director  
DIN: 00137075

Amit Saraf  
Chief Financial Officer

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DIN: 00165886

Mamta Jain  
Company Secretary  
M No: ACS25654

Place: Kolkata  
Date: 16 September 2024

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**1 Corporate information**

Suraksha Diagnostic Limited (formerly known as Suraksha Diagnostic Private Limited) (the "Company") is a public company domiciled in India and was incorporated on March 15, 2005 under the provision of Companies Act, 1956 with its registered office in Kolkata, West Bengal. The Company is primarily engaged in the business of running diagnostic centres for carrying out various pathological and radiological services.

The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 05 June 2024 and consequently the name of the Company has changed to Suraksha Diagnostic Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies on 16 July 2024.

**2 Material accounting policies**

**2.1 Basis of preparation**

**(a) Statement of Compliance with Indian Accounting Standards (Ind AS)**

The Special Purpose Ind AS Interim Standalone Financial Statements of the Company comprises the Special Purpose Ind AS Interim Standalone Balance Sheet as at 30 June 2024, the Special Purpose Ind AS Interim Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Ind AS Interim Standalone Statement of Cash Flows, the Special Purpose Ind AS Interim Standalone Statement of Changes in Equity and Notes forming part of the Special Purpose Ind AS Interim Standalone Financial Statements for the three months ended 30 June 2024 and summary of material accounting policies and explanatory notes (collectively referred as the 'Special Purpose Ind AS Interim Consolidated Financial Statements') that have been prepared by the management of the Company for the purpose of preparation of the restated consolidated financial information to be included in the Draft Red Herring Prospectus (the "DRHP") to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and BSE Limited in connection with the proposed Initial Public Offer of equity shares ("IPO") by the Company.

The Special Purpose Ind AS Interim Standalone Financial Statements have been prepared by the management of the Company to comply with the requirements of:

- (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations");
- (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note"); and

These Special Purpose Ind AS Interim Standalone Financial Statements have been prepared solely for the purpose of preparation of restated consolidated financial information for inclusion in DRHP in relation to proposed IPO. Hence these Special Purpose Ind AS Interim Standalone Financial Statements are not suitable for any other purpose other than for the purpose of preparation of restated consolidated financial information. Also, disclosure of comparatives is exempt as per SEBI ICDR Regulations, accordingly, the management of the Company has not presented the corresponding comparative figures in this Special Purpose Ind AS Interim Standalone Financial Statements.

All amounts disclosed in Special Purpose Ind AS Interim Standalone Financial Statements are reported in nearest lakhs of Indian Rupees and have been rounded off to the nearest lakhs, except per share data and unless stated otherwise.

These special purpose Ind AS interim standalone financial statements were approved for issue in accordance with a resolution of the directors on 16 September 2024.

The Guidance Note on Division II - Schedule III to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India ("ICAI") has been followed in so far.

**(b) Basis of measurement**

These special purpose Ind AS interim standalone financial statements have been prepared on accrual basis and under historical cost convention, except for the following:

- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- Employees Defined benefit plans are recognised at the net total of the fair value of plan assets, and the present value of the defined benefit obligation as per actuarial valuation.

**(c) Current versus non-current classification**

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

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

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

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

**(d) Presentation currency and rounding off**

These special purpose Ind AS interim standalone financial statements are presented in Indian Rupees (INR) and all values are rounded to nearest lakhs, unless otherwise

**(e) Going Concern**

The Company has prepared the special purpose Ind AS interim standalone financial statements on the basis that it will continue to operate as a going concern.

**(f) Use of estimates**

The preparation of special purpose Ind AS interim standalone financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date.

The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the special purpose Ind AS interim standalone financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

Refer Note 3 for details on estimates and judgments.



2.2 Summary of material accounting policies

(a) Property, plant, and equipment

Property, plant and equipment, are stated at historical cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use.

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

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that an asset may be impaired. If an impairment loss is determined, the remaining useful life of the asset is also subject to adjustment. If the reasons for previously recognised impairment losses no longer exists, such impairment losses are reversed and recognised in income. Such reversal shall not cause the carrying amount to exceed the amount that would have resulted had no impairment taken place during the preceding periods.

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of Property, plant and equipment when completed and ready for intended use. Advances given towards acquisition/construction of Property, plant and equipment outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other non-current assets".

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

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets purchased during the year costing INR 5,000 or less are depreciated at the rate of 100%. Depreciation on sale/disposal of property plant and equipment is provided up to the date preceding the date of sale/disposal as the case may be. Gains and losses on disposals are determined by comparing the sale proceeds with carrying amount and accordingly recorded in the Statement of Profit and Loss during the reporting year in which they are sold/disposed.

The estimated useful lives are as mentioned below

Asset	Useful life
Building	60 years
Plant and Equipments	5-15 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Laboratory Equipments	13 years
Leasehold Improvements (*)	NA
Computers	3-6 years
Vehicles	8 years

\* Leasehold improvements are amortised over the period of the lease.

(b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of all the intangible assets of the Company are assessed as finite.

Particulars	Useful life
Computer Software	5 years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

(c) Leases

**Identifying leases**

The Company assesses at contract inception whether a contract is or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease contracts entered by the Company majorly pertains for premises and equipments taken on lease to conduct its business in the ordinary course.

**Company as a lessee**

The Company had adopted Ind AS 116 "Leases" using the modified retrospective approach by applying the standard to all leases existing at the date of initial application. The Company also elected to use the recognition exemption for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option ("short-term leases") and lease contracts for which the underlying asset is of low value ("low value assets"). The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.2(d) "Impairment of non-financial assets".

**Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.



(All amounts in INR, unless otherwise stated)

**2.2 Summary of material accounting policies (cont'd)**

**(c) Leases (cont'd)**

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**(d) Impairment of non financial assets**

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

**(e) Investments in subsidiaries**

A subsidiary is an entity that is controlled by another entity. The Company's investments in its subsidiaries are accounted at cost less impairment if any. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

**(f) Inventories**

Inventories comprises of reagents, chemicals, surgical and laboratory supplies and stores are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out method (FIFO) basis.

**(g) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Special Purpose Ind AS Interim Standalone Balance Sheet.

**(h) Share Capital**

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.

**(i) Financial assets**

**(i) Initial recognition and measurement**

At initial recognition, financial asset is measured at its fair value plus the transaction cost directly attributable to the acquisition of the financial asset in the case of a financial asset measured not at fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**(ii) Subsequent measurement**

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

- at amortized cost; or
- at fair value through other comprehensive income; or
- at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company does not hold any financial assets classified at fair value through other comprehensive income; or at fair value through profit or loss. Accordingly, the Company holds only financial assets measured at amortised cost, therefore accounting policy of financial assets classified at amortised cost stated below:

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss.



## 2.2 Summary of material accounting policies (cont'd)

### (iii) Impairment of financial assets

In accordance with Ind AS 109 "Financial Instruments", the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

#### a) Trade receivables:

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 115 "Revenue from Contracts with Customers". The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

#### b) Other financial assets:

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the Statement of Profit and Loss. For financial assets measured at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### (iv) Derecognition of financial assets

A financial asset is derecognised only when:

- the contractual rights to receive cash flows from the financial asset is transferred or expired.
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the received cash flows in full without material delay to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the financial asset is neither transferred, nor the entity retains substantially all risks and rewards of ownership of the financial asset, then in that case financial asset is derecognised only if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

### (j) Financial liabilities and equity instruments

#### Classification as debt or equity

An instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Dividend paid on equity instruments are directly reduced from equity.

#### Financial liabilities

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost, as appropriate.

All financial liabilities being loans, borrowings and payables are recognised net of directly attributable transaction costs.

##### (ii) Subsequent measurement

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

Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

The Company does not owe any financial liability which is either classified or designated at fair value though profit or loss. Accordingly, the Company holds only financial liabilities designated at amortised cost, therefore accounting policy of financial liabilities classified at amortised cost stated below:

#### Financial liabilities at amortised cost

All the financial liabilities of the Company are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

##### (iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 and Loss as finance costs.

##### (iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.



## 2.2 Summary of material accounting policies (cont'd)

### (k) Fair value measurement

A number of assets and liabilities included in the Company's financial statements require measurement at, and/or disclosure of, fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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.

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

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### (l) Provisions, Contingent liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probability will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent assets are neither recorded nor disclosed in the special purpose Ind AS interim standalone financial statements.

### (m) Revenue from contract with customers

The Company's revenue is primarily generated from the business of diagnostic services comprises of amount billed (net of discounts) in respect of tests conducted. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the underlying tests are conducted, samples are processed and test report is generated for requisitioned diagnostic tests.

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.

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of discounts and schemes offered to the customers by the Company.

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 net of discounts. The price that is regularly charged for a test when registered separately is the best evidence of its standalone selling price.

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 transfer 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. Invoicing in excess of revenues are classified as contract liabilities.

#### Cost of obtaining the contract - Practical exemptions

The Company expenses the incremental costs of obtaining a contract since the amortisation period of the asset is one year or less.

#### Other Income

##### Interest Income from Bank Deposits

Interest income is accrued on a time proportion basis by reference to the principal outstanding and the effective interest rate.

Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

### (n) Earning per Share

Basic earnings per share (EPS) is calculated by dividing the net profit or loss attributable to equity holders of the company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

The weighted average number of shares classified as equity in nature outstanding is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### (i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### (ii) Other long-term employee benefit obligations

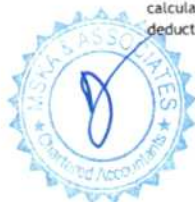
Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. The Company makes specified monthly contributions towards Government administered provident fund scheme and Employees' State Insurance ('ESI') scheme. Obligations for contributions to defined contribution plans are expensed as an employee benefits expense in statement of profit and loss in the period in which the related services are rendered by employees.

#### Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.



## 2.2 Summary of material accounting policies (cont'd)

### (o) Employee benefits (cont'd)

Remeasurements 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 OCI. They are included in retained earnings in the statement of changes in equity and in the balance sheet. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### Compensated Absences

Accumulated compensated absences are unused leaves which can be encashed only on discontinuation of service by employee. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The liabilities of earned leaves which are not expected to be settled within 12 months after the end of the year in which the employee render the related service, are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit cost method based on actuarial valuations. Actuarial gains/ losses are recognized in profit or loss.

### (p) Taxes

Income-tax expenses comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

#### Current Income Tax

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

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

#### Deferred Income Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### (q) Borrowing Costs

Borrowing costs comprise interest cost on borrowings, lease liabilities and amortization of initial costs incurred in connection with the arrangement of borrowings. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are recognised as expenditure in the period in which they are incurred.

### (r) Segment Reporting

The Company identifies segment basis of the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker'). The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. The business of the Company falls within a single line of business i.e. business of diagnostic services. All other activities of the Company revolve around its main business. Hence no separate reportable primary segment.





Suraksha Diagnostic Limited (Formerly known as Suraksha Diagnostic Private Limited)

Notes forming part of the special purpose Ind AS Interim standalone financial statements for the three months period ended 30 June 2024

(All amounts in INR, unless otherwise stated)

**3 Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the special purpose Ind AS interim standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(a) Useful lives of property, plant and equipment and intangible assets**

As described in the material accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation / amortization expense in future periods.

**(b) Actuarial Valuation**

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the special purpose Ind AS interim standalone financial statements.

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

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**(d) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against Company as it is not possible to predict the outcome of pending matters with accuracy.

**(e) Provisions**

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Company is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

**(f) Income taxes**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the special purpose Ind AS interim standalone financial statements.

**(g) Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**4 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the three months period ended 30 June 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



Suraksha Diagnostic Limited (Formerly known as Suraksha Diagnostic Private Limited)

Notes forming part of the special purpose Ind AS Interim standalone financial statements for the three months period ended 30 June 2024

(All amount are in INR Lakhs, unless otherwise stated)

5 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipments	Computers	Furniture and fixtures	Laboratory Equipments	Vehicles	Office Equipments	Total
Gross carrying amount									
Balance as at 01 April 2024	79.26	936.80	632.29	196.77	3,188.49	11,014.69	194.84	175.16	16,418.30
Additions during the period	-	-	1.40	4.01	67.83	242.39	-	13.00	328.63
Disposals during the period	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2024	79.26	936.80	633.69	200.78	3,256.32	11,257.08	194.84	188.16	16,746.93
Accumulated depreciation									
Balance as at 01 April 2024	-	31.20	192.64	78.64	737.92	1,778.51	27.33	79.23	2,925.47
Depreciation charge during the period	-	3.89	22.71	23.38	109.84	288.10	6.12	7.99	462.03
Disposals during the period	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2024	-	35.09	215.35	102.02	847.76	2,066.61	33.45	87.22	3,387.50
Net carrying amount as at 30 June 2024	79.26	901.71	418.34	98.76	2,408.56	9,190.47	161.39	100.94	13,359.43

Notes:

- (a) For assets pledged as security (Refer note 22)  
(b) Refer note 38 for details of capital commitments.



6 Capital work-in-progress

Particulars	As at 30 June 2024
Opening balance	101.64
Add: Addition during the period	-
Less: Capitalisation during the period	(82.29)
Closing balance	19.35

(a) Ageing of capital work-in-progress

Particulars	Amounts in capital work-in-progress for				Total
	Less than one year	1 - 2 years	2 - 3 years	More than 3 years	
30 June 2024	19.35	-	-	-	19.35

(b) There are no projects where completion is overdue or costs have exceeded the original plan or where activity has been temporarily suspended.

7 Right to use & Lease Liabilities

The Company has leasing arrangements for a number of properties in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates. In some jurisdictions, for property leases the periodic rent is fixed over the lease term. These leases have terms ranging from two to nine years.

The Company also has leasing arrangements for certain items of plant and equipment (Medical equipments). Leases of plant and equipment have in substance fixed and variable payments.

The Company also has entered into certain leases of equipment with lease term up to 12 months and certain leases of office equipment of low value. The Company applies the recognition exemptions relating to short-term leases and lease of low-value assets for these leases.

The weighted average incremental borrowing rate applied to lease added during the period is 10.05% for premises and medical equipments.

(a) Right-of-use asset

Particulars	Medical Equipments	Premises	Total
Gross carrying amount as on 01 April 2024	1,212.00	9,563.76	10,775.76
Additions for the period	-	268.84	268.84
Balance as at 30 June 2024	1,212.00	9,832.60	11,044.60
Accumulated amortisation	356.86	2,878.01	3,234.87
Amortisation for the period (Refer note 34)	44.93	372.94	417.87
Balance as at 30 June 2024	401.79	3,250.95	3,652.74
Net carrying amount as at 30 June 2024	810.21	6,581.65	7,391.86

(b) Lease liabilities

Particulars	As at 30 June 2024
Balance of lease liabilities at the beginning of the period	8,183.97
Add: Additions during the period	230.76
Add: Interest on lease liabilities	199.32
Less: Lease payments	(517.94)
Balance of lease liabilities at the end of the period	8,096.11
Current portion of lease liabilities	1,039.41
Non-current portion of lease liabilities	7,056.70

(c) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	Refer note	For the period 01 April 2024 to 30 June 2024
Amortisation charge of right-of-use assets	34	417.87
Interest expense (included in finance costs)	33	199.32
Expense relating to short-term leases variable, payment not included in lease liabilities (included in rent expenses under other expenses)	35	82.63

(d) Amounts recognised in the statement of cash flows

The statement of cash flows show the following amounts relating to leases:

Particulars	For the period 01 April 2024 to 30 June 2024
Payment of lease liabilities	(517.94)

Refer note 44 for disclosure on contractual maturities of lease liabilities



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8 (a) Other intangible assets

Particulars	Computer Software	Total
<b>Gross carrying amount</b>		
Balance as at 01 April 2024	172.76	172.76
Additions during the period	41.31	41.31
Disposals during the period	-	-
<b>Balance as at 30 June 2024</b>	<b>214.07</b>	<b>214.07</b>
<b>Accumulated Amortization</b>		
Balance as at 01 April 2024	65.66	65.66
Amortisation charge during the period (Refer note 34)	8.39	8.39
Disposals during the period	-	-
<b>Balance as at 30 June 2024</b>	<b>74.05</b>	<b>74.05</b>
<b>Net carrying amount as at 30 June 2024</b>	<b>140.02</b>	<b>140.02</b>

8 (b) Intangible Assets under Development

Particulars	As at 30 June 2024
Opening balance	-
Add: Addition during the period	24.12
Less: Capitalisation during the period	-
<b>Closing balance</b>	<b>24.12</b>

(a) Ageing of intangible assets under development

Particulars	Amounts in intangible assets under development for				Total
	Less than one year	1 - 2 years	2 - 3 years	More than 3 years	
30 June 2024	24.12	-	-	-	24.12

(b) There are no projects where completion is overdue or costs have exceeded the original plan or where activity has been temporarily suspended.



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9 Investments (Non Current)

Particulars	As at 30 June 2024
Investment in Subsidiaries at cost	
Suraksha Speciality LLP	50.00
Asian Institute of Immunology & Rheumatology LLP	120.00
Suraksha Radiology Private Limited	0.74
<b>Total</b>	<b>170.74</b>
Aggregate amount of unquoted investments	170.74
Aggregate amount of impairment in value of investments	-

10 Loans (Non Current)

Particulars	As at 30 June 2024
Unsecured, considered good	
Loans to related party (Refer Note 40)	1,241.66
<b>Total</b>	<b>1,241.66</b>

11 Other non current financial assets

Particulars	As at 30 June 2024
Unsecured, considered good	
Security Deposits (at amortised cost)	663.77
Bank deposit with maturity for more than 12 months	176.39
<b>Total</b>	<b>840.16</b>

12 Non-current tax assets (Net)

Particulars	As at 30 June 2024
Advance tax and tax deducted at sources, net of provision	48.51
<b>Total</b>	<b>48.51</b>

13 Other non current assets

Particulars	As at 30 June 2024
Capital advances	375.83
<b>Total</b>	<b>375.83</b>

14 Inventories

Particulars	As at 30 June 2024
(At lower of cost and net realisable value)	
Consumables - Stores	630.69
<b>Total</b>	<b>630.69</b>

15 Trade Receivables

Particulars	As at 30 June 2024
Trade receivables considered goods - unsecured	1,211.34
Less: Allowance for expected credit loss	(214.91)
<b>Total</b>	<b>996.43</b>
Further classified as:	
Receivable from related parties (Refer Note No. 40)	220.18
Receivable from others (net)	776.25
<b>Total</b>	<b>996.43</b>

Trade receivables are non-interest bearing and are generally on credit terms of 30 to 60 days. The Company does not hold any collateral security. Refer note 44 for information about the Company's exposure to financial risks, and details of impairment losses for the trade receivable and fair values.



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15 Trade Receivables (cont'd)

30 June 2024	Current						
	Not Due	Outstanding for following periods from due date of Receipts					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>							
- considered good	5.44	927.12	87.21	-	-	-	1,019.77
- which have significant increase in credit risk	-	-	-	64.86	-	-	64.86
- credit Impaired	-	-	-	-	18.17	108.52	126.70
<b>Disputed trade receivables</b>							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit Impaired	-	-	-	-	-	-	-
<b>Subtotal</b>	5.44	927.12	87.21	64.86	18.17	108.52	1,211.34
Less: Allowance for expected credit loss	(0.14)	(34.46)	(17.70)	(35.91)	(18.17)	(108.52)	(214.91)
<b>Total</b>	<b>5.30</b>	<b>892.66</b>	<b>69.51</b>	<b>28.95</b>	<b>-</b>	<b>-</b>	<b>996.43</b>

16 Cash and cash equivalents

Particulars	As at 30 June 2024
Balances with banks	
In current accounts	341.23
Cash on hand	66.50
<b>Total</b>	<b>407.73</b>

17 Bank balances other than cash and cash equivalents

Particulars	As at 30 June 2024
Bank deposits having original maturity of more than 3 months but less than 12 months	4,761.62
<b>Total</b>	<b>4,761.62</b>

Bank deposits of INR 169.87 lakhs has been pledged by way of security for bank guarantee given, which are encashable within next year.

18 Other Current Financial Assets

Particulars	As at 30 June 2024
Other receivables (*)	244.56
<b>Total</b>	<b>244.56</b>

\* The Company has filed the DRHP with Securities and Exchange Board of India (SEBI) in connection with its proposed initial public offering (IPO) of equity shares. The Company has incurred IPO related expenses of INR 244.56 lakhs which shall be reimbursed by the Selling Shareholders in accordance with the agreement dated 23 July 2024 and accordingly has been presented as receivables as at 30 June 2024. Also, refer note 40 for RPT disclosure.

19 Other current assets

Particulars	As at 30 June 2024
Advance to vendors	249.04
Prepaid expenses	98.32
Other receivables	1.66
Security Deposits	84.54
Less: Allowance for expected credit loss	(17.88)
<b>Total</b>	<b>415.68</b>



20 Equity share capital

Particulars	As at 30 June 2024
<b>Authorised share capital</b>	
Equity Shares	
6,10,00,000 (Equity Shares of INR 2 each)	1,220.00
<b>Instruments Entirely Equity In Nature</b>	
1,80,000 (0.0001% Compulsorily Convertible Preference Shares of INR 100/- each)	180.00
	<b>1,400.00</b>
<b>Issued, subscribed and paid up</b>	
Equity Shares	
4,31,24,997 (Equity Shares of INR 2 each fully paid)	862.50
<b>Instruments Entirely Equity In Nature</b>	
1,62,859 (0.0001% Compulsory Convertible Cumulative Preference Share of INR 100/- each)	162.86
<b>Total</b>	<b>1,025.36</b>

(A) Reconciliation of shares outstanding at the beginning and at the end of the period

(i) Equity Shares

Particulars	As at 30 June 2024	
	Number of shares	Amount
Outstanding at the beginning of the period	6,90,000	690.00
Add: Share issued during the period on account of stock split	3,38,10,000	-
Add: Share issued during the period on account of Bonus Issue	86,24,997	172.50
<b>Outstanding at the end of the period</b>	<b>4,31,24,997</b>	<b>862.50</b>

(ii) Instruments Entirely Equity in Nature : 0.0001% Compulsorily Convertible Preference Shares

Particulars	As at 30 June 2024	
	Number of shares	Amount
Outstanding at the beginning of the period	1,62,859	162.86
Add: Issued during the period	-	-
<b>Outstanding at the end of the period</b>	<b>1,62,859</b>	<b>162.86</b>

(B) Rights, preferences and restrictions attached:

(i) Equity Shares

The Company has only one class of equity share having face value of INR 2/- each. Each equity shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the General Meeting. The above shareholding represent the legal ownership of shares.

In the event of liquidation of the Company, the equity shareholders shall be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Equity Shares held by OrbiMed Asia II Mauritius Limited (surviving entity pursuant to amalgamation of OrbiMed Asia II Mauritius FDI Investment Limited) in the Company carry certain protective rights under the terms of the Shareholders

(ii) Rights, preferences and restrictions attached to 0.0001% Compulsorily Convertible Preference Shares

Each 0.0001% Compulsorily Convertible Preference Shares has a face value of INR 100/- each and are convertible into 1 (One) Equity Share of Rs 100 each at such time as required but mandatorily convertible after 19 years. The preference shares carry a dividend of 0.0001% per annum on the face value to be paid out of profits of the Company. The preference shares were issued on 27 March 2017.

(C) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

(i) Equity Shares:

Name of shareholder	As at 30 June 2024	
	No. of shares	% holding
Legal heir(s) of Late Mr. Kishan Kumar Kejriwal (*)	48,09,062	11.15%
Dr. Somnath Chatterjee	41,25,000	9.57%
Ritu Mittal	98,60,562	22.87%
Satish Verma	83,55,562	19.38%
Tinni Investment Limited	24,07,000	5.58%
OrbiMed Asia II Mauritius Limited (surviving entity pursuant to amalgamation of OrbiMed Asia II Mauritius FDI Investment)	84,11,687	19.51%

(\*) The management of the Company is in the process of transferring these shares to the legal heir(s) of Late Mr. Kishan Kumar Kejriwal, post his demise on 05 November

(ii) Instruments Entirely Equity in Nature : Details of 0.0001% Compulsorily Convertible Preference Shares:

Name of shareholder	As at 30 June 2024	
	No. of shares	% holding
OrbiMed Asia II Mauritius Limited (surviving entity pursuant to amalgamation of OrbiMed Asia II Mauritius FDI Investment)	1,62,859	100.00%

(D) Details of Equity shares held by Promoters at the end of the period

Promoter name	As at 30 June 2024			As at 31 March 2024	
	No. of shares	% holding	% change during the period	No. of shares	% holding
Dr. Somnath Chatterjee	41,25,000	9.57%	-	66,000	9.57%
Ritu Mittal	98,60,562	22.87%	-	1,57,769	22.87%
Satish Verma	83,55,562	19.38%	-	1,33,689	19.38%

(E) No equity shares have been bought back by the Company during the period of five years immediately preceding the current period end.



21 Other equity

Particulars	As at 30 June 2024
Retained earnings	13,199.86
Securities premium	4,664.59
<b>Total</b>	<b>17,864.45</b>

(A) Retained earnings

Particulars	As at 30 June 2024
Opening balance	12,396.54
Add: Profit for the period	833.05
Add: Other comprehensive income for the period	(29.73)
<b>Closing balance</b>	<b>13,199.86</b>

(B) Securities premium

Particulars	As at 30 June 2024
Securities Premium	4,837.09
Less: Utilised for issuance of Bonus Shares (*)	(172.50)
<b>Total</b>	<b>4,664.59</b>

\* The Board of Directors and shareholders of the company have approved issue of bonus issue at its meeting held on 15 May 2023 and 17 May 2024 respectively. Accordingly, the company has allotted 86,24,997 equity shares of INR 2 each in proportion of 1 bonus equity shares of face value of INR 2 each for every four equity share of INR 2 each. Further, the Board of Directors and shareholders of the company have approved the split up of each equity share of face value of INR 100 of the company into fifty equity shares of face value of INR 2 each at its meeting held on 15 May 2023 and 17 May 2024 respectively. Accordingly, the issued, subscribed and paid up capital of the company has been subdivided from 6,90,000 equity shares of face value of INR 100 each to 3,45,00,000 equity shares of face value of INR 2 each.

Nature and purpose of other reserves

Retained earnings	Retained earnings are the profits that the Company has earned till date, less any dividends or other distributions paid to shareholders. Retained earnings is a free reserve available for distribution to shareholders and includes remeasurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to profit and loss.
Securities Premium	Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
Other comprehensive Income	OCI reserve represents the balance in equity for the items accounted in other comprehensive income. OCI is classified into (i) The items that will not be classified to profit and loss (ii) The items that will be reclassified to profit and loss

22 Borrowings

(a) Non-current borrowings

Particulars	As at 30 June 2024
<b>Secured</b>	
Term loan from banks (refer note 22.1 below)	396.15
Car Loan (refer note 21.2 below)	
- From banks	49.25
<b>Total</b>	<b>445.40</b>

(b) Current borrowings

Particulars	As at 30 June 2024
<b>Secured</b>	
Term loan from banks (refer note 22.1 below)	298.93
Car Loan (refer note 21.2 below)	
- From Banks	12.19
<b>Total</b>	<b>311.12</b>

Notes:

22.1 Details of rate of interest, repayment and securities with respect to term loans for Medical Equipment's

Term loans from banks are repayable in 48-84 equated monthly installments and carry an interest rate of 6.90% - 10.05% per annum. These loans are secured by exclusive charge on medical equipments purchased out of the respective loans and personal guarantee of directors.

22.2 Details of rate of interest, repayment and securities with respect to Car Loans

The aforesaid term loans are secured against the hypothecation over vehicle's against which such loans have been taken. Such loans are repayable in equal monthly instalment over a period of 12-72 months along with interest in the range of 7.10% to 8.5% per annum.

23 Non current provisions

	As at 30 June 2024
Provision for Gratuity (*)	69.27
Liabilities for compensated absences (*)	64.57
<b>Total</b>	<b>133.84</b>

\*Refer note 39 for disclosure on Employee benefits





24 Trade payables

	As at 30 June 2024
Total outstanding dues of micro enterprises and small enterprises	142.85
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,386.32
<b>Total</b>	<b>1,529.17</b>

Particulars	As at 30 June 2024
(i) The amounts remaining unpaid to micro and small suppliers as at the end of the period: - Principal - Interest	142.70 0.15
(ii) The amount of interest paid by the buyer 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 during each accounting period.	-
(iii) The amount of payments made to micro and small suppliers beyond the appointed day during each accounting period.	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the period) but without adding the interest specified under MSMED Act, 2006.	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting period.	-
(vi) The amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues above are actually paid to the small enterprise.	-

Trade Payables ageing schedule

As at 30 June 2024	Current						
	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
- MSME	-	142.35	-	0.49	-	-	142.85
- Others	536.28	765.67	47.71	13.99	15.25	7.42	1,386.32
Disputed trade payables							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
<b>Total</b>	<b>536.28</b>	<b>908.03</b>	<b>47.71</b>	<b>14.49</b>	<b>15.25</b>	<b>7.42</b>	<b>1,529.17</b>

25 Other current financial liabilities

	As at 30 June 2024
Interest accrued but not due on borrowings	2.89
Security deposits	66.48
Capital creditors	326.26
Payable to employees	393.40
<b>Total</b>	<b>789.03</b>

26 Other current liabilities

	As at 30 June 2024
Revenue received in advance	17.92
Statutory dues payable	138.29
Other payables	36.06
<b>Total</b>	<b>192.27</b>

27 Current provisions

	As at 30 June 2024
Liabilities for compensated absences (Refer Note No. 39)	11.87
<b>Total</b>	<b>11.87</b>

28 Current tax liability

	As at 30 June 2024
Provision for tax (net of advance tax)	161.20
<b>Total</b>	<b>161.20</b>



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29 Revenue from operations

Particulars	For the period 01 April 2024 to 30 June 2024
Revenue from contract with customer	
Sales of diagnostic services	6,043.29
<b>Total</b>	<b>6,043.29</b>

Refer note 42 for additional revenue disclosure

30 Other Income

Particulars	For the period 01 April 2024 to 30 June 2024
Interest Income on :	
- Bank deposits	77.80
- loan to subsidiaries	16.13
- Income tax refund	2.00
Unwinding of discount on security deposits	8.00
Liabilities/ provisions no longer required written back	16.16
Miscellaneous other income	1.00
<b>Total</b>	<b>121.09</b>

31 Cost of materials consumed

Particulars	For the period 01 April 2024 to 30 June 2024
Inventories at the beginning of the period	
Add: Purchases	665.31
Inventories at the end of the period (Refer Note 14)	619.50
<b>Total</b>	<b>654.12</b>

32 Employee benefit expenses

Particulars	For the period 01 April 2024 to 30 June 2024
Salaries, wages and bonus (inclusive of director's remuneration)	936.00
Contribution to provident fund and other funds (Refer Note 39)	57.22
Staff welfare expenses	13.08
Post employment benefit plan (Refer Note 39)	12.24
<b>Total</b>	<b>1,018.54</b>

33 Finance cost

Particulars	For the period 01 April 2024 to 30 June 2024
Interest expense at amortised cost on:	
- Term Loan	22.20
- Lease liabilities	199.32
<b>Total</b>	<b>221.52</b>

34 Depreciation and amortisation expense

Particulars	For the period 01 April 2024 to 30 June 2024
Depreciation of property, plant and equipment (Refer Note 5)	462.03
Amortisation on right-of-use asset (Refer Note 7)	417.87
Amortisation of Intangibles (Refer Note 8)	7.79
<b>Total</b>	<b>887.69</b>



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35 Other expenses

Particulars	For the period 01 April 2024 to 30 June 2024
Advertisement	91.54
Rent expense	65.79
Rent on medical equipment	16.84
Bank charges	12.10
Power and fuel	207.61
Rates and taxes	11.90
Professional fees paid to doctors	1,014.75
<b>Repairs and maintenance:</b>	
- plant and machinery	160.60
- others	22.06
Printing, stationery, postage and courier charges	7.54
Insurance	20.41
Information technology expenses	110.70
Legal and professional fees	33.64
Membership and subscription expenses	26.11
Security and housekeeping charges	125.88
Payments to auditors	4.72
Provision for credit allowances on receivables and deposits	15.82
Security deposits written off	6.65
Bad debts written off	26.78
Commission to collection centers	81.40
Sample testing and collection charges	78.42
Travelling and conveyance	34.78
Communication costs	19.39
Corporate social responsibility expenditure (Refer Note 47)	14.35
Miscellaneous expenses	50.54
<b>Total</b>	<b>2,260.32</b>



36 Tax expense

(A) Income tax expense:

Particulars	For the period 01 April 2024 to 30 June 2024
Current tax	309.16
Deferred tax	(20.02)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>289.14</b>

(B) Income tax expense charged to Other Comprehensive income (OCI)

Particulars	For the period 01 April 2024 to 30 June 2024
Items that will not be reclassified to profit or loss	
Remeasurement of net defined benefit liability	(39.73)
<b>Income tax charged to OCI</b>	<b>10.00</b>

(C) Reconciliation of tax charge

Particulars	For the period 01 April 2024 to 30 June 2024
Profit before tax	1,122.19
Enacted income tax rate applicable to the Company	25.17%
Current tax expenses/(Credit) on profit/(loss) before tax at the enacted income tax rate	282.43
Tax impact of expenses not deductible	3.61
Others	(1.40)
<b>Income tax expense</b>	<b>284.64</b>

The Company has opted for new tax rate under section 115BAA of Income Tax Act, 1961 from the FY 2020-21. Hence, the effective tax rate for current and deferred tax for current period is 25.17% (22% + surcharge + cess).

(D) Deferred tax balances:

Particulars	As at 30 June 2024
<b>Deferred tax liability</b>	
Property, plant and equipment	854.04
Right-of-use assets	1,829.69
	2,683.73
<b>Deferred tax assets</b>	
Unwinding of financial instruments	42.27
Provision for credit allowances on trade receivables	58.59
Lease liabilities	2,037.63
Provision for employee benefits	36.67
	2,175.16
<b>Deferred tax liability</b>	<b>508.57</b>

Movement in deferred tax assets and deferred tax liabilities from 01 April 2024 to 30 June 2024:

Particulars	As at 01 April 2024	Recognised in profit or loss	Recognised in OCI	For the three months period ended 30 June 2024
<b>Deferred tax liabilities</b>				
Property, plant and equipment	844.80	9.24	-	854.04
Right-of-use assets	1,865.44	(35.75)	-	1,829.69
<b>Total deferred tax liability (A)</b>	<b>2,710.24</b>	<b>(26.51)</b>	-	<b>2,683.73</b>
<b>Deferred tax assets</b>				
Unwinding of financial instruments	37.89	4.38	-	42.27
Provision for credit allowances on trade receivables	54.61	3.98	-	58.59
Lease liabilities	2,059.74	(22.11)	-	2,037.63
Provision for employee benefits	19.41	7.26	10.00	36.67
<b>Total deferred tax assets (B)</b>	<b>2,171.65</b>	<b>(6.49)</b>	<b>10.00</b>	<b>2,175.16</b>
<b>Deferred tax liability (A-B)</b>	<b>538.59</b>	<b>(20.02)</b>	<b>(10.00)</b>	<b>508.57</b>



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(All amount are in INR Lakhs, unless otherwise stated)

37 Earning per share

Particulars	For the period 01 April 2024 to 30 June 2024
Profit attributable to ordinary equity holders	833.05
Weighted average number of equity shares outstanding (Nos.)	4,31,24,997
Add: Weighted average number of compulsorily convertible preference	1,01,78,688
Total of Weighted average number of shares outstanding (Nos.)	5,33,03,685
Face Value per share	2.00
<b>Basic earnings per share (INR)</b>	<b>1.56</b>
Diluted earnings per share (INR)	1.56

38 Contingent liabilities and commitments

Particulars	As at 30 June 2024
<b>COMMITMENTS</b>	
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	646.30

39 Employee benefits

(A) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employees salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no further obligations towards specified contributions. The contributions are charged to the statement of profit and loss as and when they accrue.

During the period, the Company has recognized the following amounts in the Standalone Statement of Profit and Loss:

	For the period 01 April 2024 to 30 June 2024
Employers' Contribution to Provident Fund	44.30
Employers' Contribution to State Insurance Scheme	12.92
	<b>57.22</b>

(B) Defined benefit plans

i. Gratuity:

The Company provides Gratuity for employees in India as per the Payment of Gratuity Act, 1972. All employees are entitled to gratuity benefits on exit from service due to retirement, resignation or death. There is a vesting period of 5 years on exits due to retirement or resignation. This defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk. The present value of the defined benefit obligation and the relevant current service cost are measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date.

The gratuity benefit is provided through a Gratuity Fund administered and managed by the Life Insurance Corporation of India. The annual contributions are charged to Statement of profit and loss.

ii) Amount recognised in balance sheet

	As at 30 June 2024
Present value of obligation as at the end of the period	379.52
Fair Value of plan assets at the end of the period	310.25
<b>Net liability recognized in Balance Sheet</b>	<b>69.27</b>
Current liability	-
Non-current liability	69.27
<b>Total</b>	<b>69.27</b>

iii) Changes in the present value of benefit obligation

	As at 30 June 2024
Present value of obligation at the beginning of the period	333.30
Included in profit or loss	
Interest cost	5.81
Current service cost	11.94
Past service cost	-
	<b>17.75</b>
Included in Other Comprehensive Income	
Actuarial (gain)/ loss - Demographic Assumptions	2.21
Actuarial (gain)/ loss - Experience	38.08
	<b>40.29</b>
Other	
Benefit payments directly by the Company	(11.82)
<b>Present value of obligation at the end of the period</b>	<b>379.52</b>



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i. Gratuity (cont'd)

iii) Changes in the fair value of plan assets

	As at 30 June 2024
Fair value of plan assets as at the beginning of the period	316.01
Included in profit or loss	
Interest income on plan assets	5.51
	5.51
Included in Other Comprehensive Income	
Return on plan assets greater / (lesser) than discount rate	0.55
	0.55
Other	
Benefits paid	(11.82)
Fair value of plan assets as at the end of the period	310.25

iv) Reconciliation of balance sheet amount

	As at 30 June 2024
Opening net (asset)/liability	17.29
Expense/(income) recognised in profit and loss	12.24
Expense/(income) recognised in other comprehensive income	39.74
Balance sheet (Asset)/Liability at the end of period	69.27

v) Expense recognized in the statement of profit and loss

	For the period 01 April 2024 to 30 June 2024
Current service cost	11.94
Net Interest cost	0.30
Total expenses recognized in the statement of profit and loss	12.24

vi) Expense recognized in other comprehensive income

	For the period 01 April 2024 to 30 June 2024
Actuarial (gains)/ losses arising from:	
- Experience	38.08
- Assumptions changes	2.21
Return on plan assets excluding interest income	(0.55)
Net actuarial (gains) / losses recognised in OCI	39.74

vii) Principal assumptions used for the purpose of the actuarial valuation

	For the period 01 April 2024 to 30 June 2024
Mortality	100% of IALM 2012-14
Discount Rate	6.92%
Salary increase rate	5.25%
Attrition rate	
Upto 30 years	3.00%
31-40 years	2.00%
More than 44 years	1.00%
Retirement age	60.00

viii) Major categories of plan assets are as follows:

	30 June 2024
Funds managed by Life Insurance Corporation of India	100.00%



I. Gratuity (cont'd)

ix) Sensitivity analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The changes would have affected the defined benefit obligation as below:

	For the period 01 April 2024 to 30 June 2024
<b>Change in Discount rate</b>	
Delta effect + 1%	-10.72%
Delta effect - 1%	12.86%
<b>Change in rate of salary increase</b>	
Delta effect + 1%	12.52%
Delta effect - 1%	-10.82%

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

x) Maturity profile of benefit payments

Year	For the period 01 April 2024 to 30 June 2024
1 Year	24.36
2 to 5 years	83.42
6 to 10 years	141.76
More than 10 years	803.82

The weighted average duration of defined benefit obligation is 13 years

Gratuity is a defined benefit plan and entity is exposed to the Following Risks:

- Interest rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
- Salary Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
- Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- Regulatory Risk:** : Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act , 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000).

ii. Compensated absences:

The provision for compensated absences (Privilege Leave) as at the period end 30 June 2024 is INR 53.95 lakhs. The provision for compensated absences (Sick Leave) as at the period end 30 June 2024 is INR 22.49 lakhs.



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40 Related party disclosures

A. Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Suraksha Speciality LLP Asian Institute of Immunology & Rheumatology LLP (AIIR) Suraksha Radiology Private Limited
Step-down Subsidiary	Suraksha Salvia LLP
Key Management Personnel (KMPs)	Dr Somnath Chatterjee - Jt. Managing Director (w.e.f 16 July 2024) Ritu Mittal - Jt. Managing Director & Chief Executive Officer (w.e.f 16 July 2024) Karan Kanika Verma - Director (Resigned w.e.f 16 July 2024) Satish Kumar Verma - Director (w.e.f 16 July 2024) Arun Sadhanandham - Director Amit Saraf - Chief Financial Officer (w.e.f 03 June 2024) Mamta Jain - Company Secretary (w.e.f 15 April 2024)
Entities over which KMPs/ directors and/ or their relatives are able to exercise significant influence	Suraksha Diagnostic & Eye Centre Private Limited Oscar Enclave Private Limited R.A. Enterprises Kejriwal Constructions Sahayta Clinic LLP Suresh Enterprise Kejriwal Electronics Ltd
Relative of KMPs	Raghavi Mittal Dr Aparajita Chatterjee Dr Tandra Chatterjee Munna Lal Kejriwal Santosh Kumar Kejriwal

B. Details of related party transactions during the period:

Particulars	For the period 01 April 2024 to 30 June 2024
<b>Sale of Services</b>	
Suraksha Diagnostic & Eye Centre Private Limited	79.25
Suraksha Salvia LLP	5.33
Asian Institute of Immunology & Rheumatology LLP	10.40
<b>Purchase of Consumables</b>	
R.A. Enterprise	199.43
Kejriwal Electronics Ltd	0.05
<b>Rent Expense</b>	
Oscar Enclave Private Limited	115.22
Kejriwal Constructions	15.55
Suresh Enterprise	8.57
<b>Sales Promotion expenses to relative of KMP</b>	
Raghavi Mittal	2.25
<b>Professional Fees to relative of KMP</b>	
Dr Aparajita Chatterjee	5.29
Dr Tandra Chatterjee	0.31
<b>Commission Paid</b>	
Asian Institute of Immunology & Rheumatology LLP	1.12
Sahayta Clinic LLP	0.41
<b>Interest received on loan</b>	
Suraksha Speciality LLP	2.46
Asian Institute of Immunology & Rheumatology LLP	0.50
Suraksha Radiology Private Limited	13.18
<b>Loan to subsidiaries</b>	
Asian Institute of Immunology & Rheumatology LLP	110.00
Suraksha Radiology Private Limited	565.00
<b>Advances to step-down subsidiary</b>	
Suraksha Salvia LLP	4.17
<b>Advances to subsidiaries</b>	
Suraksha Speciality LLP	0.77
Suraksha Radiology Private Limited	1.60
Asian Institute of Immunology & Rheumatology LLP	2.13
<b>Investment made</b>	
Asian Institute of Immunology & Rheumatology LLP	55.00
<b>Remuneration paid to KMPs</b>	
Dr. Somnath Chatterjee	54.00
Ritu Mittal	54.00





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40 Related party disclosures (cont'd)

C. Balances Outstanding as at the end of the period:

Particulars	As at 30 June 2024
<b>Trade Receivable</b>	
Suraksha Diagnostic & Eye Centre Private Limited	149.61
Suraksha Salvia LLP	69.88
Asian Institute of Immunology & Rheumatology LLP	0.51
Sahayta Clinic	0.18
<b>Loans including interest</b>	
Suraksha Speciality LLP	152.24
Suraksha Radiology Private Limited	978.97
Asian Institute of Immunology & Rheumatology LLP	110.45
<b>Investment in Subsidiaries</b>	
Suraksha Speciality LLP	50.00
Asian Institute of Immunology & Rheumatology LLP	120.00
Suraksha Radiology Private Limited	0.74
<b>Security Deposits Receivable</b>	
Oscar Enclave Private Limited	114.60
Suresh Enterprise	12.00
<b>Other Receivables</b>	
Ritu Mittal	27.17
Dr. Somnath Chatterjee	27.17
Satish Kumar Verma	27.17
Orbimed Asia II Mauritius Limited	135.88
Munna Lal Kejriwal	10.19
Santosh Kumar Kejriwal	16.98
<b>Advance to Suppliers</b>	
Suraksha Speciality LLP	0.77
Suraksha Radiology Private Limited	2.07
<b>Trade Payables</b>	
R.A. Enterprise	85.85
Oscar Enclave Private Limited	35.15
Kejriwal Constructions	4.74
Suresh Enterprise	2.61
Dr Aparajita Chatterjee	1.35
Sahayata Clinic LLP	0.48
Asian Institute Of Immunology & Rheumatology LLP	1.07
Dr Tandra Chatterjee	0.15
<b>Payable to KMPs</b>	
Ritu Mittal	11.18
Dr. Somnath Chatterjee	11.18

Notes:

- i) All transactions with these related parties are at arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured.
- ii) Related parties have been identified by the Management and relied upon by the auditors.
- iii) The remuneration to key Managerial personnel does not include provision for gratuity and leave encashment, as they are determined for the Company as a whole.



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(All amount are in INR Lakhs, unless otherwise stated)

41 Segment information

The Company is engaged solely in the business of diagnostic centers for carrying out various pathology and radiology services. The entire operations are governed by the same set of risks and returns and hence is considered as representing a single business segment. As the Company operates in a single primary business segment, no separate segment information has been disclosed.

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocates resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore there is no reportable segment for the Company, in accordance with the requirements of Indian Accounting Standard 108- 'Operating Segments', notified under the Companies (Indian Accounting Standard) Rules, 2015. The Board regularly reviews the performance reports and make decisions about allocation of resources.

(a) Information about geographical areas

The Company is domiciled in India and has revenue only from India. The Company operates within India and therefore there are no assets or liabilities outside India.

(b) Information about major customers

No single customer contributed more than 10% or more to the Company's revenue during the period ended 30 June 2024.

42 Revenue as per Ind AS 115

A. Contract balances

a) The following table provides information about receivables, unbilled revenue and deferred revenue from contracts with customers:

Particulars	As at 30 June 2024
Trade Receivables	996.43
Contract liabilities Advances from customers	17.92

b) Significant changes in the contract balances during the period are as follows:

Particulars	Contract liabilities
	As at 30 June 2024
Opening balance	4.55
Revenue recognised during the period	(4.55)
Advances received	17.92
At the end of the reporting period	17.92

B. Reconciliation of revenue recognised vis-à-vis contracted price

Particulars	For the period 01 April 2024 to 30 June 2024
Revenue as per contracted price	6,477.91
Adjustments made to contract price on account of :-	
Discount / Rebates	(434.62)
Revenue from operations	6,043.29

C. The Sales of Diagnostic Services includes the revenue from the Covid Tests and its vaccination for an amount of INR 2.13 Lakhs for the three months period ended 30 June 2024.



43 Fair value measurements

(A) Classification of financial assets and financial liabilities:

The following table shows the carrying amounts of financial assets and financial liabilities which are classified as amortised cost. There are no other financial assets or financial liabilities classified under Fair value through Profit and Loss (FVTPL) and Fair value through Other Comprehensive Income (FVOCI).

Particulars	As at 30 June
	2024
	Amortised Cost
<b>Financial assets</b>	
<b>Non-current</b>	
Investments	170.74
Loans	1,241.66
Other financial assets	840.16
<b>Current</b>	
Trade receivables	996.43
Cash and cash equivalents	407.73
Bank balances other than cash and cash equivalents	4,761.62
Other financial assets	244.56
<b>Financial liabilities</b>	
<b>Non-current</b>	
Borrowings	445.40
Lease liabilities	7,056.70
<b>Current</b>	
Borrowings	311.12
Lease liabilities	1,039.41
Trade payables	1,529.17
Other financial liabilities	789.03

(B) Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1 - Quoted prices in active markets for identical items (unadjusted)
- Level 2 - Inputs other than quoted prices included within 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 - Unobservable inputs (i.e. not derived from market data).

Fair value of Financial Assets and Liabilities measured at amortized cost:

The fair value of other current financial assets, cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate the carrying amounts because of the short-term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security deposits are not significantly different from the carrying amount.



**44 Financial risk management**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. These risks are categorised into Market risk, Credit risk and Liquidity risk.

**(A) Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument.

The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables and loans and borrowings.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on variable borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Change in Interest Rates	For the period 01 April 2024 to 30 June 2024
Impact in profit before tax	100 bp increase	(0.22)
	100 bp decrease	0.22

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The Company's exposure to the risk of change in foreign exchange rates is Nil as on 30 June 2024.

**(B) 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. The Company's maximum exposure to credit risk for the components of the balance sheet at 30 June 2024 is the carrying amounts of financial assets as per Note 43. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

**Trade receivables :**

The Company applies the Ind AS 109 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance (ECL) for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company's trade receivable are generally having credit period from 30 to 60 days and historically, majority of trade receivables are recovered subsequently.

The Company uses a provision matrix to measure the ECLs of trade receivables. The provision matrix is initially based on the Company's historical observed default rates. Based on evaluation carried out and to the best estimate of management, historical loss sufficiently covers expected loss as well as future contingencies and adjustment for forward looking factors are not considered significant, hence no adjustment for forward looking factors is carried.

**Computation of Allowance for impairment losses:**

ECL is computed based on the trade receivable as at reporting period by applying the bucket wise lifetime loss rate (PDs) determined for each reporting period.

**Other financial assets:**

Balances with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors. Other financial assets mainly includes deposit given. Based on assessment carried by the Company, entire receivable under this category is classified as "Stage 1". There is no history of loss and credit risk and the amount of provision for expected credit losses on other financial assets is negligible.

**Ageing for Trade receivables under simplified approach**

**Undisputed- considered good**

30 June 2024	Not Due	Less than 6 months	6 months-1 year	More than 1 year	Total
Gross carrying amount	5.44	927.12	87.21	191.56	1,211.34
Provision for expected credit losses	(0.14)	(34.46)	(17.70)	(162.61)	(214.91)
Carrying amount of Trade receivable (net of impairment)	5.30	892.66	69.51	28.95	996.43
Expected loss rate	2.57%	3.72%	20.30%	84.89%	17.74%

**The movement in provision for expected credit loss is as follows:**

Particulars	For the period 01 April 2024 to 30 June 2024
Opening provision	(216.97)
Impairment loss reversed	(2.06)
Closing provision	(214.91)



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44 Financial risk management (cont'd)

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

**Financing arrangements:**

The Company has the following undrawn committed borrowing facilities at the end of the reporting period:

Particulars	As at
Unutilized bank overdraft facilities	30 June 2024
Total	200.00
	200.00

**Maturities of financial liabilities:**

The table below summarizes the undiscounted maturity profile of the Company's financial liabilities on an undiscounted basis:

Particulars	Carrying Value	Contractual cash flows			
		Total	Within 1 year	1-5 years	More than 5 years
As at 30 June 2024					
Borrowings	756.52	756.52	311.12	445.40	-
Lease liabilities	8,096.11	9,672.99	1,833.17	5,844.86	1,994.96
Trade payables	1,529.17	1,529.17	1,529.17	-	-
Other financial liabilities	789.03	789.03	789.03	-	-
<b>Total</b>	<b>11,170.83</b>	<b>12,747.71</b>	<b>4,462.49</b>	<b>6,290.26</b>	<b>1,994.96</b>



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45 Ratios

S No.	Ratio	Formula	Particulars		As at 30 June 2024		Ratio as on 30 June 2024
			Numerator	Denominator	Numerator	Denominator	
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories + Current loans + Trade receivable + Cash & cash Equivalents + Other current financial assets	Current Liability= current borrowings + current lease liabilities + Trade payables + Other financial liabilities + Other current liabilities and provisions	7,456.71	4,034.07	1.85
(b)	Debt-Equity Ratio	Debt / Equity	Debt= Non current borrowings + Non current Lease liabilities + Current borrowings + Current Lease liabilities	Equity= Equity share capital + Other equity	8,852.63	18,889.81	0.47
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	Net profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of PPE etc.	Interest expense + Principal repayments made during the year for long term loans + Lease payments	1,958.08	1,993.48	0.98
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes less Preference dividends	Average shareholder's equity	833.05	18,488.15	4.51%
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress	(Opening inventory + Closing inventory)/2	654.12	648.00	1.01
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net credit sales	Average Trade Receivables	6,043.29	955.82	6.32
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net credit purchases	Average Trade Payables	619.50	1,479.36	0.42
(h)	Net Capital Turnover Ratio	Revenue / Working Capital	Revenue from operations	Working capital= current assets- current liabilities	6,043.29	3,422.64	1.77
(i)	Net Profit Ratio	Net Profit / Net Sales	Net profit	Net sales	833.05	6,043.29	13.78%
(j)	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Tangible net worth + Total borrowings + total Lease liabilities + Deferred tax liabilities (net)	1,343.71	27,742.44	4.84%
(k)	Return on Investment	Other Income (excluding dividend)/Average Cash and cash equivalents and other marketable securities	Other Income (excluding dividend)	Average Cash and cash equivalents and other marketable securities	121.09	5,347.09	2.26%

Note:

(a) The Company has opted to avail exemption from presenting comparatives in line with the exemption as per ICDR Regulations and accordingly, no comparative ratios or variances have been presented.



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**46 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company's objectives when managing capital are to:

- a) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- b) provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following ratio: Net debt divided by total equity.

Particulars	As at
	30 June 2024
Net debt (Refer note (i) below)	3,683.28
Equity (Refer note (ii) below)	18,889.81
Net debt to equity	0.19

(i) Net Debt comprises of total borrowings (including interest accrued but not due) and lease liabilities reduced by Cash and cash equivalents and Other bank balances.

(ii) Equity comprises of equity share capital, instrument entirely equity in nature and other equity.

**Financial risk management objective and policies**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

**47 Details of Corporate social responsibility (CSR) expenses:**

Particulars	For the period 01 April 2024 to 30
	June 2024
(i) Gross amount required to be spent by the Company during the period	14.35
(ii) Amount approved by the Board to be spent during the period	-
(iii) Amount spent during the period (in cash)	-
- on construction/ acquisition of any asset	-
- on purpose other than above (in Health care initiatives)	-
(iv) Shortfall / (Excess) at the end of the period	14.35
(v) Total of previous years shortfall	-
(vi) Details of related party transactions	-
(vii) Unspent amount in relation to:	-
- Ongoing project	-
- Other than ongoing project	-

Note- The Company has not made any contribution to related parties towards CSR. The Company has not incurred any CSR expenditure with related parties.

**48 Other regulatory information**

**(i) Title deeds of Immovable Properties not held in name of the Company**

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company in the current period.

**(ii) Fair valuation of investment property**

The Company does not have any investment property.

**(iii) Revaluation of property, plant and equipment (including right-of-use assets) and intangible assets**

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current period.

**(iv) Loans or advances to specified persons**

The Company has not given any loans or advances to specified persons both during the current period.

**(v) 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) and Rules made thereunder in the current period.

**(vi) Wilful Defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority in the current period.

**(vii) Relationship with struck off companies**

The Company does not have any transactions or balance outstanding with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 in the current period.

**(viii) Registration of charges or satisfaction with Registrar of Companies (ROC)**

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period in the current period.

**(ix) Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017 in the current period.

**(x) Compliance with approved Scheme(s) of Arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current period.



Suraksha Diagnostic Limited (Formerly known as Suraksha Diagnostic Private Limited)

Notes forming part of the special purpose Ind AS interim standalone financial statements for the three months period ended 30 June 2024

(All amount are in INR Lakhs, unless otherwise stated)

**48 Other regulatory information (cont'd)**

**(xi) Utilisation of Borrowed funds and share premium in the current period and previous periods:**

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

**(xii) Undisclosed income**

The Company does not have any undisclosed income not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 in the current period.

**(xiii) Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in crypto currency or virtual currency during the current period.

**(xiv) Utilisation of borrowings availed from banks and financial institutions**

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such borrowings were taken in the current period.

**(xv) Details of Loan given, Investments made and Guarantee given covered under section 186(4) of the Companies Act, 2013**

The Company has complied with the provisions of Sections 186 of the Companies Act, 2013, in respect of loans granted, investments made and guarantees given in the current period. Refer note 9 and 10 for details.

**49** The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on 28 September, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on 13 November, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the year in which, the Code becomes effective and the related rules to determine the financial impact are published.

**50 Subsequent Events after the reporting date**

- (i) The Company had given an earnest money deposit by way bank guarantee of Rs.150.00 lakhs to Bihar State Health Society in 2014-15 which had been encashed by the other party on grounds of non-compliance of the term of agreement, accordingly, the Company has filed writ petition before the Patna High Court during previous years. Pursuant to the order dated 09 August 2024, the Patna High Court has passed order in the favour of the Company and directed Bihar State Health Society to refund the amount of Bank Guarantee along with 9% simple interest from the date of encashment which is awaited.

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No: 105047W



Dipak Jaiswal  
Partner  
Membership No: 063682

For and on behalf of the Board of Directors of  
Suraksha Diagnostic Limited  
(formerly known as Suraksha Diagnostic Private Limited)  
(CIN:U85110WB2005PLC102265)

Dr Somnath Chatterjee  
Jt. Managing Director  
DIN: 00137075

Ritu Mittal  
Jt. Managing Director & Chief Executive Officer  
DIN: 00165886

Amit Saraf  
Chief Financial Officer

Namta Jain  
Company Secretary  
M No: ACS25654

Place: Kolkata  
Date: 16 September 2024

Place: Kolkata  
Date: 16 September 2024

Place: Kolkata  
Date: 16 September 2024